

Comprehensive Annual Financial Report

of

**Community High School
District 99**

Downers Grove, Illinois

For the Fiscal Year Ended June 30, 2019

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, 2019

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INTRODUCTORY SECTION (UNAUDITED)

December 18, 2019

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, 2019, 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 about 5,000 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-eight 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 basic 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 May and 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 2018 levy, collected by the District in May/June and September 2019, is intended for the fiscal year beginning July 1, 2019.

First installment tax collections of the 2018 tax levy were \$45.7 million, representing 50.8% of the total levy, and were deferred to the 2019-20 fiscal year. This compares to the prior year's first installment collection of \$44.9 million which was 52.9% of the total 2017 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 Based Funding model (EBF) system to determine the amount of General State Aid to be allocated to each public school district in the state. The EBF 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 EBF model goes first to districts in the lower three tiers with only a small fraction going to tier 4 districts.

Under EBF, our State Aid has been frozen at the 2016-17 fiscal year level of about \$4 million representing about \$810 per student per year. This amount is considered 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 2018-19 was about \$9,400, or less than 0.3%. Total State funding, exclusive of “on behalf” support, typically makes up about 7% of our total revenue. 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 1.8%.

The State of Illinois is experiencing its worst financial crisis in several decades. School funding has remained a high priority and is improving, 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.

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. The 2019 calendar year levy tax cap limit (CPI-U) is 1.9%. The District is using the last ten-year average of 1.8% to estimate the increase in the CPI-U index for the next four years.

Increases in the District’s assessed values attributable to new construction have been rising steadily over the last five years, ranging from 0.62% to 0.95%. The District anticipates new construction to average about 1.0%, or better, over the next five years.

The 1.8% CPI-U increases, along with annual estimated new construction increases of 1.0%, provides a future annual property tax growth rate expectation of about 2.9%.

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.

The District uses an independent professional demographer to provide future enrollment estimates going out as far as the 2031-32 school year. This information is updated every five years. Student enrollment levels are expected to remain relatively stable, with variations of less than 1% over the next five years. This is expected to help the District control expenditures.

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.

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).

The MSP was updated 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.

Our MFP was created through a mix of stakeholders which included students, staff and members of the community over a multi-year period. Ultimately, we created a facility improvement plan that provides for a much safer, efficient and supportive learning environment for our students. In order to make all the improvements, we sought, and received, support from our community to issue \$136.6 million of school construction bonds. Work is expected to be completed by the beginning of the 2021-22 school year.

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.

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. Unemployment for area villages has dropped to about 2.8% in 2018. This compares to DuPage County and State of Illinois rates of 3.1% and 4.3%, respectively.

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, 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 eight years. In the 2012-13 fiscal year, an expansion of our North Campus site was completed by purchasing eight adjacent residential properties. 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. These improvements are being phased over 3 years. Two bond issues, totaling \$69 million, were made during the 2017-18 and 2018-19 fiscal years to fund these activities. Another bond issuance, in the amount of \$67.6 million is planned for fiscal year 2019-20.

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, 2018. This was the twentieth 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 2019 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,

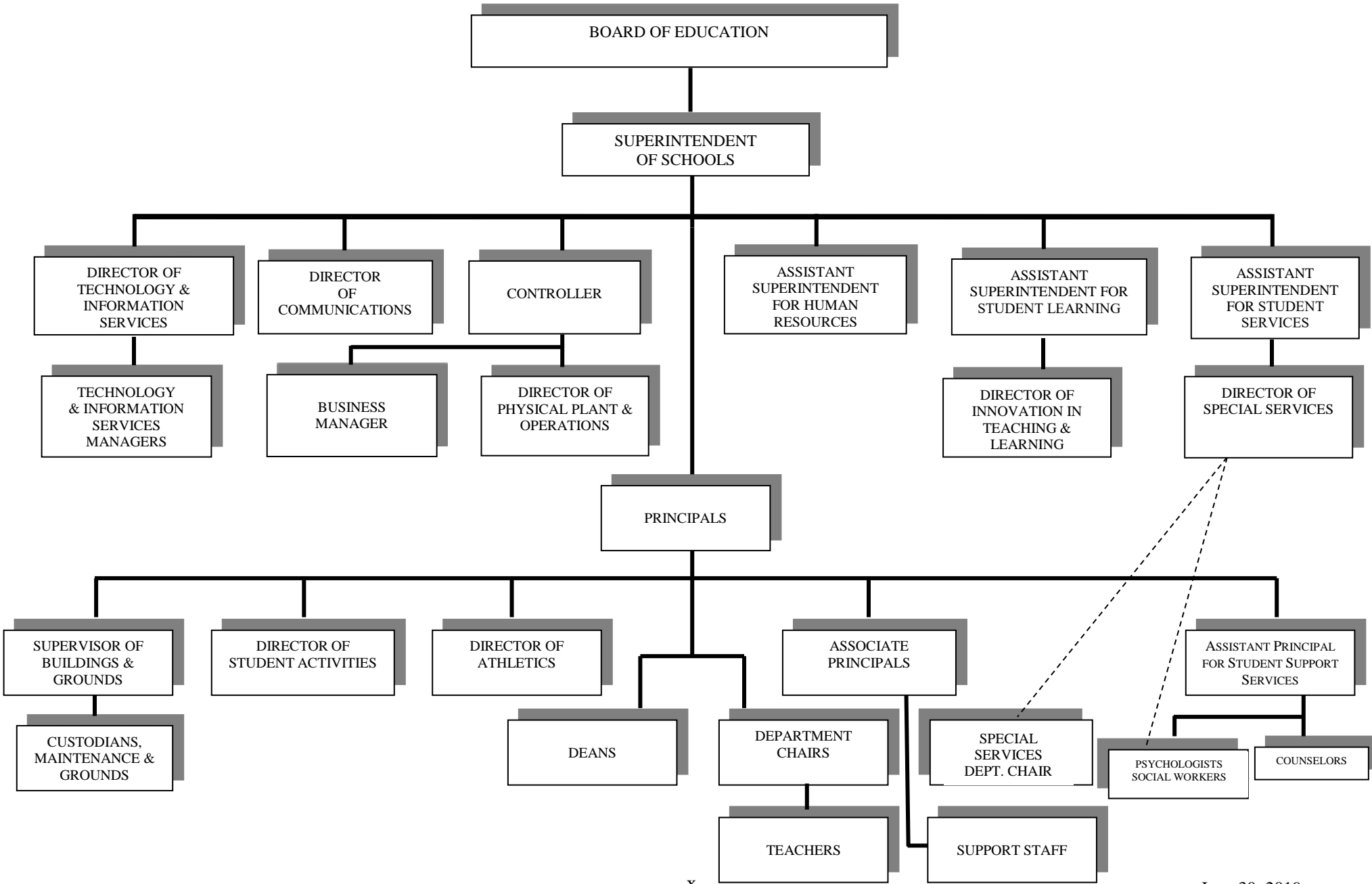


Dr. Hank Thiele
Superintendent



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, 2019

Board of Education

		<u>Term Expires</u>
Nancy J. Kupka	President	2023
Michael J. Davenport	Vice President	2023
Sherell Fuller	Member	2021
Teresa K. Pavesich	Member	2021
Daniel Nicholas	Member	2021
Rick A. Pavinato	Member	2021
Joanna Vazquez Drexler	Member	2023

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, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 83 through 86, the other postemployment benefits data on pages 87 through 89, and the budgetary comparison schedules and notes to the required supplementary information on pages 90 through 116, 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, 2019 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.

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, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 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, 2019 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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, 2018 (not presented herein), and have issued our report thereon dated December 21, 2018, 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, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The 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 2018 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, 2018.

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 18, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
December 18, 2019

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. 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 \$262.4 million.
- Total capital assets, net of accumulated depreciation, were \$101.7 million at year end reflecting a net increase of \$11.4 million.
- Depreciation expense was \$3.6 million in FY 2019 and \$4.0 million in FY 2018.
- The District's deferred outflows of resources consisted of \$13.0 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 \$182.8 million.
- Long-term liabilities increased by \$59.2 million.
- The District's deferred inflows of resources consisted of \$89.2 million in property taxes levied for a future period and \$16.0 million related to pensions and OPEB.
- The total net deficit decreased by \$4.9 million from the beginning of year balance, to (\$12.6) million during the year.
- General revenues were \$91.3 million and total expenses, net of program revenues, were \$86.4 million.
- Expenses for total governmental activities, net of program revenues, increased by \$4.2 million, or by about 5.1%, compared to FY 2018.

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.

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.

COMMUNITY HIGH SCHOOL DISTRICT 99

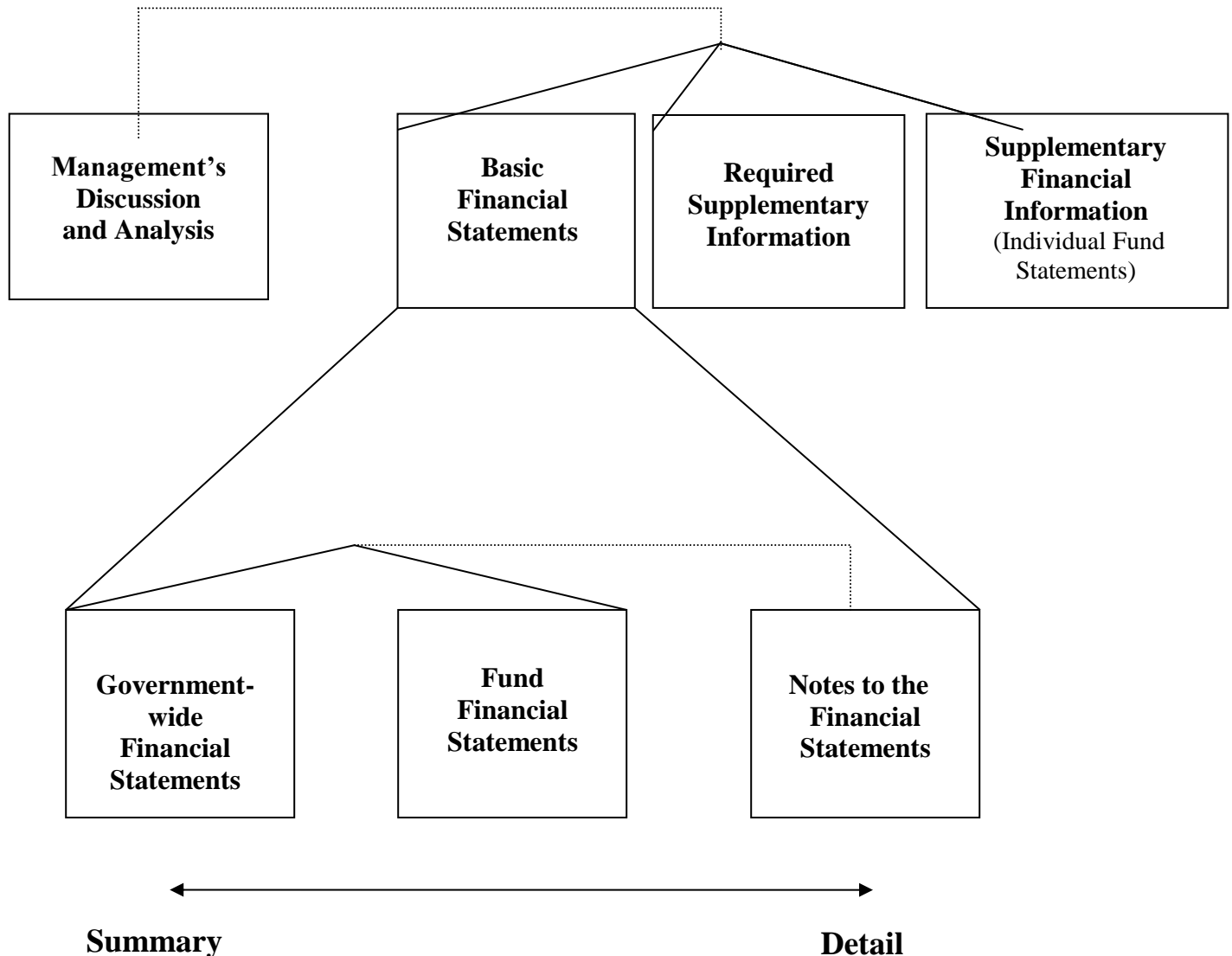
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Overview of the Financial Statements (Continued)

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 (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Overview of the Financial Statements (Continued)

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 (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Overview of the Financial Statements (Continued)

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 (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

- *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 (\$12.6) million on June 30, 2019, a decrease of \$4.9 million compared to (\$17.5) million as of June 30, 2018. (See Figure A-3).

Figure A-3 Condensed Statement of Net Deficit

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$160,733,286	\$103,876,314
Capital Assets, net of depreciation	<u>101,652,768</u>	<u>90,267,438</u>
Total Assets	<u>262,386,054</u>	<u>194,143,752</u>
Deferred outflows related to pensions	11,208,885	4,551,692
Deferred outflows related to other postemployment benefits	<u>1,820,267</u>	<u>1,843,271</u>
Total deferred outflow of resources	<u>13,029,152</u>	<u>6,394,963</u>
Long-term liabilities	169,051,725	109,811,725
Other liabilities	<u>13,752,539</u>	<u>7,785,331</u>
Total liabilities	<u>182,804,264</u>	<u>17,597,056</u>
Deferred inflows related to pensions	5,320,018	7,561,596
Deferred inflows related to other postemployment benefits	10,663,023	8,887,768
Property taxes levied for a future period	<u>89,178,307</u>	<u>83,953,406</u>
Total deferred inflows	<u>105,161,348</u>	<u>100,402,770</u>
Net position (deficit)		
Net investment in capital assets	75,558,920	65,719,285
Restricted	56,641,727	10,372,646
Unrestricted	<u>(144,751,053)</u>	<u>(93,553,042)</u>
Total net deficit	<u>\$(12,550,406)</u>	<u>\$(17,461,111)</u>

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Financial Analysis of the District as a Whole (Continued)

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 32.1% of the District's total revenue for the last fiscal year. However, the support level drops to 6.7% when \$34.2 million of State "On Behalf" pension payments made directly to the Teacher's Retirement System (TRS) is excluded.

Finally, investment earnings have started to come back, but earnings are still down compared to "pre-recession" levels, reflecting a level of only about \$1.0 million in fiscal year 2018-19. 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 \$134.6 million (See Figure A-4), representing a \$1.2 million, or 0.9%, increase from last year.

TRS and Teachers' Health Insurance Security Fund (THIS) "on behalf" contributions are made directly to the Teachers' Retirement System of the State of Illinois. It decreased by nearly \$2.0 million compared to the prior fiscal year. This appears as a revenue and expense in Figure A-4.

Real estate and personal property replacement taxes accounted for most of the District's revenue, equating to approximately 64 cents of every dollar raised. (See Figure A-5.)

Investment earnings increased by 131.3% due to improving interest rates. Charges for services decreased by 0.5%.

The total costs of all programs and services were \$129.7 million, representing a \$2.3 million, or 1.8%, increase compared to the previous year.

The District's expenses were predominantly related to instructing, transporting and providing supporting instructional services to our students (57.1%). (See Figure A-6.)

State retirement contributions, made by the State of Illinois on behalf of the District, were \$34.2 million, or 26.4% of total costs, for the year.

The District's administrative and business activities accounted for 5.7% of total costs. Operations and maintenance expenses were 7.0% of the costs for the year. Other costs, including interest on long-term debt, were about 3.8%.

Total revenues exceeded total expenses by \$4.9 million, and resulted in a net deficit of (\$12.6) million at the end of the year.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Financial Analysis of the District as a Whole (Continued)

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

	<i>Governmental Activities</i>			
	<u>2019</u>	<u>% of Total</u>	<u>2018</u>	<u>% of Total</u>
Revenues				
Program revenues				
Charges for services	\$4,134,289	3.1%	\$4,154,027	3.1%
Grants and contributions	4,991,366	3.7%	4,898,934	3.7%
State retirement contributions	34,193,066	25.4%	36,144,694	27.1%
General revenues				
Taxes	85,625,436	63.6%	83,312,633	62.4%
State aid - formula grants	4,030,581	3.0%	4,024,511	3.0%
Investment earnings	1,041,325	0.8%	450,116	0.3%
Miscellaneous	<u>621,861</u>	<u>0.4%</u>	<u>490,757</u>	<u>0.4%</u>
Total revenues	134,637,924	100.0%	133,475,672	100.0%
Expenses				
Instructional programs	60,472,873	46.6%	57,880,134	45.4%
State retirement contributions	34,193,066	26.4%	36,144,694	28.4%
Pupil and instructional support services	9,015,768	6.9%	8,754,727	6.9%
Administration and business	7,423,338	5.7%	6,141,351	4.8%
Transportation	4,548,398	3.5%	4,049,470	3.2%
Operations and maintenance	9,111,428	7.0%	9,496,295	7.4%
Central and other supporting services	3,339,541	2.6%	3,544,538	2.8%
Community services	29,181	0.1%	30,577	0.0%
Non-programmed charges - excluding special education	809,221	0.6%	739,418	0.6%
Interest and fees	<u>784,405</u>	<u>0.6%</u>	<u>651,522</u>	<u>0.5%</u>
Total expenses	129,727,219	100.0%	127,432,726	100.0%
Change in net position (deficit)	4,910,705		6,042,946	
Net position (deficit):				
July 1 - beginning of year	<u>(17,461,111)</u>		<u>(23,504,057)</u>	
June 30 - end of year	<u>\$(12,550,406)</u>		<u>\$(17,461,111)</u>	

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Financial Analysis of the District as a Whole (Continued)

Figure A-5 Governmental Activities - Sources of Revenue Comparison

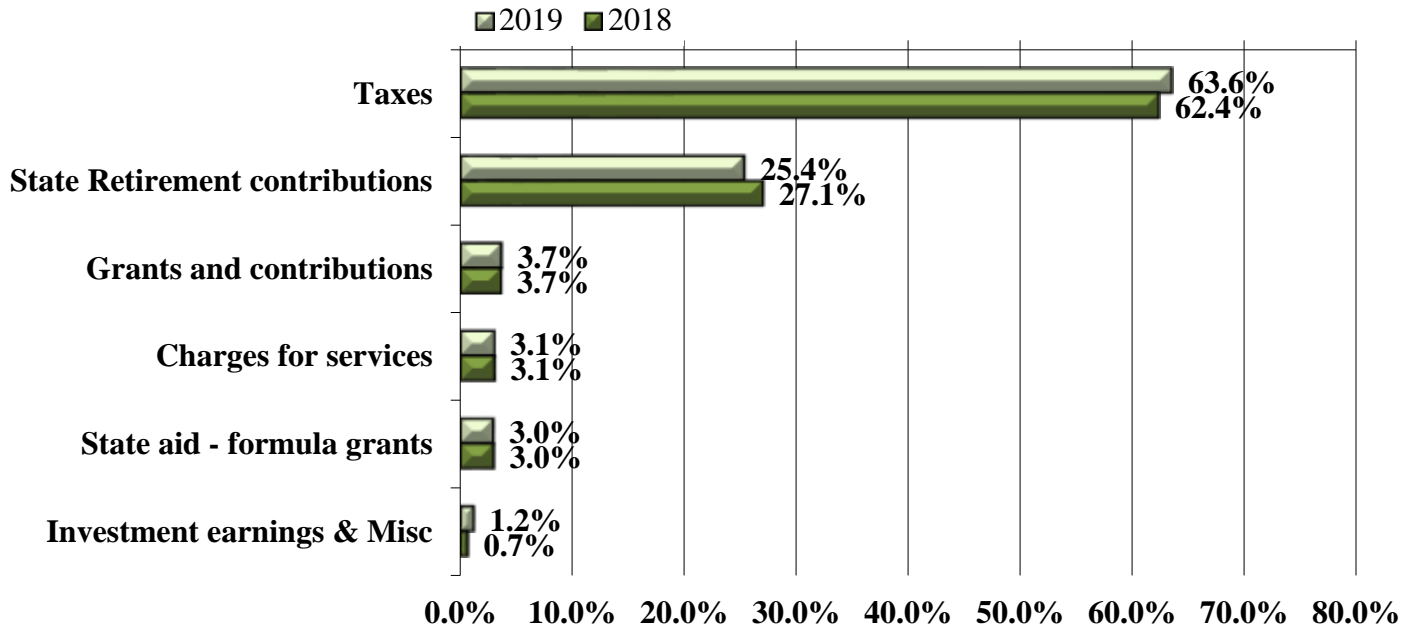
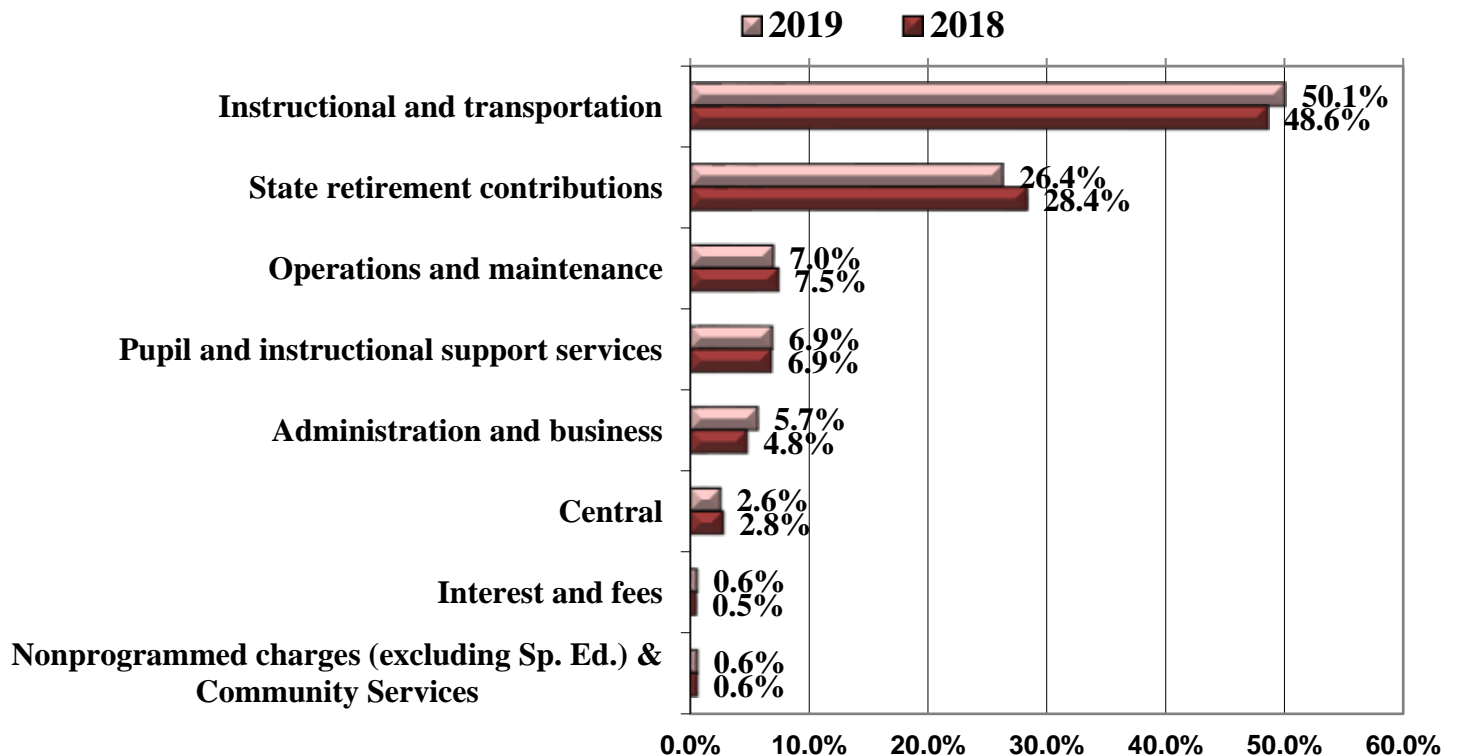


Figure A-6 Expenses of Governmental Activities Comparison



COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Financial Analysis of the District as a Whole (Continued)

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, 2019, real estate tax revenues increased by \$2.2 million or 2.7%. Replacement Taxes increased by \$0.1 million or 11.3%. State retirement contributions decreased by \$2.0 million or 5.4%. Miscellaneous Revenues increased by \$0.1 million or 26.7%. State aid-formula grants and other grants increased by \$0.1 million, or 1.1%.

Figure A-7 presents the cost of major District activities:

- The cost of all *governmental* activities this year was \$129.7 million.
- Administration and business costs increased greatly due to increases in health care costs and construction related planning and support costs.
- About 3.2% of the cost was financed by the users of the District's programs (\$4.1 million).
- The federal and State governments subsidized certain programs with grants and contributions totaling \$39.2 million – which includes \$34.2 million of On-Behalf payments to TRS and THIS from the State of Illinois.
- District's net costs of \$86.4 million, or 66.6%, were financed primarily by District taxpayers.

Figure A-7 Total Cost of Governmental Activities

	TOTAL COST OF SERVICES			
	2019	2018	\$ change	% change
Instructional programs	\$60,472,873	\$57,880,134	\$2,592,739	4.5%
State retirement contributions	34,193,066	36,144,694	(1,951,628)	-5.4%
Pupil and instructional support services	9,015,768	8,754,727	261,041	3.0%
Administration and business	7,423,388	6,141,351	1,281,987	20.9%
Transportation	4,548,398	4,049,470	498,928	12.3%
Operations and maintenance	9,111,428	9,496,295	(384,867)	-4.1%
Central and other supporting services	3,339,541	3,544,538	(204,997)	-5.8%
Community services	29,181	30,577	(1,396)	-4.6%
Non-programmed charges	809,221	739,418	69,803	9.4%
Interest and fees	<u>784,405</u>	<u>651,522</u>	<u>132,883</u>	20.4%
Total	<u>\$129,727,219</u>	<u>\$127,432,726</u>	<u>\$2,294,493</u>	<u>1.8%</u>

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Financial Analysis of the District as a Whole (Continued)

Governmental Activities (Continued)

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>2019</u>	<u>2018</u>	<u>\$ change</u>	<u>% change</u>
Instructional programs	\$54,125,203	\$51,722,799	\$2,402,404	4.6%
Pupil and instructional support services	8,885,723	8,614,569	271,154	3.1%
Administration and business	6,121,367	4,763,904	1,357,463	28.5%
Transportation	3,411,989	2,912,993	498,996	17.1%
Operations and maintenance	8,901,868	9,254,751	(352,883)	-3.8%
Central and other supporting services	3,339,541	3,544,538	(204,997)	-5.8%
Community services	29,181	30,577	(1,396)	-4.6%
Non-programmed charges	809,221	739,418	69,803	9.4%
Interest and fees	<u>784,405</u>	<u>651,522</u>	<u>132,883</u>	20.4%
Total	<u>\$86,408,948</u>	<u>\$82,235,071</u>	<u>\$4,173,427</u>	<u>5.1%</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 \$45.7 million, resulting in a combined fund balance of about \$57.9 million.

Total revenues, exclusive of the State retirement contribution, increased by \$912,361 or 1.2% when taken in the aggregate. Federal support increased by \$0.1 million, or 4.4% and interest income increased by \$0.6 million, or 131.3%. Property taxes increased by \$2.2 million, or 2.7%; Replacement taxes increased by \$0.1 million, or 11.3%; and Other revenues increased by \$0.1 million, or 2.4%. Total governmental fund expenditures decreased by \$1.8 million, or 1.3%. Total expenditures exclusive of On Behalf Payments made to TRS and THIS by the State, increased by \$13.9 million, or 13.7%.

The fund balance of the General (Educational) Fund is \$1.9 million, reflecting a decrease of approximately \$0.5 million for the year ended June 30, 2019. Total General Fund revenues, exclusive of On Behalf Payments to TRS and THIS from the State, increased by \$0.9 million, or 1.2%, during the fiscal year.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Financial Analysis of the District's Funds (Continued)

Total expenditures for the General Fund, exclusive of On Behalf Payments to TRS and THIS from the State, decreased by approximately \$1.6 million or 2.2%, for the 2018-19 fiscal year. Other financing uses in the General Fund reflect \$1.6 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 increase of \$0.2 million resulting in a Fund Balance of about \$0.6 million at year end. Total revenues in the 2018-19 fiscal year increased by \$1.1 million compared to the prior fiscal year. Property tax revenue was \$9.1 million for the year ended June 30, 2019, \$1.1 million higher than that of the previous fiscal year. The increase in property taxes was deliberate. The levy for this fund was raised to increase the Fund Balance in this fund.

Expenditures in the Operations and Maintenance Fund increased by \$0.1 million this year. During the year, this fund transferred \$0.9 million to the Debt Service Fund to retire debt from prior year capital projects.

The Transportation Fund shows a \$0.1 million increase in the fund deficit. Revenues were \$4.4 million and expenditures were \$4.5 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 also added to the annual costs. The fund deficit for the Transportation Fund is \$0.7 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 \$0.2 million during the year. State aid in the amount of \$500,000 was allocated to this fund in order to offset expenditures in this fund. The fund balance at year end is \$0.2 million.

The Debt Service Fund revenues of \$8.4 million and transfers in of \$2.5 million totaling \$10.9 million, were slightly exceeded by expenditures of \$10.9 million for the year. The Debt Service Fund has a fund balance of \$1.3 million at year end.

The Capital Projects Fund had revenues of \$0.1 million and expenditures of \$14.5 million this year. Proceeds of a \$52.0 million bond issuance for major renovations to each campus are accounted for in this fund. This bond issuance also involved premiums of \$8.6 million providing a combined total proceeds of \$60.6 million. The fund balance at year end is \$54.6 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 (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Capital Asset and Debt Administration

Capital Assets

By the end of 2019, the District had invested \$154.7 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 \$3.6 million, and net improvements and additions amounted to about \$15.0 million. Capital assets, net of depreciation, totaled \$101.7 million at June 30, 2019.

Figure A-9 Capital Assets (net of depreciation)

	<u>2019</u>	<u>2018</u>	<u>\$ change</u>	<u>% change</u>
Land	\$3,234,393	\$3,234,393	\$ -	0.0%
Buildings and Improvements	124,902,490	122,417,707	2,484,783	2.0%
Equipment	12,318,938	10,636,491	1,682,477	15.8%
Vehicles	833,039	833,039	-	0.0%
Construction in Progress & Equipment Not Yet Placed in Service	<u>13,441,744</u>	<u>2,594,973</u>	<u>10,846,771</u>	418.0%
Total	154,730,604	139,716,603	15,014,001	10.7%
Less accumulated depreciation	<u>(53,077,836)</u>	<u>(49,449,165)</u>	<u>(3,628,671)</u>	7.3%
Net Capital Assets	<u>\$ 101,652,768</u>	<u>\$ 90,267,438</u>	<u>\$ 11,385,330</u>	12.6%

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 began in FY 2019 and will continue over the next two 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 identifying a number of eligible 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. Future bonding capacity exists if other items are identified or if costs exceed the bonds issued. The Illinois School Code allows the District up to five years to address all items.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Capital Asset and Debt Administration (Continued)

Long-Term Liabilities

At year-end, the District had \$169.1 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).

- The District retired \$10.3 million of outstanding bonds, debt certificates, and capital leases during the year.
- \$52.0 million of School Construction bonds were issued during the year.
- The legal debt margin is \$245.7 million, or 75.6% unused, of the total authority of \$325.2 million.

Figure A-10 Outstanding Long Term Debt

	<u>2019</u>	<u>2018</u>	<u>\$ change</u>	<u>% change</u>
General obligation bonds	\$ 82,893,727	\$ 31,299,711	\$ 51,594,016	164.8%
Debt certificates	3,655,000	4,445,918	(790,918)	-17.8%
Capital Leases	1,095,365	1,420,182	(324,817)	-22.9%
Pension liability	20,197,066	11,317,792	8,879,274	78.5%
Other postemployment benefit liability	60,831,652	60,984,379	(152,727)	-0.3%
Compensated absences	<u>378,915</u>	<u>343,743</u>	<u>35,172</u>	<u>10.2%</u>
TOTAL	<u>\$ 169,051,725</u>	<u>\$ 109,811,725</u>	<u>\$ 59,240,000</u>	53.9%

Factors Bearing on the District's Future

Property taxes account for 70.1% 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 2018 and 2019 tax extensions have already been established and are 2.1% for 2018 and 1.9% for 2019. These limits will impact the property tax revenue to be reflected in the 2019-20 and 2020-21 fiscal year budgets. Long-term financial projections for the CPI-U reflect an annual increase of 1.8% for the three fiscal years following 2020-21.

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 rise slightly over the last year and future projections reflect an average earnings rate to be 2.0% over the next 5 years.

COMMUNITY HIGH SCHOOL DISTRICT 99

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2019

Factors Bearing on the District's Future (Continued)

Changes in student enrollments, and the District's desire to maintain appropriate pupil-to-teacher ratios, are the factors that most affect operating costs. Community High School District 99's student enrollment increased by 65 students over the last year to a present enrollment level of 4,994. An independent consultant has provided enrollment projections up through the 2031-32 fiscal year. Enrollment is projected to remain stable for the foreseeable future with minor changes from year to year. The District expects to keep pupil-to-teacher ratios constant going forward with no significant negative impact to operations.

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 the expected revenue stream for the District through the 2019-20 fiscal year. Future contracts are expected to have the same protection for the District. 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, 2020 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. Our North campus was built in 1924 with multiple renovations and additions occurring, the most recent of which was completed in 2002. Our South campus was built in 1964 and also has had multiple additions. It was also renovated in 2002. In March of 2018, our community supported the District by approving a referendum authorizing the issuance of \$136.6 million of construction bonds for major renovations of both main campuses and to address safety, accessibility and program equity concerns. \$9.1 million of bonds were issued in June of 2018 and \$52.0 million of bonds were issued in June of 2019 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, 2019

ASSETS

Cash and investments	\$ 116,235,247
Receivables (net of allowance for uncollectibles):	
Property taxes	43,438,744
Replacement taxes	152,667
Intergovernmental	906,628
Capital assets:	
Land	3,234,393
Construction in progress and equipment not yet placed in service	13,441,744
Depreciable buildings, property, and equipment, net	<u>84,976,631</u>
Total assets	<u>262,386,054</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions	11,208,885
Deferred outflows related to other postemployment benefits	<u>1,820,267</u>
Total deferred outflows	<u>13,029,152</u>

LIABILITIES

Accounts payable	8,851,726
Salaries and wages payable	3,974,442
Claims payable	748,790
Interest payable	84,733
Other current liabilities	92,848
Long-term liabilities:	
Due within one year	13,498,027
Due after one year	<u>155,553,698</u>
Total liabilities	<u>182,804,264</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	5,320,018
Deferred inflows related to other postemployment benefits	10,663,023
Property taxes levied for a future period	<u>89,178,307</u>
Total deferred inflows	<u>105,161,348</u>

NET DEFICIT

Net investment in capital assets	75,558,920
Restricted For:	
Operations and maintenance	615,457
Debt service	1,251,928
Retirement benefits	162,670
Capital projects	54,611,672
Unrestricted	<u>(144,751,053)</u>
Total net deficit	<u><u>\$ (12,550,406)</u></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, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Deficit
Governmental activities				
Instruction:				
Regular programs	\$ 38,103,631	\$ 3,038,855	\$ 637,216	\$ (34,427,560)
Special programs	16,505,416	-	2,454,924	(14,050,492)
Other instructional programs	5,863,826	43,440	173,235	(5,647,151)
State retirement contributions	34,193,066	-	34,193,066	-
Support services:				
Pupils	5,826,325	-	5,374	(5,820,951)
Instructional staff	3,189,443	-	124,671	(3,064,772)
General administration	1,611,766	-	-	(1,611,766)
School administration	2,413,718	-	-	(2,413,718)
Business	3,397,854	842,434	459,537	(2,095,883)
Transportation	4,548,398	-	1,136,409	(3,411,989)
Operations and maintenance	9,111,428	209,560	-	(8,901,868)
Central	3,339,541	-	-	(3,339,541)
Community services	29,181	-	-	(29,181)
Nonprogrammed charges - excluding special education	809,221	-	-	(809,221)
Interest and fees	784,405	-	-	(784,405)
Total governmental activities	<u>\$ 129,727,219</u>	<u>\$ 4,134,289</u>	<u>\$ 39,184,432</u>	<u>(86,408,498)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				62,047,391
Real estate taxes, levied for specific purposes				14,330,947
Real estate taxes, levied for debt service				8,292,842
Personal property replacement taxes				954,256
State aid-formula grants				4,030,581
Investment earnings				1,041,325
Miscellaneous				621,861
Total general revenues				<u>91,319,203</u>
Change in net deficit				4,910,705
Net deficit, beginning of year				<u>(17,461,111)</u>
Net deficit, end of year				\$ (12,550,406)

The accompanying notes are an integral part of this statement.

Community High School District 99

Governmental Funds

BALANCE SHEET

June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 39,225,953	\$ 5,537,811	\$ 1,038,958	\$ 1,497,327
Receivables (net of allowance for uncollectibles):				
Property taxes	30,999,670	4,232,494	1,510,332	1,267,520
Replacement taxes	152,667	-	-	-
Intergovernmental	<u>625,182</u>	<u>-</u>	<u>281,446</u>	<u>-</u>
Total assets	<u>\$ 71,003,472</u>	<u>\$ 9,770,305</u>	<u>\$ 2,830,736</u>	<u>\$ 2,764,847</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 750,757	\$ 352,924	\$ 477,453	\$ -
Salaries and wages payable	3,911,994	60,905	1,543	-
Claims payable	696,940	51,850	-	-
Other current liabilities	<u>92,848</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,452,539</u>	<u>465,679</u>	<u>478,996</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>63,641,299</u>	<u>8,689,169</u>	<u>3,100,661</u>	<u>2,602,177</u>
FUND BALANCES (DEFICITS)				
Restricted	-	615,457	-	162,670
Assigned	901,874	-	-	-
Unassigned	<u>1,007,760</u>	<u>-</u>	<u>(748,921)</u>	<u>-</u>
Total fund balances (deficits)	<u>1,909,634</u>	<u>615,457</u>	<u>(748,921)</u>	<u>162,670</u>
Total liabilities, deferred inflows, and fund balances (deficits)	<u>\$ 71,003,472</u>	<u>\$ 9,770,305</u>	<u>\$ 2,830,736</u>	<u>\$ 2,764,847</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 7,052,934	\$ 61,882,264	\$ 116,235,247
5,428,728	-	43,438,744
-	-	152,667
-	-	906,628
<u>\$ 12,481,662</u>	<u>\$ 61,882,264</u>	<u>\$ 160,733,286</u>

\$ -	\$ 7,270,592	\$ 8,851,726
-	-	3,974,442
-	-	748,790
-	-	92,848
-	7,270,592	13,667,806

<u>11,145,001</u>	<u>-</u>	<u>89,178,307</u>
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1,336,661	54,611,672	56,726,460
-	-	901,874
-	-	258,839
<u>1,336,661</u>	<u>54,611,672</u>	<u>57,887,173</u>

<u>\$ 12,481,662</u>	<u>\$ 61,882,264</u>	<u>\$ 160,733,286</u>
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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, 2019

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

Total fund balances - total governmental funds	\$ 57,887,173
--	---------------

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.	101,652,768
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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	\$ 6,095,039	
TRS pension	(206,172)	
RHP OPEB	(2,387,332)	
THIS OPEB	<u>(6,455,424)</u>	(2,953,889)

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.	(84,733)
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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>(169,051,725)</u>
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Net deficit of governmental activities	<u><u>\$ (12,550,406)</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, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 62,047,391	\$ 9,078,576	\$ 3,027,830	\$ 2,224,541
Replacement taxes	786,256	-	-	168,000
State aid	24,706,006	-	1,376,409	500,000
Federal aid	2,818,540	-	-	-
Interest	713,286	89,682	15,921	21,116
Other	4,484,282	221,298	14,100	-
Total revenues	<u>95,555,761</u>	<u>9,389,556</u>	<u>4,434,260</u>	<u>2,913,657</u>
Expenditures				
Current:				
Instruction:				
Regular programs	36,777,227	-	-	978,833
Special programs	14,468,285	-	-	402,881
Other instructional programs	4,702,454	-	-	136,965
State retirement contributions	20,379,008	-	-	-
Support services:				
Pupils	5,456,719	-	-	205,443
Instructional staff	1,971,946	-	-	43,870
General administration	1,497,011	-	-	34,099
School administration	2,180,037	-	-	91,838
Business	1,598,916	156,757	-	121,139
Transportation	375	-	4,505,448	-
Operations and maintenance	-	7,106,742	-	774,938
Central	2,993,968	-	-	298,124
Community services	28,220	-	-	848
Nonprogrammed charges	2,032,132	-	33,570	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	345,217	1,060,887	-	-
Total expenditures	<u>94,431,515</u>	<u>8,324,386</u>	<u>4,539,018</u>	<u>3,088,978</u>
Excess (deficiency) of revenues over expenditures	1,124,246	1,065,170	(104,758)	(175,321)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(1,623,706)	(856,340)	-	-
Debt issuance	-	-	-	-
Premium on debt issuance	-	-	-	-
Total other financing sources (uses)	<u>(1,623,706)</u>	<u>(856,340)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(499,460)	208,830	(104,758)	(175,321)
Fund balance (deficit), beginning of year	<u>2,409,094</u>	<u>406,627</u>	<u>(644,163)</u>	<u>337,991</u>
Fund balance (deficit), end of year	<u>\$ 1,909,634</u>	<u>\$ 615,457</u>	<u>\$ (748,921)</u>	<u>\$ 162,670</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 8,292,842	\$ -	\$ 84,671,180
-	-	954,256
-	-	26,582,415
-	-	2,818,540
130,674	70,646	1,041,325
-	36,470	4,756,150
<u>8,423,516</u>	<u>107,116</u>	<u>120,823,866</u>
-	-	37,756,060
-	-	14,871,166
-	-	4,839,419
-	-	20,379,008
-	-	5,662,162
-	-	2,015,816
-	-	1,531,110
-	-	2,271,875
-	860,358	2,737,170
-	-	4,505,823
-	-	7,881,680
-	-	3,292,092
-	-	29,068
-	-	2,065,702
10,269,817	-	10,269,817
647,787	-	647,787
-	13,608,624	15,014,728
<u>10,917,604</u>	<u>14,468,982</u>	<u>135,770,483</u>
(2,494,088)	(14,361,866)	(14,946,617)
2,480,046	-	2,480,046
-	-	(2,480,046)
-	51,985,000	51,985,000
-	8,645,126	8,645,126
<u>2,480,046</u>	<u>60,630,126</u>	<u>60,630,126</u>
(14,042)	46,268,260	45,683,509
<u>1,350,703</u>	<u>8,343,412</u>	<u>12,203,664</u>
<u>\$ 1,336,661</u>	<u>\$ 54,611,672</u>	<u>\$ 57,887,173</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, 2019

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

Net change in fund balances - total governmental funds.	\$	45,683,509
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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 in the current period.		11,385,330
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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	\$ 9,002,681	
TRS pension	(103,910)	
RHP OPEB	542,862	
THIS OPEB	<u>(2,341,121)</u>	7,100,512

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.	(18,646)
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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.	(50,831,704)
---	--------------

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>(8,408,296)</u>
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Change in net deficit of governmental activities.	\$ <u><u>4,910,705</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, 2019

	Agency Fund	Private Purpose Trust Fund
<hr/>		
ASSETS		
Cash and investments	\$ 637,477	\$ 1,546,346
	<u>637,477</u>	<u>1,546,346</u>
LIABILITIES		
Due to student groups	\$ 637,477	\$ -
	<u>637,477</u>	<u>-</u>
NET POSITION HELD IN TRUST FOR EXTERNAL PARTIES	\$ -	\$ 1,546,346
	<u>-</u>	<u>1,546,346</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, 2019

	Private Purpose Trust Fund
<hr/>	
ADDITIONS	
Contributions by external parties	\$ 8,950
Interest and investment income	<u>23,832</u>
Total additions	32,782
DEDUCTIONS	
Scholarships paid	<u>17,870</u>
Change in net position	14,912
Net position, beginning of year	<u>1,531,434</u>
Net position, end of year	<u>\$ 1,546,346</u>

The accompanying notes are an integral part of this statement.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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. 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.

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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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.

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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. **Government-Wide and Fund Financial Statements** (Continued)

b. **Special Revenue Funds** (Continued)

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.

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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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. Compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, personal property 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. 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, 2019, 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, 2019, the District reported deferred inflows of resources related to pensions, other postemployment benefits, and property taxes levied for a future period.

6. Deposits and Investments

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

7. 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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. 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, 2019 are determined on the basis of current salary rates and include salary related payments.

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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Accumulated Unpaid Vacation and Sick Pay (Continued)

The liability for accrued vacation, at June 30, 2019, was \$378,915 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.

9. 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. Investments are stated at fair value.

10. 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.

11. 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. 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.

13. Restricted Net Position

For the government-wide financial statements, net position 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 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.

14. 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, inventories, and interfund advances receivable. As of June 30, 2019, 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-3.
- 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, 2019, the District had no committed fund balances.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance (Continued)

- 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 \$901,874 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.

15. 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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	\$ 68,425,000
Capital appreciation bonds	5,783,668
Debt certificates	3,655,000
Capital leases	1,095,365
Unamortized bond and debt certificate premiums	8,685,059
Compensated absences	378,915
IMRF net pension liability	15,408,761
TRS net pension liability	4,788,305
RHP total other postemployment benefit liability	11,925,952
THIS net other postemployment benefit liability	<u>48,905,700</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net deficit – governmental activities	\$ 169,051,725

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:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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 (Continued)

Capital outlay	\$ 15,014,001
Depreciation expense	<u>(3,628,671)</u>
Net adjustment to increase net change in fund balance (deficits) - total governmental funds to arrive at change in net deficit - governmental activities	 <u>\$ 11,385,330</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	\$ (51,985,000)
Principal repayments	
General obligation bonds	7,065,000
Capital appreciation bonds	2,090,000
Debt certificates	790,000
Capital leases	324,817
Accreted interest	(354,802)
IMRF pension liability, net	(9,290,590)
TRS pension liability, net	411,316
RHP other postemployment benefit liability, net	142,565
THIS other postemployment benefit liability, net	10,162
Compensated absences, net	<u>(35,172)</u>
Net adjustment to decrease net change in fund balances (deficits) – total governmental funds to arrive at change in net deficit of governmental activities	 <u>\$ (50,831,704)</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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, 2019, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>116,235,247</u>	\$ <u>2,183,823</u>	\$ <u>118,419,070</u>

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

	<u>Total</u>
Cash on hand	\$ 500
Deposits with financial institutions *	<u>118,418,570</u>
	<u>\$ 118,419,070</u>

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

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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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).

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, 2019, the bank balances of the District's deposits with financial institutions totaling \$118,644,881 were fully insured or collateralized. The District's investment instruments are either held by the District or by the District's agent.

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 2018 tax levy resolution was approved by the Board on December 17, 2018. 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

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 2018 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 2018 levy is to be used to finance operations in fiscal 2020. Therefore, the entire 2018 levy, including amounts collected in fiscal 2019, 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, 2019

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2019</u>
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	<u>1,290,337</u>	<u>13,441,744</u>	<u>1,290,337</u>	<u>13,441,744</u>
Total capital assets not being depreciated	<u>5,829,366</u>	<u>13,441,744</u>	<u>2,594,973</u>	<u>16,676,137</u>
Capital assets, being depreciated				
Buildings and improvements	122,417,707	2,484,783	-	124,902,490
Equipment	10,636,491	1,682,447	-	12,318,938
Vehicles	<u>833,039</u>	<u>-</u>	<u>-</u>	<u>833,039</u>
Total capital assets being depreciated	<u>133,887,237</u>	<u>4,167,230</u>	<u>-</u>	<u>138,054,467</u>
Less accumulated depreciation for:				
Buildings and improvements	41,312,306	2,430,514	-	43,742,820
Equipment	7,635,629	1,137,269	-	8,772,898
Vehicles	<u>501,230</u>	<u>60,888</u>	<u>-</u>	<u>562,118</u>
Total accumulated depreciation	<u>49,449,165</u>	<u>3,628,671</u>	<u>-</u>	<u>53,077,836</u>
Total capital assets being depreciated, net	<u>84,438,072</u>	<u>538,559</u>	<u>-</u>	<u>84,976,631</u>
Governmental activities capital assets, net	<u>\$ 90,267,438</u>	<u>\$ 13,980,303</u>	<u>\$ 2,594,973</u>	<u>\$ 101,652,768</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE E - CAPITAL ASSETS (Continued)

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

Regular programs	\$ 833,210
Special programs	100,460
Other instructional programs	95,509
Pupils	42,211
Instructional staff	1,152,472
General administration	61,549
School administration	95,401
Business	93,700
Transportation	36,536
Operations and maintenance	<u>1,117,623</u>
Total depreciation expense - governmental activities	<u><u>\$ 3,628,671</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - LONG-TERM LIABILITIES

1. Changes in General Long-Term Liabilities

During the year ended June 30, 2019, the following is the long-term liability activity for the District:

	<u>Balance</u> <u>July 1, 2018</u>		<u>Accretion /</u> <u>Additions</u>		<u>Reductions /</u> <u>Refunds</u>		<u>Balance</u> <u>June 30, 2019</u>
Bonds payable:							
General obligation bonds	\$ 23,505,000	\$	51,985,000	\$	7,065,000	\$	68,425,000
Capital appreciation bonds	7,518,866		354,802		2,090,000		5,783,668
Add unamortized premium	275,845		8,645,126		235,912		8,685,059
Debt certificates	4,445,000		-		790,000		3,655,000
Add unamortized premium	918		-		918		-
Capital leases	1,420,182		-		324,817		1,095,365
IMRF net pension liability	6,118,171		12,755,317		3,464,727		15,408,761
TRS net pension liability	5,199,621		112,083		523,399		4,788,305
RHP total other postemployment benefit liability	12,068,517		813,072		955,637		11,925,952
THIS net other postemployment benefit liability	48,915,862		2,726,509		2,736,671		48,905,700
Compensated absences	343,743		606,271		571,099		378,915
Total long-term liabilities - governmental activities	\$ <u>109,811,725</u>	\$	<u>77,998,180</u>	\$	<u>18,758,180</u>	\$	<u>169,051,725</u>

	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 9,865,000
Capital appreciation bonds	2,090,000
Debt certificates	805,000
Capital leases	359,112
Compensated absences	378,915
	<u>\$ 13,498,027</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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	3.75%	\$ 10,000,000	\$ 2,480,000	\$ 2,480,000
General Obligation Limited School Bonds - 2016 - Matures December 2023	1.74%	3,500,000	2,995,000	2,995,000
General Obligation Limited School Bonds - 2017 - Matures December 2024	2.12%	1,915,000	1,910,000	1,910,000
General Obligation School Bonds 2018 - Matures December 2021	2.25% - 2.55%	9,055,000	9,055,000	9,055,000
Local Government Program Revenue Bonds 2019 - Matures December 2031	2.00% - 5.00%	<u>51,985,000</u>	<u>51,985,000</u>	<u>51,985,000</u>
Subtotal - General Obligation Bonds		<u>76,455,000</u>	<u>68,425,000</u>	<u>68,425,000</u>
Capital Appreciation Bonds - 2002A Refunding bonds - Matures June 2022	5.38% - 5.43%	<u>4,589,207</u>	<u>6,260,000</u>	<u>5,783,668</u>
		<u>\$ 81,044,207</u>	<u>\$ 74,685,000</u>	<u>\$ 74,208,668</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - LONG-TERM LIABILITIES (Continued)

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

At June 30, 2019, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 11,955,000	\$ 2,524,680	\$ 14,479,680
2021	8,460,000	2,363,793	10,823,793
2022	6,035,000	2,170,077	8,205,077
2023	6,010,000	2,001,760	8,011,760
2024	5,280,000	1,796,669	7,076,669
2025-2029	23,600,000	5,612,184	29,212,184
2030-2032	13,345,000	688,825	14,033,825
Total	\$ 74,685,000	\$ 17,157,988	\$ 91,842,988

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,336,661 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, 2019, the statutory debt limit for the District was \$325,175,555 of which \$245,740,190 is fully available.

During the fiscal year ended June 30, 2019, the District issued \$51,985,000 of Local Government Program Revenue Bonds Series 2019. The purpose of this bond issuance was to finance certain capital improvements under the District's Master Facility Plan.

3. **Debt Certificates**

On November 1, 2016, the District issued \$4,650,000 Taxable Refunding Debt Certificates Series 2016A, for purposes of partially refunding certain maturities of the 2008 debt certificates and fully refunding certain other debt certificates.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE F - LONG-TERM LIABILITIES (Continued)

3. Debt Certificates (Continued)

At June 30, 2019, annual debt service requirements to maturity for debt certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
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>\$ 3,655,000</u>	<u>\$ 113,004</u>	<u>\$ 3,768,004</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.

4. Capital Leases

The District leases various computer, network, and copier equipment, with a gross asset cost of \$1,557,501, under various capital leases which expire at various dates through August 2023. Accumulated depreciation of the assets was \$512,440 as of June 30, 2019, which includes \$311,501 of depreciation expense recorded for the year ended June 30, 2019. The leases require aggregate annual payments of \$400,010, including interest at rates ranging from 2.00% 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, 2019:

Years Ending June 30,	Minimum Payments
2020	\$ 400,010
2021	204,851
2022	202,263
2023	202,263
2024	<u>202,263</u>
Total minimum lease payments	1,211,650
Less amount representing interest	<u>(116,285)</u>
Present value of minimum lease payments	<u>\$ 1,095,365</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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	\$ 1,623,706	Principal and interest payments on long-term debt
Debt Service Fund	Operations and Maintenance Fund	856,340	Principal and interest payments on long-term debt
		<u>\$ 2,480,046</u>	

NOTE H - DEFICIT FUND BALANCE

At June 30, 2019 the Transportation Fund had a deficit fund balance of \$748,921. 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, 2019, total unpaid claims, including an estimate of claims that have been incurred but not reported (IBNR) to the administrative agent, totaled \$748,790. 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE I - RISK MANAGEMENT (Continued)

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

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
Unpaid claims, beginning of fiscal year	\$ 775,189	\$ 680,036
Incurred claims (including those claims incurred but not reported)	5,079,512	4,850,787
Claim payments	<u>(5,105,911)</u>	<u>(4,755,634)</u>
Unpaid claims, end of fiscal year	<u>\$ 748,790</u>	<u>\$ 775,189</u>

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/fy2018; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing 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, 2018, 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$30,806,387 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$19,808,833 in the General Fund based on the current financial resources measurement basis.

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, 2019, were \$266,695, and are deferred because they were paid after the June 30, 2018 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, 2019.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$100,890 were paid from federal and special trust funds that required employer contributions of \$9,938.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

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 District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$13,454 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 4,788,305
State's proportionate share of the net pension liability associated with the District	<u>328,018,953</u>
Total	<u><u>\$ 332,807,258</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0061431970 percent, which was a decrease of 0.0006627547 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 30,806,387	\$ 19,808,833
District TRS pension expense (benefit)	<u>(46,863)</u>	<u>266,695</u>
Total TRS expense/expenditure	<u>\$ 30,759,524</u>	<u>\$ 20,075,528</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 96,236	\$ 1,044
Changes of assumptions	210,013	135,711
Net difference between projected and actual earnings on pension plan investments	-	14,661
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>98,054</u>	<u>725,754</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>404,303</u>	<u>877,170</u>
District contributions subsequent to the measurement date	<u>266,695</u>	<u>-</u>
	<u><u>\$ 670,998</u></u>	<u><u>\$ 877,170</u></u>

The District reported \$266,695 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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 of Resources</u>
2020	\$	46,023
2021		69,925
2022		212,232
2023		106,842
2024		37,845
Thereafter		-
	\$	<u><u>472,867</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

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	15.0 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	3.9
Private equity	15.0	10.2
Total	100.0 %	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

Discount Rate (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments 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 covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 5,872,403	\$ 4,788,305	\$ 3,915,279

TRS Fiduciary Net Position

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

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

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.

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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

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

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	408
Inactive plan members entitled to but not yet receiving benefits	254
Active plan members	<u>290</u>
Total	<u><u>952</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires 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 2018 was 13.77%. For the fiscal year ended June 30, 2019 the District contributed \$1,537,524 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, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

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	7.25%

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

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.
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:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Equities	37%	(6.08%)
	International equities	18%	(14.16%)
	Fixed income	28%	(0.28%)
	Real estate	9%	8.36%
	Alternative investments	7%	4.75% - 12.40%
	Cash equivalents	1%	2.50%
	Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- 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 pension plan investments is 7.25%, the municipal bond rate is 3.71% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE J - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 71,372,698	\$ 65,254,527	\$ 6,118,171
Changes for the year:			
Service cost	1,164,352	-	1,164,352
Interest on the total pension liability	5,232,014	-	5,232,014
Difference between expected and actual experience of the total pension liability	546,034	-	546,034
Changes of assumptions	1,882,599	-	1,882,599
Contributions - employer	-	1,607,282	(1,607,282)
Contributions - employees	-	527,739	(527,739)
Net investment income	-	(3,930,318)	3,930,318
Benefit payments, including refunds of employee contributions	(4,389,372)	(4,389,372)	-
Other (net transfer)	-	1,329,706	(1,329,706)
Net changes	<u>4,435,627</u>	<u>(4,854,963)</u>	<u>9,290,590</u>
Balances at December 31, 2018	<u>\$ 75,808,325</u>	<u>\$ 60,399,564</u>	<u>\$ 15,408,761</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension 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 (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ <u>23,814,898</u>	\$ <u>15,408,761</u>	\$ <u>8,332,797</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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

For the year ended June 30, 2019 the District recognized pension expense of \$1,825,944. At June 30, 2019, 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	\$ 606,381	\$ -
Change of assumptions	1,194,313	664,730
Net difference between projected and actual earnings on pension plan investments	<u>7,962,165</u>	<u>3,778,118</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>9,762,859</u>	 <u>4,442,848</u>
 Pension contributions made subsequent to the measurement date	 <u>775,028</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 10,537,887</u>	 <u>\$ 4,442,848</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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 \$775,028 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		Net Deferred Outflows of Resources
2020	\$	1,837,550
2021		1,225,941
2022		498,575
2023		1,757,945
2024		-
Thereafter		-
Total	\$	<u><u>5,320,011</u></u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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	\$ 266,695	\$ 775,028	\$ 1,041,723
Experience	96,236	606,381	702,617
Assumptions	210,013	1,194,313	1,404,326
Proportionate share	98,054	-	98,054
Investments	-	7,962,165	7,962,165
	\$ 670,998	\$ 10,537,887	\$ 11,208,885
Net pension liability	\$ 4,788,305	\$ 15,408,761	\$ 20,197,066
Pension expense	\$ 30,759,524	\$ 1,825,944	\$ 32,585,468
Deferred inflows of resources:			
Assumptions	\$ 135,711	\$ 664,730	\$ 800,441
Experience	1,044	-	1,044
Investments	14,661	3,778,118	3,792,779
Proportionate share	725,754	-	725,754
	\$ 877,170	\$ 4,442,848	\$ 5,320,018

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, 2019

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, 2019

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. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2019. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2019, the District recognized revenue and expenses of \$3,386,679 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$570,175 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$423,033 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 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, 2019

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

District's proportionate share of the net OPEB liability	\$ 48,905,700
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>65,669,808</u>
Total	<u><u>\$ 114,575,508</u></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, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.185629 percent, which was a decrease of 0.002875 percent from its proportion measured as of June 30, 2017.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

For the year ended June 30, 2019, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 3,386,679	\$ 570,175
District OPEB pension expense	<u>2,726,509</u>	<u>423,033</u>
Total OPEB expense/expenditure	<u>\$ 6,113,188</u>	<u>\$ 993,208</u>

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 175,474
Change of assumptions	-	7,121,491
Net difference between projected and actual earnings on OPEB plan investments	-	1,501
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,167,312</u>	<u>747,303</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>1,167,312</u>	<u>8,045,769</u>
District contributions subsequent to the measurement date	<u>423,033</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 1,590,345</u>	<u>\$ 8,045,769</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

The District reported \$423,033 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, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ 1,164,611
2021	1,164,611
2022	1,164,611
2023	1,164,479
2024	1,164,203
Thereafter	<u>1,055,942</u>
Total	<u>\$ 6,878,457</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was 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, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

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.
Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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)

Discount Rate

The State, the District and active members contribute 1.18 percent, 0.88 percent, 1.18 percent of pay, respectively for fiscal year 2018. 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 3.56 percent at June 30, 2017, and 3.62 percent at June 30, 2018, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.56 percent to 3.62 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$285 million as of June 30, 2018.

Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to benefit payables, the market value of assets at June 30, 2018, is a negative \$9.23 million. Given the benefit payable, negative asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

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 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

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 3.62 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 (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability \$	\$ 58,803,510	\$ 48,905,700	\$ 41,092,219

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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, 2018, 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 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 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>39,654,602</u>	<u>\$ 48,905,700</u>	<u>\$ 61,369,148</u>

* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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, 2019

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Employees Covered by Benefit Terms

As of June 30, 2018 (most recent information available), 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	2.79%
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, 2019

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 2.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.

Changes in the Total OPEB Liability

The following table shows the components of the change in the District's net OPEB liability for the fiscal year ended June 30, 2019 based upon a rollforward actuarial valuation from the actuarial valuation performed July 1, 2017 to the District's fiscal year-end:

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Changes in the Total OPEB Liability (Continued)

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 12,068,517	\$ -	\$ 12,068,517
Changes for the year:			
Service cost	303,267	-	303,267
Interest on the total OPEB liability	346,449	-	346,449
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions	163,356	-	163,356
Contributions - employer	-	-	-
Contributions - employees	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(885,423)	-	(885,423)
Other (net transfer)	(70,214)	-	(70,214)
Net changes	<u>(142,565)</u>	<u>-</u>	<u>(142,565)</u>
Balances at June 30, 2019	<u>\$ 11,925,952</u>	<u>\$ -</u>	<u>\$ 11,925,952</u>

In 2019, changes in assumptions related to the discount rate were made (2.98% to 2.79%).

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 2.79%, 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 (1.79%)	Current Discount Rate (2.79%)	1% Higher (3.79%)
Total OPEB liability	<u>\$ 12,854,536</u>	<u>\$ 11,925,952</u>	<u>\$ 11,107,979</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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	\$ 11,272,141	\$ 11,925,952	\$ 12,661,445

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

For the year ended June 30, 2019 the District recognized OPEB expense of \$199,996. At June 30, 2019, 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	\$ -	\$ 576,182
Change of assumptions	229,922	2,041,072
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ 229,922	\$ 2,617,254

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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
(Continued)

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	\$ 449,720
2020	449,720
2021	449,720
2022	449,720
2023	449,720
Thereafter	138,732
Total	\$ <u>2,387,332</u>

3. **Summary of OPEB Items**

Below is a summary of the various OPEB items at June 30, 2019:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 423,033	\$ -	\$ 423,033
Experience	-	-	-
Assumptions	-	229,922	229,922
Proportionate share	1,167,312	-	1,167,312
Investments	-	-	-
	\$ <u>1,590,345</u>	\$ <u>229,922</u>	\$ <u>1,820,267</u>
OPEB liability	\$ <u>48,905,700</u>	\$ <u>11,925,952</u>	\$ <u>60,831,652</u>
OPEB expense	\$ <u>6,113,188</u>	\$ <u>199,996</u>	\$ <u>6,313,184</u>

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE K - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. **Summary of OPEB Items** (Continued)

	<u>THIS</u>		<u>RHP</u>		<u>Total</u>
Deferred inflows of resources:					
Assumptions	\$ 7,121,491	\$	2,041,072	\$	9,162,563
Experience	175,474		576,182		751,656
Investments	1,501		-		1,501
Proportionate share	<u>747,303</u>		<u>-</u>		<u>747,303</u>
	\$ <u>8,045,769</u>	\$	<u>2,617,254</u>	\$	<u>10,663,023</u>

NOTE L - CONSTRUCTION COMMITMENTS

As of June 30, 2019, the District is committed to approximately \$118,210,000 in the upcoming years, for various construction projects. These amounts will be paid from available fund balances as well as proceeds from future issuances of long-term debt.

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.

NOTE N - CONTINGENCIES

1. **Litigation**

The District is a defendant in several matters related to alleged abuse by a former employee of the District, the outcome of which is not presently determinable. The District carries insurance to mitigate its exposure to such matters. The District is also subject to various other litigation and claims in the normal course of business. 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.

Community High School District 99
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

NOTE N - CONTINGENCIES (Continued)

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 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than as described below, have occurred subsequent to the statement of net deficit/balance sheet date that require disclosure in the financial statements.

1. Bond Issuances

Subsequent to June 30, 2019, the Board of Education approved the issuance of General Obligation School Bonds, Series 2020A, in an amount not to exceed \$75,560,000, to finance a portion of the master facilities plan capital projects, and General Obligation Limited Tax School Bonds, Series 2020B, in an amount not to exceed \$390,000, for fire prevention and safety, energy conservation, and school security purposes.

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 Five Most Recent Fiscal Years

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 1,164,352	\$ 1,230,661	\$ 1,307,943	\$ 1,302,468	\$ 1,389,450
Interest on the total pension liability	5,232,014	5,175,148	4,911,615	4,706,407	4,242,693
Difference between expected and actual experience of the total pension liability	546,034	891,071	1,168,863	296,678	1,007,713
Assumption changes	1,882,599	(2,278,346)	(379,672)	221,474	2,770,511
Benefit payments and refunds	(4,389,372)	(4,064,952)	(3,726,750)	(3,317,101)	(2,715,376)
Net change in total pension liability	4,435,627	953,582	3,281,999	3,209,926	6,694,991
Total pension liability, beginning	71,372,698	70,419,116	67,137,117	63,927,191	57,232,200
Total pension liability, ending	<u>\$ 75,808,325</u>	<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	\$ 1,607,282	\$ 1,466,500	\$ 1,491,131	\$ 1,419,419	\$ 1,411,299
Contributions, employee	527,739	506,439	523,856	525,962	530,615
Net investment income	(3,930,318)	10,532,115	3,746,168	279,167	3,265,932
Benefit payments, including refunds of employee contributions	(4,389,372)	(4,064,952)	(3,726,750)	(3,317,101)	(2,715,376)
Other (net transfer)	1,329,706	(1,403,182)	813,943	(57,476)	100,218
Net change in plan fiduciary net position	(4,854,963)	7,036,920	2,848,348	(1,150,029)	2,592,688
Plan fiduciary net position, beginning	65,254,527	58,217,607	55,369,259	56,519,288	53,926,600
Plan fiduciary net position, ending	<u>\$ 60,399,564</u>	<u>\$ 65,254,527</u>	<u>\$ 58,217,607</u>	<u>\$ 55,369,259</u>	<u>\$ 56,519,288</u>
Net pension liability	<u>\$ 15,408,761</u>	<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	79.67 %	91.43 %	82.67 %	82.47 %	88.41 %
Covered Valuation Payroll	\$ 11,672,342	\$ 11,237,545	\$ 11,382,667	\$ 11,530,612	\$ 11,352,324
Net pension liability as a percentage of covered valuation payroll	132.01 %	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.

Note: Actuary valuations are as of December 31, which is six months prior to the end of the fiscal year.

Community High School District 99
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Five Most Recent Fiscal Years

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2019	\$ 1,607,281 *	\$ 1,607,282	\$ (1)	\$ 11,672,342	13.77 %
2018	1,466,500	1,466,500	-	11,237,545	13.05
2017	1,491,129	1,491,131	(2)	11,382,667	13.10
2016	1,419,418	1,419,419	(1)	11,530,612	12.31
2015	1,384,984	1,411,299	(26,315)	11,352,324	12.43

* Estimated based on contribution rate of 13.77% and covered valuation payroll of \$11,672,342 (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
Five Most Recent Fiscal Years

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0061431970 %	0.0068059517 %	0.0074887299 %	0.0072615760 %	0.0069728248 %
District's proportionate share of the net pension liability	\$ 4,788,305	\$ 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	328,018,953	320,938,485	337,785,602	268,101,504	248,645,969
Total	\$ 332,807,258	\$ 326,138,106	\$ 343,696,909	\$ 272,858,568	\$ 252,889,510
District's covered-employee payroll	\$ 43,987,955	\$ 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	10.89 %	11.99 %	13.90 %	11.49 %	10.53 %
Plan fiduciary net position as a percentage of the total pension liability	40.0 %	39.3 %	36.4 %	41.5 %	43.0 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

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
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 255,130	\$ 281,377	\$ 288,878	\$ 254,439	\$ 248,750
Contributions in relation to the contractually required contribution	<u>255,244</u>	<u>280,403</u>	<u>290,017</u>	<u>254,445</u>	<u>248,787</u>
Contribution deficiency (excess)	\$ <u>(114)</u>	\$ <u>974</u>	\$ <u>(1,139)</u>	\$ <u>(6)</u>	\$ <u>(37)</u>
District's covered-employee payroll	\$ 45,981,890	\$ 43,987,955	\$ 43,351,908	\$ 42,521,677	\$ 41,404,241
Contributions as a percentage of covered-employee payroll	0.56 %	0.64 %	0.67 %	0.60 %	0.60 %

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

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

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

Retiree Health Plan

Two Most Recent Fiscal Years

	2019	2018
Total OPEB liability		
Service cost	\$ 303,267	\$ 309,754
Interest on the total OPEB liability	346,449	546,967
Change in benefit terms	-	(2,443,098)
Difference between expected and actual experience of the total OPEB liability	-	(792,054)
Assumption changes	163,356	121,857
Benefit payments and refunds	(885,423)	(855,178)
Other changes	(70,214)	(2,722,306)
Net change in total OPEB liability	(142,565)	(5,834,058)
Total OPEB liability, beginning	12,068,517	17,902,575
Total OPEB liability, ending	<u>\$ 11,925,952</u>	<u>\$ 12,068,517</u>
Plan fiduciary net position		
Contributions, employer	\$ -	\$ -
Contributions, employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	-	-
Other (net transfer)	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 11,925,952</u>	<u>\$ 12,068,517</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered Valuation Payroll *	\$ 49,938,246	\$ 49,938,246
Net OPEB liability as a percentage of covered valuation payroll	23.88 %	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.

* Covered valuation payroll for 2019 was estimated based on covered valuation payroll for 2018, which is the most recent information 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
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.0018563 %	0.1885040 %
District's proportionate share of the net OPEB liability	\$ 48,905,700	\$ 48,915,862
State's proportionate share of the net OPEB liability associated with the District	<u>65,669,808</u>	<u>64,238,682</u>
Total	<u>\$ 114,575,508</u>	<u>\$ 113,154,544</u>
District's covered-employee payroll	\$ 43,987,955	\$ 43,351,908
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	111.18%	112.83%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%

Note 1: Actuary valuations all as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

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
Two Most Recent Fiscal Years

		<u>2019</u>		<u>2018</u>
Contractually required contribution	\$	387,094	\$	364,156
Contributions in relation to the contractually required contribution		<u>387,244</u>		<u>364,262</u>
Contribution excess	\$	<u>150</u>	\$	<u>106</u>
District's covered-employee payroll	\$	45,981,890	\$	43,987,955
Contributions as a percentage of covered-employee payroll		0.84%		0.83%

Note 1: Actuarial valuations are as of June 30th of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

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

General Fund

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

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$60,109,000	\$60,031,548	\$ (77,452)	\$59,545,592
Special education levy	2,021,000	2,015,843	(5,157)	1,498,193
Corporate personal property replacement taxes	765,000	786,256	21,256	825,538
Regular tuition from pupils or parents	13,400	5,280	(8,120)	13,001
Summer school tuition from pupils or parents	44,000	43,440	(560)	43,585
Special education tuition from other districts	30,000	-	(30,000)	28,786
Interest on investments	600,000	713,286	113,286	344,836
Sales to pupils - lunch	275,000	201,397	(73,603)	264,370
Sales to pupils - breakfast	10,000	5,498	(4,502)	9,707
Sales to pupils - a la carte	610,000	609,772	(228)	594,694
Sales to adults	40,000	25,767	(14,233)	36,662
Admissions - athletic	121,000	93,392	(27,608)	108,312
Fees	1,040,100	852,128	(187,972)	961,398
Book store sales	11,500	7,697	(3,803)	11,016
Other district/school activity revenue	-	-	-	62,208
Rentals - regular textbook	1,315,000	1,819,722	504,722	1,341,053
Rentals - other	320,000	191,071	(128,929)	318,686
Sales - regular textbook	120,000	69,565	(50,435)	-
Other - textbooks	-	-	-	119,005
Contributions and donations from private sources	70,000	15,331	(54,669)	69,858
Refund of prior years' expenditures	80,000	77,753	(2,247)	46,413
Drivers' education fees	86,000	51,402	(34,598)	85,321
Proceeds from vendors' contracts	40,000	37,068	(2,932)	-
Other	600,000	377,999	(222,001)	149,190
Total local sources	68,321,000	68,031,215	(289,785)	66,477,424

(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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
State sources				
Evidenced Based Funding	\$ 3,300,000	\$ 3,290,581	\$ (9,419)	\$ 4,024,511
Other Unrestricted Grants-In-Aid from State Sources	25,000	-	(25,000)	-
Special Education -				
Private Facility Tuition	1,125,000	702,283	(422,717)	685,269
Special Education - Orphanage				
- Individual	150,000	93,728	(56,272)	117,713
Special Education - Orphanage				
- Summer Individual	10,000	-	(10,000)	8,973
Special Education - Summer School	6,000	-	(6,000)	-
CTE - Technical Education Tech Prep	96,026	-	(96,026)	-
CTE - Secondary Program				
Improvement (CTEI)	-	96,026	96,026	91,931
Bilingual Ed. - Downstate				
- T.P.I. and T.P.E.	-	-	-	4,402
State Free Lunch and Breakfast	7,000	7,435	435	4,684
Driver Education	115,000	133,284	18,284	118,612
Scientific Literacy	7,000	3,661	(3,339)	6,813
Technology - Learning				
Other state sources	-	-	-	23,227
On Behalf Payments to TRS and THIS from the State	<u>28,000,000</u>	<u>20,379,008</u>	<u>(7,620,992)</u>	<u>36,144,694</u>
Total state sources	<u>32,841,026</u>	<u>24,706,006</u>	<u>(8,135,020)</u>	<u>41,230,829</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Federal sources				
National School Lunch Program	\$ 425,000	\$ 388,724	\$ (36,276)	\$ 404,176
Special Breakfast Program	65,000	63,378	(1,622)	63,154
Title I - Low Income	355,000	408,344	53,344	436,495
Title IV A - Student Support and Academic Enrichment	14,000	5,374	(8,626)	-
Federal - Special Education - I.D.E.A. - Flow Through	850,000	1,001,710	151,710	833,008
Federal - Special Education - I.D.E.A. - Room and Board	280,000	396,041	116,041	312,204
CTE - Perkins - Title III Technical Prep	51,604	51,597	(7)	51,604
Title III - Immigrant Education Program (IEP)	-	7,976	7,976	1,591
Title III - Language Inst. Program - Limited Eng (LIPLEP)	13,900	13,975	75	14,568
Title II - Teacher Quality	105,000	124,671	19,671	116,931
Medicaid Matching Funds - Administrative Outreach	80,000	61,751	(18,249)	76,704
Medicaid Matching Funds - Fee-For-Service-Program	400,000	199,411	(200,589)	386,855
Other federal sources	<u>439,000</u>	<u>95,588</u>	<u>(343,412)</u>	<u>3,543</u>
Total federal sources	<u>3,078,504</u>	<u>2,818,540</u>	<u>(259,964)</u>	<u>2,700,833</u>
Total revenues	<u>104,240,530</u>	<u>95,555,761</u>	<u>(8,684,769)</u>	<u>110,409,086</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Expenditures				
Instruction				
Regular programs				
Salaries	\$31,273,527	\$31,296,581	\$ (23,054)	\$30,293,228
Employee benefits	3,812,905	4,352,592	(539,687)	3,869,695
On-behalf payments to TRS from the state	28,000,000	20,379,008	7,620,992	36,144,694
Purchased services	359,872	304,137	55,735	298,633
Supplies and materials	513,158	630,657	(117,499)	630,467
Capital outlay	50,000	44,501	5,499	992,102
Other objects	15,125	25,935	(10,810)	25,153
Non-capitalized equipment	<u>200,863</u>	<u>167,325</u>	<u>33,538</u>	<u>90,198</u>
Total	<u>64,225,450</u>	<u>57,200,736</u>	<u>7,024,714</u>	<u>72,344,170</u>
Special education programs				
Salaries	9,896,750	10,115,907	(219,157)	9,147,995
Employee benefits	1,080,602	1,196,709	(116,107)	1,048,896
Purchased services	369,500	237,169	132,331	218,464
Supplies and materials	89,727	88,509	1,218	94,176
Other objects	2,849,877	2,633,777	216,100	2,800,821
Non-capitalized equipment	<u>20,500</u>	<u>26,835</u>	<u>(6,335)</u>	<u>19,540</u>
Total	<u>14,306,956</u>	<u>14,298,906</u>	<u>8,050</u>	<u>13,329,892</u>
Remedial and Supplemental programs K-12				
Salaries	119,416	83,870	35,546	97,130
Employee benefits	14,163	5,851	8,312	9,059
Purchased services	36,170	24,455	11,715	40,670
Supplies and materials	<u>12,000</u>	<u>16,889</u>	<u>(4,889)</u>	<u>21,361</u>
Total	<u>181,749</u>	<u>131,065</u>	<u>50,684</u>	<u>168,220</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Remedial and Support				
CTE programs				
Salaries	\$ 24,000	\$ 27,201	\$ (3,201)	\$ 25,400
Employee benefits	-	85	(85)	60
Purchased services	25,430	24,948	482	22,915
Supplies and materials	84,921	84,447	474	75,003
Capital outlay	-	-	-	12,295
Non-capitalized equipment	34,784	40,268	(5,484)	32,627
Total	169,135	176,949	(7,814)	168,300
Interscholastic programs				
Salaries	2,370,802	2,369,753	1,049	2,325,727
Employee benefits	99,430	92,143	7,287	97,061
Purchased services	453,700	451,284	2,416	447,518
Supplies and materials	265,000	260,942	4,058	339,579
Non-capitalized equipment	23,000	8,540	14,460	6,858
Total	3,211,932	3,182,662	29,270	3,216,743
Summer school programs				
Salaries	210,429	232,431	(22,002)	203,186
Employee benefits	2,400	2,196	204	2,005
Purchased services	-	1,222	(1,222)	1,531
Supplies and materials	117,700	139,550	(21,850)	142,269
Other objects	-	-	-	2,975
Total	330,529	375,399	(44,870)	351,966

(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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Drivers education programs				
Salaries	\$ 850,938	\$ 850,472	\$ 466	\$ 813,659
Employee benefits	97,193	96,990	203	97,448
Purchased services	650	1,127	(477)	3,305
Supplies and materials	13,100	13,593	(493)	14,507
Other objects	<u>4,000</u>	<u>5,262</u>	<u>(1,262)</u>	<u>3,680</u>
Total	<u>965,881</u>	<u>967,444</u>	<u>(1,563)</u>	<u>932,599</u>
Truant's alternative and optional programs				
Special education programs K-12 - private tuition	<u>40,000</u>	<u>38,314</u>	<u>1,686</u>	<u>49,150</u>
Total instruction	<u>83,431,632</u>	<u>76,371,475</u>	<u>7,060,157</u>	<u>90,561,040</u>
Support services				
Pupils				
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Guidance services				
Salaries	2,479,038	2,522,811	(43,773)	2,441,682
Employee benefits	278,534	282,488	(3,954)	274,356
Purchased services	69,105	10,595	58,510	15,384
Supplies and materials	204,120	206,328	(2,208)	201,285
Other objects	<u>400</u>	<u>-</u>	<u>400</u>	<u>-</u>
Total	<u>3,031,197</u>	<u>3,022,222</u>	<u>8,975</u>	<u>2,932,707</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Health services				
Salaries	\$ 204,215	\$ 209,516	\$ (5,301)	\$ 202,046
Employee benefits	33,709	30,342	3,367	33,303
Purchased services	700	682	18	942
Supplies and materials	5,360	5,100	260	4,739
Other objects	420	395	25	432
Total	<u>244,404</u>	<u>246,035</u>	<u>(1,631)</u>	<u>241,462</u>
Psychological services				
Salaries	521,527	522,782	(1,255)	492,615
Employee benefits	<u>51,811</u>	<u>56,526</u>	<u>(4,715)</u>	<u>50,533</u>
Total	<u>573,338</u>	<u>579,308</u>	<u>(5,970)</u>	<u>543,148</u>
Other support services - pupils				
Salaries	454,696	782,653	(327,957)	712,520
Employee benefits	56,616	78,102	(21,486)	56,122
Purchased services	14,250	29,469	(15,219)	14,021
Supplies and materials	713,697	675,041	38,656	635,434
Other objects	32,000	43,662	(11,662)	45,082
Non-capitalized equipment	<u>-</u>	<u>227</u>	<u>(227)</u>	<u>248</u>
Total	<u>1,271,259</u>	<u>1,609,154</u>	<u>(337,895)</u>	<u>1,463,427</u>
Total pupils	<u>5,120,198</u>	<u>5,456,719</u>	<u>(336,521)</u>	<u>5,195,744</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Instructional staff				
Improvement of instruction services				
Salaries	\$ 865,132	\$ 903,418	\$ (38,286)	\$ 865,036
Employee benefits	115,077	88,273	26,804	86,096
Purchased services	177,568	81,325	96,243	117,409
Supplies and materials	15,940	12,281	3,659	13,769
Other objects	7,800	7,998	(198)	7,798
Non-capitalized equipment	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>1,182,017</u>	<u>1,093,295</u>	<u>88,722</u>	<u>1,090,108</u>
Educational media services				
Salaries	632,289	636,895	(4,606)	543,823
Employee benefits	66,363	68,095	(1,732)	54,724
Purchased services	13,400	7,157	6,243	12,047
Supplies and materials	134,500	131,663	2,837	77,093
Other objects	1,200	260	940	1,618
Non-capitalized equipment	<u>17,000</u>	<u>17,615</u>	<u>(615)</u>	<u>9,841</u>
Total	<u>864,752</u>	<u>861,685</u>	<u>3,067</u>	<u>699,146</u>
Assessment and testing				
Salaries	15,000	16,715	(1,715)	18,730
Employee benefits	275	251	24	273
Purchased services	<u>39,000</u>	<u>-</u>	<u>39,000</u>	<u>41,246</u>
Total	<u>54,275</u>	<u>16,966</u>	<u>37,309</u>	<u>60,249</u>
Total instructional staff	<u>2,101,044</u>	<u>1,971,946</u>	<u>129,098</u>	<u>1,849,503</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
General administration				
Purchased services	\$ 673,600	\$ 622,811	\$ 50,789	\$ 492,895
Supplies and materials	5,000	14,403	(9,403)	18,631
Other objects	<u>24,000</u>	<u>23,315</u>	<u>685</u>	<u>18,859</u>
Total	<u>702,600</u>	<u>660,529</u>	<u>42,071</u>	<u>530,385</u>
Executive administration services				
Salaries	355,109	341,856	13,253	313,012
Employee benefits	40,019	47,786	(7,767)	39,535
Purchased services	12,600	27,076	(14,476)	38,704
Supplies and materials	13,000	1,859	11,141	-
Other objects	7,500	9,473	(1,973)	7,470
Non-capitalized equipment	<u>1,647</u>	<u>99</u>	<u>1,548</u>	<u>167</u>
Total	<u>429,875</u>	<u>428,149</u>	<u>1,726</u>	<u>398,888</u>
Special area administrative services				
Salaries	335,016	335,286	(270)	326,604
Employee benefits	70,480	71,056	(576)	67,485
Purchased services	<u>4,000</u>	<u>1,991</u>	<u>2,009</u>	<u>4,386</u>
Total	<u>409,496</u>	<u>408,333</u>	<u>1,163</u>	<u>398,475</u>
Total general administration	<u>1,541,971</u>	<u>1,497,011</u>	<u>44,960</u>	<u>1,327,748</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
School administration				
Office of the principal services				
Salaries	\$ 1,651,193	\$ 1,662,690	\$ (11,497)	\$ 1,599,685
Employee benefits	319,517	311,742	7,775	313,314
Purchased services	88,249	61,413	26,836	148,866
Supplies and materials	234,610	110,708	123,902	103,645
Capital outlay	78,373	-	78,373	35,957
Non-capitalized equipment	<u>8,296</u>	<u>33,484</u>	<u>(25,188)</u>	<u>22,210</u>
Total school administration	<u>2,380,238</u>	<u>2,180,037</u>	<u>200,201</u>	<u>2,223,677</u>
Business				
Direction of business support services				
Salaries	490,819	490,784	35	470,334
Employee benefits	39,784	38,232	1,552	39,189
Purchased services	<u>6,500</u>	<u>3,332</u>	<u>3,168</u>	<u>6,479</u>
Total	<u>537,103</u>	<u>532,348</u>	<u>4,755</u>	<u>516,002</u>
Fiscal services				
Other objects	<u>85,000</u>	<u>88,955</u>	<u>(3,955)</u>	<u>86,302</u>
Total	<u>85,000</u>	<u>88,955</u>	<u>(3,955)</u>	<u>86,302</u>
Operation and maintenance of plant services				
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>703</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>703</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Pupil transportation services				
Purchased services	\$ 400	\$ 375	\$ 25	\$ 730
Total	400	375	25	730
Food services				
Purchased services	1,019,500	971,615	47,885	1,024,824
Supplies and materials	6,000	535	5,465	7,423
Other objects	5,000	5,463	(463)	5,347
Non-capitalized equipment	42,000	-	42,000	41,736
Total	1,072,500	977,613	94,887	1,079,330
Total business	1,695,003	1,599,291	95,712	1,683,067
Information services				
Salaries	162,847	162,847	-	135,984
Employee benefits	28,996	30,663	(1,667)	28,840
Purchased services	93,470	33,079	60,391	84,689
Supplies and materials	9,000	81	8,919	1,387
Total	294,313	226,670	67,643	250,900
Staff services				
Salaries	377,277	381,401	(4,124)	365,010
Employee benefits	417,329	395,708	21,621	400,723
Purchased services	25,200	25,239	(39)	18,681
Supplies and materials	2,000	-	2,000	1,462
Other objects	8,000	768	7,232	7,738
Total	829,806	803,116	26,690	793,614

(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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Data processing services				
Salaries	\$ 1,179,948	\$ 1,128,917	\$ 51,031	\$ 1,077,992
Employee benefits	105,877	98,832	7,045	85,290
Purchased services	260,000	144,764	115,236	158,348
Supplies and materials	586,213	573,953	12,260	678,507
Capital outlay	548,000	300,716	247,284	693,381
Other objects	2,000	2,940	(940)	1,165
Non-capitalized equipment	-	14,776	(14,776)	21,092
Total	<u>2,682,038</u>	<u>2,264,898</u>	<u>417,140</u>	<u>2,715,775</u>
Total central	<u>3,806,157</u>	<u>3,294,684</u>	<u>511,473</u>	<u>3,760,289</u>
Total support services	<u>16,644,611</u>	<u>15,999,688</u>	<u>644,923</u>	<u>16,040,028</u>
Community services				
Salaries	4,116	13,076	(8,960)	7,395
Employee benefits	-	35	(35)	18
Purchased services	24,300	13,631	10,669	20,360
Supplies and materials	<u>1,200</u>	<u>1,478</u>	<u>(278)</u>	<u>1,152</u>
Total	<u>29,616</u>	<u>28,220</u>	<u>1,396</u>	<u>28,925</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Payments to other districts and government units				
Payments for regular programs				
Purchased services	\$ 8,400	\$ 18,074	\$ (9,674)	\$ 9,685
Other objects	<u>69,710</u>	<u>91,078</u>	<u>(21,368)</u>	<u>65,505</u>
Total	<u>78,110</u>	<u>109,152</u>	<u>(31,042)</u>	<u>75,190</u>
Payments for special education programs				
Purchased services	-	-	-	92,994
Other objects	<u>1,656,941</u>	<u>1,256,481</u>	<u>400,460</u>	<u>1,117,264</u>
Total	<u>1,656,941</u>	<u>1,256,481</u>	<u>400,460</u>	<u>1,210,258</u>
Payments for CTE education programs				
Other objects	<u>665,000</u>	<u>666,499</u>	<u>(1,499)</u>	<u>664,228</u>
Provision for contingencies	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Total expenditures	<u>103,105,910</u>	<u>94,431,515</u>	<u>8,674,395</u>	<u>108,579,669</u>
Excess of revenues over expenditures	<u>1,134,620</u>	<u>1,124,246</u>	<u>(10,374)</u>	<u>1,829,417</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Other financing sources (uses)					
Proceeds from capital leases	\$ -	\$ -	\$ -		\$ 1,259,807
Transfer to Debt Service Fund for principal on capital leases	(325,180)	(324,817)	363		(913,940)
Transfer to Debt Service Fund for interest on capital leases	(11,431)	(11,795)	(364)		(18,114)
Transfer to Debt Service Fund for principal on debt certificates	(1,175,000)	(1,175,000)	-		(1,140,000)
Transfer to Debt Service Fund for interest on debt certificates	<u>(112,094)</u>	<u>(112,094)</u>	<u>-</u>		<u>(149,000)</u>
Total other financing uses	<u>(1,623,705)</u>	<u>(1,623,706)</u>	<u>(1)</u>		<u>(961,247)</u>
Net change in fund balance	<u>\$ (489,085)</u>	(499,460)	<u>\$ (10,375)</u>		868,170
Fund balance, beginning of year		<u>2,409,094</u>			<u>1,540,924</u>
Fund balance, end of year		<u>\$ 1,909,634</u>			<u>\$ 2,409,094</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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 9,091,000	\$ 9,078,576	\$ (12,424)	\$ 7,986,308
Interest on investments	65,000	89,682	24,682	38,692
Rentals	243,000	209,560	(33,440)	241,544
Refund of prior years' expenditures	-	-	-	300
Other	<u>220,000</u>	<u>11,738</u>	<u>(208,262)</u>	<u>27,586</u>
Total revenues	<u>9,619,000</u>	<u>9,389,556</u>	<u>(229,444)</u>	<u>8,294,430</u>
Expenditures				
Business				
Purchased services	125,000	70,388	54,612	73,992
Capital outlay	1,112,000	1,064,551	47,449	1,131,822
Non-capitalized equipment	<u>65,000</u>	<u>86,369</u>	<u>(21,369)</u>	<u>49,741</u>
Total	<u>1,302,000</u>	<u>1,221,308</u>	<u>80,692</u>	<u>1,255,555</u>
Operation and maintenance of plant services				
Salaries	4,064,692	3,901,599	163,093	3,949,665
Employee benefits	707,599	701,107	6,492	695,485
Purchased services	887,200	932,900	(45,700)	1,068,774
Supplies and materials	1,352,845	1,525,152	(172,307)	1,216,888
Capital outlay	50,000	(3,664)	53,664	19,871
Other objects	-	1,782	(1,782)	-
Non-capitalized equipment	<u>-</u>	<u>44,202</u>	<u>(44,202)</u>	<u>54,896</u>
Total	<u>7,062,336</u>	<u>7,103,078</u>	<u>(40,742)</u>	<u>7,005,579</u>
Total business	<u>8,364,336</u>	<u>8,324,386</u>	<u>39,950</u>	<u>8,261,134</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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Provision for contingencies	\$ 200,000	\$ -	\$ 200,000	\$ -
Total expenditures	8,564,336	8,324,386	239,950	8,261,134
Excess of revenues over expenditures	1,054,664	1,065,170	10,506	33,296
Other financing uses				
Transfer to Debt Service Fund for principal on debt certificates	(790,000)	(790,000)	-	(153,000)
Transfer to Debt Service Fund for interest on debt certificates	(66,340)	(66,340)	-	(78,878)
Total other financing uses	(856,340)	(856,340)	-	(231,878)
Net change in fund balance	\$ 198,324	208,830	\$ 10,506	(198,582)
Fund balance, beginning of year		406,627		605,209
Fund balance, end of year		\$ 615,457		\$ 406,627

(Concluded)

Community High School District 99
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE DEFICITS - BUDGET AND ACTUAL
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 3,060,000	\$ 3,027,830	\$ (32,170)	\$ 2,996,365
Interest on investments	8,500	15,921	7,421	5,004
Refund of prior years' expenditures	50,000	14,100	(35,900)	25,172
Other	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Total local sources	<u>3,218,500</u>	<u>3,057,851</u>	<u>(160,649)</u>	<u>3,026,541</u>
State sources				
Evidence Based Funding	240,000	240,000	-	-
Transportation - Regular/Vocational	165,000	137,794	(27,206)	143,282
Transportation - Special Education	<u>1,200,000</u>	<u>998,615</u>	<u>(201,385)</u>	<u>993,195</u>
Total state sources	<u>1,605,000</u>	<u>1,376,409</u>	<u>(228,591)</u>	<u>1,136,477</u>
Total revenues	<u>4,823,500</u>	<u>4,434,260</u>	<u>(389,240)</u>	<u>4,163,018</u>
Expenditures				
Business				
Pupil transportation services				
Salaries	218,921	218,918	3	213,014
Employee benefits	51,259	51,384	(125)	50,030
Purchased services	3,805,547	4,201,703	(396,156)	3,688,792
Supplies and materials	25,000	32,940	(7,940)	29,108
Capital outlay	-	-	-	55,608
Non-capitalized equipment	<u>-</u>	<u>503</u>	<u>(503)</u>	<u>1,914</u>
Total support services	<u>4,100,727</u>	<u>4,505,448</u>	<u>(404,721)</u>	<u>4,038,466</u>

(Continued)

Community High School District 99

Transportation Fund

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

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Payments to other districts and government units				
Other payments to in-state governmental units				
Purchased services	\$ 12,000	\$ 33,570	\$ (21,570)	\$ -
Provision for contingencies	100,000	-	100,000	-
Total expenditures	4,212,727	4,539,018	(326,291)	4,038,466
Excess (deficiency) of revenues over expenditures	\$ 610,773	(104,758)	\$ (715,531)	124,552
Fund deficit, beginning of year		(644,163)		(768,715)
Fund deficit, end of year		\$ (748,921)		\$ (644,163)

(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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 1,114,000	\$ 1,112,268	\$ (1,732)	\$ 1,091,133
Social security/Medicare only levy	1,114,000	1,112,273	(1,727)	1,091,153
replacement taxes	168,000	168,000	-	32,000
Interest on investments	27,500	21,116	(6,384)	15,372
Other	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Total local sources	<u>2,523,500</u>	<u>2,413,657</u>	<u>(109,843)</u>	<u>2,229,658</u>
State sources				
Evidence Based Funding	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Federal sources				
Total revenues	<u>3,023,500</u>	<u>2,913,657</u>	<u>(109,843)</u>	<u>2,229,658</u>
Expenditures				
Instruction				
Regular programs	1,023,625	978,833	44,792	1,007,803
Special education programs	398,339	396,763	1,576	365,161
Remedial and				
supplemental programs K-12	14,040	6,118	7,922	11,730
Vocational educational programs	2,034	1,732	302	1,879
Interscholastic programs	116,291	110,389	5,902	101,730
Summer school programs	11,213	12,997	(1,784)	9,923
Gifted programs	-	-	-	-
Drivers education programs	<u>12,513</u>	<u>11,847</u>	<u>666</u>	<u>11,318</u>
Total instruction	<u>1,578,055</u>	<u>1,518,679</u>	<u>59,376</u>	<u>1,509,544</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Guidance services	\$ 35,946	\$ 35,288	\$ 658	\$ 34,210
Health services	12,778	12,445	333	12,096
Psychological services	7,562	7,310	252	6,926
Other support services -pupils	<u>144,364</u>	<u>150,400</u>	<u>(6,036)</u>	<u>141,333</u>
Total pupils	<u>200,650</u>	<u>205,443</u>	<u>(4,793)</u>	<u>194,565</u>
Instructional staff				
Improvement of instruction services	33,717	34,664	(947)	32,879
Educational media services	9,168	8,969	199	7,677
Assessment and testing	<u>275</u>	<u>237</u>	<u>38</u>	<u>260</u>
Total instructional staff	<u>43,160</u>	<u>43,870</u>	<u>(710)</u>	<u>40,816</u>
General administration				
Executive administration services	22,395	21,346	1,049	20,741
Special area administrative services	<u>13,360</u>	<u>12,753</u>	<u>607</u>	<u>12,658</u>
Total general administration	<u>35,755</u>	<u>34,099</u>	<u>1,656</u>	<u>33,399</u>
School administration				
Office of the principal services	<u>95,967</u>	<u>91,838</u>	<u>4,129</u>	<u>86,359</u>
Total school administration	<u>95,967</u>	<u>91,838</u>	<u>4,129</u>	<u>86,359</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services	\$ 99,668	\$ 95,435	\$ 4,233	\$ 93,370
Fiscal services	27,261	25,704	1,557	25,737
Operation and maintenance of plant services	<u>847,587</u>	<u>774,938</u>	<u>72,649</u>	<u>803,013</u>
Total business	<u>974,516</u>	<u>896,077</u>	<u>78,439</u>	<u>922,120</u>
Central				
Information services	34,882	33,346	1,536	28,618
Staff services	44,414	42,244	2,170	41,409
Data processing services	<u>226,113</u>	<u>222,534</u>	<u>3,579</u>	<u>219,825</u>
Total central	<u>305,409</u>	<u>298,124</u>	<u>7,285</u>	<u>289,852</u>
Total support services	<u>1,655,457</u>	<u>1,569,451</u>	<u>86,006</u>	<u>1,567,111</u>
Community services	<u>-</u>	<u>848</u>	<u>(848)</u>	<u>484</u>
Provision for contingencies	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>3,333,512</u>	<u>3,088,978</u>	<u>244,534</u>	<u>3,077,139</u>
Deficiency of revenues over expenditures	<u>\$ (310,012)</u>	<u>(175,321)</u>	<u>\$ 134,691</u>	<u>(847,481)</u>
Fund balance, beginning of year		<u>337,991</u>		<u>1,185,472</u>
Fund balance, end of year		<u>\$ 162,670</u>		<u>\$ 337,991</u>

(Concluded)

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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 17, 2018.
- g) All budget appropriations lapse at the end of the fiscal year.

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>
Transportation	\$ 326,291
Debt Service	13,361

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 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, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.50 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, 2019

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 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 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 25-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE* (Continued)

Mortality For non-disabled retirees, an IMRF specific 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, 2016 actuarial valuation.

Change in Assumptions:

For the 2018 measurement year, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 20, 2017
Measurement Date	June 30, 2018
Fiscal Year End	June 30, 2019

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2018 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.62%
Price Inflation	2.75%
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.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 3.56% used in the Fiscal Year 2018 valuation to 3.62%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

Community High School District 99
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2017
Measurement Date	June 29, 2018
Fiscal Year End	June 30, 2019

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage
Remaining Amortization Period	
Municipal Bond Index	S&P Municipal Bond 20-Year High-Grade Rate Index
Asset Valuation Method	N/A
Investment Rate of Return	N/A
Price Inflation	3.00%
Salary Increases	4.00%
Mortality	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.
Healthcare Cost Trend Rates	5.00% - 6.50%, initial 4.50% - 5.00%, ultimate

Change in Assumptions:

The discount rate was changed from 2.98% to 2.79%, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.

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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 8,330,000	\$ 8,292,842	\$ (37,158)	\$ 8,246,351
Interest on investments	<u>80,000</u>	<u>130,674</u>	<u>50,674</u>	<u>39,774</u>
Total local sources	<u>8,410,000</u>	<u>8,423,516</u>	<u>13,516</u>	<u>8,286,125</u>
Total revenues	<u>8,410,000</u>	<u>8,423,516</u>	<u>13,516</u>	<u>8,286,125</u>
Expenditures				
Debt services - interest				
Bonds and other - interest	<u>1,861,441</u>	<u>647,787</u>	<u>1,213,654</u>	<u>765,846</u>
Total debt service - interest	<u>1,861,441</u>	<u>647,787</u>	<u>1,213,654</u>	<u>765,846</u>
Principal payments on long-term debt	<u>9,041,302</u>	<u>10,269,817</u>	<u>(1,228,515)</u>	<u>10,303,940</u>
Other debt service				
Purchased services	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,508</u>
Total	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,508</u>
Total debt service	<u>10,904,243</u>	<u>10,917,604</u>	<u>(13,361)</u>	<u>11,071,294</u>
Total expenditures	<u>10,904,243</u>	<u>10,917,604</u>	<u>(13,361)</u>	<u>11,071,294</u>
Deficiency of revenues over expenditures	<u>(2,494,243)</u>	<u>(2,494,088)</u>	<u>155</u>	<u>(2,785,169)</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Other financing sources				
Transfer to pay for principal on capital leases	\$ 325,180	\$ 324,817	\$ (363)	\$ 913,940
Transfer to pay for interest on capital leases	11,431	11,795	364	18,114
Transfer to pay for principal on debt certificates	1,965,000	1,965,000	-	1,695,000
Transfer to pay for interest on debt certificates	<u>178,434</u>	<u>178,434</u>	<u>-</u>	<u>227,878</u>
Total other financing sources	<u>2,480,045</u>	<u>2,480,046</u>	<u>1</u>	<u>2,854,932</u>
Net change in fund balance	<u>\$ (14,198)</u>	<u>(14,042)</u>	<u>\$ 156</u>	<u>69,763</u>
Fund balance, beginning of year		<u>1,350,703</u>		<u>1,280,940</u>
Fund balance, end of year		<u>\$ 1,336,661</u>		<u>\$ 1,350,703</u>

(Concluded)

Community High School District 99

Capital Projects Fund

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

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
Interest on investments	\$ 490,000	\$ 70,646	\$ (419,354)	\$ 6,438
Contributions and donations from private sources	103,000	36,470	(66,530)	-
Impact fees from municipal or county governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,917</u>
Total local sources	<u>593,000</u>	<u>107,116</u>	<u>(485,884)</u>	<u>93,355</u>
Total revenues	<u>593,000</u>	<u>107,116</u>	<u>(485,884)</u>	<u>93,355</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	15,000,000	860,358	14,139,642	164,402
Capital outlay	<u>15,540,000</u>	<u>13,608,624</u>	<u>1,931,376</u>	<u>2,417,169</u>
Total support services	<u>30,540,000</u>	<u>14,468,982</u>	<u>16,071,018</u>	<u>2,581,571</u>
Total expenditures	<u>30,540,000</u>	<u>14,468,982</u>	<u>16,071,018</u>	<u>2,581,571</u>
Deficiency of revenues over expenditures	<u>(29,947,000)</u>	<u>(14,361,866)</u>	<u>15,585,134</u>	<u>(2,488,216)</u>

(Continued)

Community High School District 99

Capital Projects Fund

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

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources (uses)				
Debt issuance	\$ 60,000,000	\$ 51,985,000	\$ 8,015,000	\$ 9,055,000
Premium on debt issuance	-	8,645,126	(8,645,126)	-
Transfer to Debt Service Fund for principal on debt certificates	-	-	-	(402,000)
Total other financing sources (uses)	<u>60,000,000</u>	<u>60,630,126</u>	<u>(630,126)</u>	<u>8,653,000</u>
Net change in fund balance	<u>\$ 30,053,000</u>	46,268,260	<u>\$ 16,215,260</u>	6,164,784
Fund balance, beginning of year		<u>8,343,412</u>		<u>2,178,628</u>
Fund balance, end of year		<u>\$ 54,611,672</u>		<u>\$ 8,343,412</u>

(Concluded)

Community High School District 99
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018		Additions		Deletions		Balance June 30, 2019
Assets							
Cash and investments	\$ 652,137	\$	1,874,048	\$	1,888,708	\$	637,477
Liabilities							
Due to student groups							
North High School	\$ 278,954	\$	990,333	\$	999,379	\$	269,908
South High School	373,183		883,715		889,329		367,569
Total liabilities	\$ 652,137	\$	1,874,048	\$	1,888,708	\$	637,477

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.

123 - 134

Revenue Capacity

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

135 - 139

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.

140 - 144

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.

145 - 147

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.

148 - 152

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>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>
Governmental Activities				
Net investment in capital				
assets	\$ 75,558,920	\$ 65,719,285	\$ 59,654,622	\$ 55,484,485
Restricted	56,641,727	10,372,646	5,162,406	4,913,672
Unrestricted	<u>(144,751,053)</u>	<u>(93,553,042)</u>	<u>(88,321,085)</u>	<u>(20,471,606)</u>
Total governmental				
activities net position (deficit)	\$ <u>(12,550,406)</u>	\$ <u>(17,461,111)</u>	\$ <u>(23,504,057)</u>	\$ <u>39,926,551</u>

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

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

<u>2015</u>	<u>2014**</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 50,299,332	\$ 43,077,850	\$ 38,594,562	\$ 28,730,656	\$ 18,683,604	\$ 17,395,025
1,730,325	2,219,865	1,458,732	3,745,602	10,135,822	987,644
<u>(17,205,101)</u>	<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>\$ 34,824,556</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>

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

	2019	2018	2017	2016	2015
Expenses					
Instruction:					
Regular programs	\$ 38,103,631	\$ 37,550,185	\$ 36,611,191	\$ 37,588,258	\$ 36,051,834
Special programs	16,505,416	15,390,062	14,363,744	12,000,760	12,646,259
Other instructional programs	5,863,826	4,939,887	4,791,697	4,675,227	4,370,261
State retirement contributions	34,193,066	36,144,694	33,658,146	22,420,118	20,440,963
Support services:					
Pupils	5,826,325	5,513,888	5,410,106	5,195,978	4,985,765
Instructional staff	3,189,443	3,240,839	3,320,126	3,275,624	2,991,342
General administration	1,611,766	1,438,790	1,178,329	1,204,947	1,102,268
School administration	2,413,718	2,403,665	2,201,346	2,208,280	2,111,851
Business	3,398,557	2,298,896	2,366,498	2,704,508	3,239,497
Transportation	4,548,398	4,049,470	3,874,563	3,785,033	3,715,024
Operations and maintenance	9,110,725	9,496,295	10,054,371	10,062,314	9,824,223
Central	3,339,541	3,544,538	3,657,967	3,440,595	3,030,225
Other supporting services	-	30,577	-	-	953
Community services	29,181	-	35,866	33,861	27,897
Nonprogrammed charges	809,221	739,418	603,215	673,799	804,108
Interest and fees	784,405	651,522	1,198,912	2,210,521	1,799,405
Total expenses	129,727,219	127,432,726	123,326,077	111,479,823	107,141,875
Program Revenues					
Charges for services					
Instruction:					
Regular programs	3,038,855	2,934,679	2,761,033	2,259,442	1,814,576
Special programs	-	28,786	-	-	-
Other instructional programs	43,440	43,585	42,461	517,815	350,431
Support services:					
Business	842,434	905,433	876,725	794,996	856,280
Operations and maintenance	209,560	241,544	231,907	294,019	237,118
Capital and operating grants and contributions	39,184,432	41,043,628	39,831,047	29,055,910	26,935,379
Total program revenues	43,318,721	45,197,655	43,743,173	32,922,182	30,193,784
Net (expense)/revenue	(86,408,498)	(82,235,071)	(79,582,904)	(78,557,641)	(76,948,091)
General revenues					
Taxes					
Real estate taxes, levied for general purposes	62,047,391	61,043,785	59,082,643	59,309,274	45,415,244
Real estate taxes, levied for specific purposes	14,330,947	13,164,959	14,185,585	12,732,672	25,159,486
Real estate taxes, levied for debt service	8,292,842	8,246,351	8,138,166	7,765,296	8,078,173
Personal property replacement taxes	954,256	857,538	1,161,696	823,212	1,030,249
State aid-formula grants	4,030,581	4,024,511	2,321,318	2,192,197	2,065,223
Investment earnings	1,041,325	450,116	178,620	157,004	91,133
Miscellaneous	621,861	490,757	1,060,163	679,981	201,869
Total general revenues	91,319,203	88,278,017	86,128,191	83,659,636	82,041,377
Special items - gain on sale of unimproved land	-	-	-	-	-
Change in net position (deficit)	\$ 4,910,705	\$ 6,042,946	\$ 6,545,287	\$ 5,101,995	\$ 5,093,286

	2014	2013	2012	2011	2010
\$	36,077,791	\$ 34,456,548	\$ 34,499,640	\$ 31,940,740	\$ 34,059,408
	11,361,159	11,791,629	11,287,395	10,623,145	10,694,407
	4,239,823	3,860,356	3,952,182	3,760,983	3,728,484
	14,644,970	11,347,061	9,802,334	8,718,032	9,212,174
	4,894,295	4,747,280	4,371,269	4,329,629	4,430,663
	2,758,046	2,862,064	2,754,009	2,459,072	2,421,042
	1,131,090	909,651	1,216,012	1,229,740	1,111,468
	1,998,222	1,971,471	1,950,327	1,922,119	1,878,261
	2,921,024	3,186,831	4,399,500	2,822,510	3,945,934
	3,314,636	3,435,359	3,249,004	3,326,913	3,636,362
	8,904,410	8,061,229	8,104,263	8,484,343	7,895,118
	2,776,870	2,620,375	2,464,640	2,269,360	2,395,254
	37,880	3,550	1,456	2,960	-
	26,277	37,958	6,097	5,167	6,127
	827,840	793,049	769,579	777,813	955,065
	2,742,944	3,113,228	3,418,992	3,452,123	3,665,265
	98,657,277	93,197,639	92,246,699	86,124,649	90,035,032
	1,774,912	1,809,093	2,238,819	2,285,614	2,169,843
	-	-	-	-	-
	253,542	318,530	95,854	70,810	80,492
	1,055,280	1,148,685	1,280,501	1,363,558	1,366,284
	251,932	206,472	169,060	112,600	68,328
	20,706,422	17,366,773	15,375,632	14,683,713	15,155,076
	24,042,088	20,849,553	19,159,866	18,516,295	18,840,023
	(74,615,189)	(72,348,086)	(73,086,833)	(67,608,354)	(71,195,009)
	55,031,366	53,178,208	54,207,965	54,546,585	54,068,270
	14,119,596	13,587,016	11,413,399	9,111,823	9,063,199
	7,991,766	7,874,052	8,093,192	7,943,513	6,276,046
	957,960	946,956	926,804	1,007,473	776,881
	2,102,571	2,076,727	2,119,799	2,185,936	2,140,404
	116,321	139,755	236,515	330,711	432,032
	525,225	576,336	838,456	942,153	172,745
	80,844,805	78,379,050	77,836,130	76,068,194	72,929,577
	-	-	-	14,738,294	-
\$	6,229,616	\$ 6,030,964	\$ 4,749,297	\$ 23,198,134	\$ 1,734,568

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 2,671
Assigned	901,874	1,428,920	1,573,763	1,373,615
Unassigned	1,007,760	980,174	(32,839)	(432,113)
Reserved	-	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 1,909,634</u>	<u>\$ 2,409,094</u>	<u>\$ 1,540,924</u>	<u>\$ 944,173</u>
All Other Governmental Funds				
Unassigned				
Operations and Maintenance	\$ -	\$ -	\$ -	\$ (103,963)
Transportation	(748,921)	(644,163)	(768,715)	(193,520)
Municipal Retirement / Soc. Sec.	-	-	-	-
Capital Projects	-	-	-	-
Restricted				
Operations and Maintenance	615,457	406,627	605,209	-
Transportation	-	-	-	-
Municipal Retirement / Soc. Sec.	162,670	337,991	1,185,472	530,583
Debt Service	1,336,661	1,350,703	1,280,940	1,348,320
Capital Projects	54,611,672	8,343,412	2,178,628	3,194,682
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>\$ 55,977,539</u>	<u>\$ 9,794,570</u>	<u>\$ 4,481,534</u>	<u>\$ 4,776,102</u>
Total Governmental Funds	<u>\$ 57,887,173</u>	<u>\$ 12,203,664</u>	<u>\$ 6,022,458</u>	<u>\$ 5,720,275</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,929	\$ 17,857,981	\$ 23,318,374	\$ 22,659,025	\$ 21,576,715	\$ -
1,596,821	2,490,026	2,194,884	1,756,350	1,198,066	-
175,460	11,524,042	9,209,732	11,065,958	10,387,239	-
-	-	-	-	-	598,272
-	-	-	-	-	11,499,339
<u>\$ 1,774,210</u>	<u>\$ 31,872,049</u>	<u>\$ 34,722,990</u>	<u>\$ 35,481,333</u>	<u>\$ 10,387,239</u>	<u>\$ 12,097,611</u>
\$ (1,211,854)	\$ (25,430,061)	\$ (28,432,859)	\$ (27,714,552)	\$ (25,346,052)	\$ -
(349,484)	-	-	(336,363)	(771,960)	-
-	(2,272,072)	(1,830,775)	(927,850)	(410,664)	-
-	(2,626,583)	(804,393)	-	-	-
-	-	-	-	-	-
-	1,278,343	318,107	-	-	-
128,289	-	-	-	-	-
1,284,260	1,236,284	1,169,846	1,119,643	1,378,578	-
521,656	-	-	2,644,351	15,721,009	-
-	-	-	-	373,784	-
-	-	-	-	-	410,617
-	-	-	-	-	(9,892,756)
-	-	-	-	-	979,629
-	-	-	-	-	(2,878,351)
<u>\$ 372,867</u>	<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>\$ 2,147,077</u>	<u>\$ 4,057,960</u>	<u>\$ 5,142,916</u>	<u>\$ 10,266,562</u>	<u>\$ 1,331,934</u>	<u>\$ 716,750</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Local Sources				
Property taxes	\$ 84,671,180	\$ 82,455,095	\$ 81,406,394	\$ 79,807,242
Replacement taxes	954,256	857,538	1,161,696	823,212
Charges for services	4,134,289	4,154,027	3,912,126	3,866,272
Investment earnings	1,041,325	450,116	178,620	157,004
Other local sources	<u>621,861</u>	<u>490,757</u>	<u>1,060,163</u>	<u>679,981</u>
Total local sources	<u>91,422,911</u>	<u>88,407,533</u>	<u>87,718,999</u>	<u>85,333,711</u>
State sources	<u>26,582,415</u>	<u>42,367,306</u>	<u>39,725,052</u>	<u>28,635,335</u>
Federal sources	<u>2,818,540</u>	<u>2,700,833</u>	<u>2,427,313</u>	<u>2,612,772</u>
Total	<u>\$ 120,823,866</u>	<u>\$ 133,475,672</u>	<u>\$ 129,871,364</u>	<u>\$ 116,581,818</u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 78,652,903	\$ 77,142,728	\$ 74,639,276	\$ 73,555,663	\$ 71,448,825	\$ 69,260,971
1,030,249	957,960	946,956	926,804	1,007,473	776,881
3,258,405	3,335,666	3,482,780	3,784,234	3,832,582	3,684,947
105,972	111,623	157,930	573,077	413,580	299,337
201,869	525,225	576,336	985,698	1,200,924	325,917
<u>83,249,398</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>26,565,093</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>2,435,509</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>\$ 112,250,000</u>	<u>\$ 104,882,195</u>	<u>\$ 99,246,778</u>	<u>\$ 97,320,907</u>	<u>\$ 94,773,033</u>	<u>\$ 91,643,533</u>

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

	2019	2018	2017	2016
Current				
Instruction				
Regular programs	\$ 37,756,060	\$ 36,215,177	\$ 35,998,411	\$ 37,400,589
Special programs	14,871,166	13,924,153	13,193,226	10,798,101
Other instructional programs	4,839,419	4,782,163	4,679,999	4,600,270
State retirement contributions	20,379,008	36,144,694	33,658,146	22,420,118
Total instruction	77,845,653	91,066,187	87,529,782	75,219,078
Supporting Services				
Pupils	5,662,162	5,390,309	5,297,497	5,086,999
Instructional staff	2,015,816	1,890,319	1,830,547	1,998,173
General administration	1,531,110	1,361,147	1,105,123	1,147,722
School administration	2,272,602	2,274,079	2,089,623	2,125,714
Business	2,737,873	2,088,876	2,310,214	2,452,619
Transportation	4,505,823	3,983,588	3,775,286	3,682,405
Operations and maintenance	7,880,977	7,789,424	7,671,635	7,680,474
Central	3,292,092	3,356,760	3,252,311	2,956,041
Other supporting services	-	-	-	-
Total supporting services	29,898,455	28,134,502	27,332,236	27,130,147
Community Services	29,068	29,409	33,100	32,875
Nonprogrammed charges	2,065,702	1,949,676	1,656,678	1,817,418
Total current	109,838,878	121,179,774	116,551,796	104,199,518
Other:				
Debt service:				
Principal	10,269,817	10,303,940	9,593,251	8,739,206
Interest	647,787	767,354	1,134,300	1,500,449
Capital outlay	15,014,001	5,358,205	4,773,422	2,147,176
Total other	25,931,605	16,429,499	15,500,973	12,386,831
Total	\$ 135,770,483	\$ 137,609,273	\$ 132,052,769	\$ 116,586,349
Debt Service as a Percentage of Noncapital Direct Expenditures	9.041%	8.371%	8.428%	8.948%

	2015	2014	2013	2012	2011	2010
\$	36,003,948	\$ 35,803,282	\$ 34,031,159	\$ 33,405,733	\$ 31,528,932	\$ 33,506,998
	11,194,502	10,269,577	10,700,245	10,239,147	9,265,302	9,431,351
	4,302,690	4,161,765	4,119,638	3,877,548	3,684,326	3,669,696
	20,440,963	14,644,970	11,347,061	9,802,334	8,718,032	9,212,174
	<u>71,942,103</u>	<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>
	4,929,267	4,859,797	4,703,942	4,330,683	4,281,970	4,404,681
	1,855,051	1,816,151	1,893,919	1,936,170	1,711,443	1,711,673
	1,048,518	1,080,787	1,151,913	1,170,016	1,184,406	1,073,583
	2,033,980	1,920,252	1,881,385	1,877,500	1,850,207	1,819,539
	3,054,907	2,462,985	2,737,530	3,842,000	2,097,380	2,200,993
	3,650,237	3,284,777	3,435,333	3,121,136	3,273,703	3,532,443
	8,187,821	7,990,999	7,983,165	7,850,260	7,955,421	7,711,852
	2,814,854	2,776,870	2,615,604	2,450,385	2,243,771	2,395,254
	953	37,880	3,550	1,456	2,960	-
	<u>27,575,588</u>	<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>27,516</u>	<u>26,277</u>	<u>37,958</u>	<u>6,097</u>	<u>5,167</u>	<u>6,127</u>
	<u>2,210,461</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>101,755,668</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>
	8,658,425	7,647,868	7,226,907	6,865,000	6,045,000	4,305,000
	1,657,553	2,362,422	2,676,910	2,913,110	2,660,844	2,759,805
	4,051,880	2,983,173	5,988,370	16,243,040	7,777,563	2,194,401
	<u>14,367,858</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>116,123,526</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>
	9.205%	9.720%	10.067%	10.248%	9.832%	7.859%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess of revenues over (under) expenditures	\$ (14,946,617) \$	(4,133,601) \$	(2,181,405) \$	(4,531)
Other financing sources (uses)				
Debt issuance	51,985,000	9,055,000	6,565,000	3,500,000
Premiums on debt issuance	8,645,126	-	-	-
Transfer to refunded bond escrow	-	-	(4,738,831)	-
Transfers in	2,480,046	2,854,932	2,595,724	2,527,642
Transfers out	(2,480,046)	(2,854,932)	(2,595,724)	(2,527,642)
Other	<u>-</u>	<u>1,259,807</u>	<u>657,419</u>	<u>77,729</u>
Total	<u>60,630,126</u>	<u>10,314,807</u>	<u>2,483,588</u>	<u>3,577,729</u>
Net change in fund balance	<u>\$ 45,683,509</u>	<u>\$ 6,181,206</u>	<u>\$ 302,183</u>	<u>\$ 3,573,198</u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ (3,873,526) \$	(1,084,956) \$	(5,123,646) \$	(14,340,004) \$	(1,549,006) \$	(448,324)
21,550,000	-	-	-	10,000,000	-
2,102,226	-	-	-	199,677	-
(23,449,763)	-	-	-	-	-
22,358,047	2,084,778	2,920,809	3,124,444	1,107,720	946,137
(22,358,047)	(2,084,778)	(2,920,809)	(3,124,444)	(1,107,720)	(946,137)
<u>1,760,180</u>	<u>-</u>	<u>-</u>	<u>499,851</u>	<u>14,739,294</u>	<u>-</u>
<u>1,962,643</u>	<u>-</u>	<u>-</u>	<u>499,851</u>	<u>24,938,971</u>	<u>-</u>
\$ <u><u>(1,910,883)</u></u> \$	\$ <u><u>(1,084,956)</u></u> \$	\$ <u><u>(5,123,646)</u></u> \$	\$ <u><u>(13,840,153)</u></u> \$	\$ <u><u>23,389,965</u></u> \$	\$ <u><u>(448,324)</u></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
2018	\$ 3,699,172,410	\$ 50,406	\$ 836,351,509	\$ 82,015,870	\$ 1,850,757	\$ 4,619,440,952	1.9500	\$ 13,858,322,856
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

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

	2018	2017	2016	2015
District Direct Rates				
Educational	1.3478	1.3601	1.4189	1.4619
Operations and Maintenance	0.1900	0.2057	0.1903	0.2207
Special Education	0.0438	0.0457	0.0357	0.0380
Bond and Interest	0.2437	0.1879	0.1965	0.2066
Transportation	0.0678	0.0686	0.0714	0.0507
Illinois Municipal Retirement	0.0219	0.0252	0.0260	0.0380
Social Security	0.0350	0.0252	0.0260	0.0507
Total Direct	1.9500	1.9184	1.9648	2.0666
Overlapping Rates				
DuPage County	0.1673	0.1749	0.1848	0.1971
DuPage County Forest Preserve Dist.	0.1278	0.1306	0.1514	0.1622
DuPage Airport Authority	0.0146	0.0166	0.0176	0.0188
Downers Grove Township	0.0318	0.0331	0.0350	0.0368
Downers Grove Township Road Dist.	0.0510	0.0512	0.0524	0.0550
Village of Downers Grove & Library	0.7576	0.7679	0.7798	0.8160
Downers Grove Park District	0.3256	0.3360	0.3425	0.3624
Downers Grove Sanitary District	0.0398	0.0404	0.0413	0.0434
Downers Grove School District #58	2.0182	2.0489	2.0984	2.2175
College of DuPage #502	0.2317	0.2431	0.2626	0.2786
Total Direct & Overlapping Rate	5.7154	5.7611	5.9306	6.2544

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.

2014	2013	2012	2011	2010	2009
1.4612	1.1040	1.2623	1.2103	1.1614	1.0970
0.2501	0.5304	0.2912	0.2049	0.1499	0.0950
0.0395	0.0398	0.0327	0.0202	0.0220	0.0205
0.2051	0.2129	0.1990	0.1822	0.1772	0.1632
0.0658	0.0531	0.0753	0.0675	0.0560	0.0512
0.0395	0.0398	0.0051	0.0152	0.0220	0.0205
0.0467	0.0929	0.0553	0.0268	0.0220	0.0205
2.1079	2.0729	1.9209	1.7271	1.6105	1.4679
0.2057	0.2040	0.1929	0.1773	0.1659	0.1554
0.1691	0.1657	0.1542	0.1414	0.1321	0.1217
0.0196	0.0178	0.0168	0.0169	0.0158	0.0148
0.0378	0.0368	0.0343	0.0307	0.0281	0.0256
0.0564	0.0549	0.0512	0.0459	0.0420	0.0382
0.8257	0.8245	0.7526	0.7923	0.7591	0.6784
0.3765	0.3691	0.3434	0.3077	0.2900	0.2699
0.0448	0.0436	0.0405	0.0363	0.0336	0.0305
2.3051	2.2613	2.0981	1.8851	1.6991	1.6304
0.2975	0.2956	0.2681	0.2495	0.2349	0.2127
6.4461	6.3462	5.8730	5.4102	5.0111	4.6455

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

Taxpayer		Tax Levy Year 2018 Equalized Assessed Valuation	Percentage of Total 2018 Equalized Assessed Valuation
# 1	Highland Pointe LLC / Hamilton Partners Inc.	\$ 31,489,730	0.68%
# 2	LSREF4 Turtle LLC	24,516,630	0.53%
# 3	Esplanade I SPE LLC	24,152,260	0.52%
# 4	Executive Towers IL Realty	22,084,890	0.48%
# 5	PTA-K 225	21,502,530	0.47%
# 6	Adventus Us Realty 9 LP	20,010,010	0.43%
# 7	Amli Residential	19,775,530	0.43%
# 8	BCH Westwood And Emerald LLC	19,503,170	0.42%
# 9	RPAI Oak Brook Promenade	15,015,520	0.33%
# 10	Highland Owner LLC	<u>13,182,650</u>	<u>0.29%</u>
Total		\$ <u>211,232,920</u>	<u>4.57%</u>
Taxpayer		Tax Levy Year 2009 Equalized Assessed Valuation	Percentage of Total 2009 Equalized Assessed Valuation
# 1	Hamilton Partners	\$ 47,830,480	0.98%
# 2	Wells Reit II & III	35,495,420	0.73%
# 3	Real Estate Tax Advisors	24,137,000	0.50%
# 4	PTA-K 225	22,055,070	0.45%
# 5	BCH Westwood LLP and BCH Emerald	18,751,510	0.38%
# 6	Amli at 7 Bridges LP	17,933,390	0.37%
# 7	Oak Brook Promenada LLC	16,029,870	0.33%
# 8	Highland Owner LLC	13,533,300	0.28%
# 9	Butterfield Rd. Assoc. LLC	13,308,460	0.27%
# 10	Corridors I & II	<u>13,025,820</u>	<u>0.27%</u>
Total		\$ <u>222,100,320</u>	<u>4.56%</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		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2018	\$ 90,079,099	\$ 45,739,564	50.78 %	\$ -	\$ 45,739,564	50.78 %
2017	84,801,418	44,870,549	52.91	39,802,225	84,672,774	99.85
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	74,639,276	96.55
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

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
2019	\$ 74,208,668	\$ 3,655,000	\$ 1,095,365	\$ 78,959,033	1.67%	\$ 716
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

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
2019	\$ 74,208,668	\$ 1,336,661	\$ 72,872,007	0.58 %	\$ 661
2018	31,023,866	1,350,703	29,673,163	0.24	270
2017	30,360,445	1,280,940	29,079,505	0.25	266
2016	36,309,453	1,348,320	34,961,133	0.31	317
2015	40,031,349	1,284,260	38,747,089	0.34	353
2014	48,954,137	1,236,284	47,717,853	0.40	443
2013	55,616,419	1,169,846	54,446,573	0.42	488
2012	61,897,028	1,119,643	60,777,385	0.44	555
2011	67,137,220	1,378,578	65,758,642	0.45	600
2010	61,969,697	979,629	60,990,068	0.42	712

Community High School District 99

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

June 30, 2019

Taxing Authority	Outstanding Bonds	Applicable to District Percent	Amount
Direct bonded debt:			
Community High School District 99 \$	74,208,668	100.000% \$	74,208,668
Overlapping bonded debt:			
County			
DuPage County	29,680,000	11.569%	3,433,679
DuPage County Forest Preserve	102,721,129	11.569%	11,883,807
School District			
School District 58	11,321,434	100.000%	11,321,434
School District 60	38,485,000	22.669%	8,724,165
School District 61	3,545,000	45.901%	1,627,190
School District 63	3,579,151	0.154%	5,512
School District 66	12,360,000	100.000%	12,360,000
School District 502	136,270,000	10.301%	14,037,173
Park Districts			
Butterfield Park District	2,801,279	13.159%	368,620
Darien Park District	1,736,510	38.499%	668,539
Downers Grove Park District	9,090,000	97.050%	8,821,845
Lisle Park District	8,400,400	8.315%	698,493
Oak Brook Park District	19,203,711	13.773%	2,644,927
Oakbrook Terrace Park District	386,000	4.418%	17,053
Westmont Park District	895,100	29.767%	266,444
Woodridge Park District	1,905,000	71.540%	1,362,837
York Center Park District	220,000	13.229%	29,104
Municipalities			
Village of Bolingbrook	144,420,516	1.824%	2,634,230
Village of Darien	6,195,000	38.800%	2,403,660
Village of Downers Grove	64,070,000	96.233%	61,656,483
Miscellaneous			
DuPage Co. SSA #26	798,895	100.000%	798,895
York Center Fire Prot. District	3,000,000	19.345%	580,350
Fountaindale Library	29,340,000	1.914%	561,568
Total Direct and Overlapping General Obligation Bonded Debt			\$ <u><u>221,114,676</u></u>

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 325,175,555	\$ 310,622,998	\$ 294,958,909	\$ 272,015,532
Total Net Debt Applicable to Limit	<u>79,435,365</u>	<u>36,889,048</u>	<u>36,434,760</u>	<u>44,630,147</u>
Legal Debt Margin	<u>\$ 245,740,190</u>	<u>\$ 273,733,950</u>	<u>\$ 258,524,149</u>	<u>\$ 227,385,385</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>24%</u>	<u>12%</u>	<u>12%</u>	<u>16%</u>
2018 Equalized Assessed Valuation	<u>\$ 4,712,689,201</u>			
Voted and Unvoted Debt Limit - 6.9% of Equalized Assessed Valuation		\$ 325,175,555		
Total Face Value of Debt Outstanding	79,435,365			
Less: Exempted Debt	<u>-</u>			
Net Subject to 6.9% Limit		<u>79,435,365</u>		
Total Legal Voted and Unvoted Debt Margin		<u>\$ 245,740,190</u>		

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 262,087,716	\$ 262,805,474	\$ 277,694,056	\$ 299,421,602	\$ 316,044,806	\$ 336,244,002
<u>49,820,180</u>	<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>\$ 212,267,536</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>19%</u>	<u>22%</u>	<u>22%</u>	<u>23%</u>	<u>24%</u>	<u>21%</u>

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

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME	UNEMPLOYMENT RATE
2019 *	110,321	\$ 4,740,824,333	\$ 42,973	3.1%
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%

*Previous Calendar year information is used for the current fiscal year

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 - 2019 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 2019: 2013-2017 Profile including 2016 dollars.

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

Employer	<u>2019</u>	
	Approximate Number of Employees	Percentage of Total Employment
Navister/IC Bus, LLC	3,000	6.14%
Advocate Health Care Good Samaritan Hospital	2,500	5.12%
GCA Services	1,500	3.07%
Molex, LLC	1,150	2.35%
University Subscription Services/Unique Mailing Svc Inc.	1,050	2.15%
Midwestern University	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	706	1.44%
Southern Glazer's Wine & Spirits Of Illinois, LLC	670	1.37%
Downers Grove SD #58 (13 Schools)	637	1.30%
Greencore U.S.A.	600	1.23%
	<u>16,313</u>	<u>33.38%</u>

Data Sources:

* Calculating applicable percentages to the Illinois Department of Employment Security Reports the estimated number of persons employed in the District in 2018 was 48,871.

- (1) 2019 Illinois Manufacturers' Directory
- (2) 2019 Illinois Services Directory
- (3) Official Website of Employer / Village Records

(Continued)

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

Employer	<u>2010</u>	Approximate Number of Employees	Percentage of Total Employment
Good Samaritan Hospital		2,700	5.83%
Sara Lee Corp.		1,200	2.59%
Sara Lee Food & Beverage		1,700	3.67%
Molex Incorporated		900	1.94%
Acxiom Corp.		800	1.73%
CA, Inc.		800	1.73%
R.R. Donnelley & Sons Co.		777	1.68%
Coventry Health Care		700	1.51%
Downers Grove School 58		663	1.43%
Woodridge School District 68		450	0.97%
The Morey Corporation		450	0.97%
Wilton Brands		427	0.92%
Aramark		325	0.70%
		11,892	25.68%

Sources: Phone canvass of employers, 2010 Illinois Manufacturers' News Directory
2010 Illinois Services Directory and 2011 Harris Illinois Industrial Directory

(Concluded)

Community High School District 99
NUMBER OF EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	2018- 2019	2017- 2018	2016- 2017	2015- 2016
Administration:				
Superintendent	1	1	1	1
Assistant Superintendents	3	3	3	3
District Administrators	7	7	5	5
Principals and Building Administrators	<u>16</u>	<u>16</u>	<u>15</u>	<u>13</u>
Total administration	<u>27</u>	<u>27</u>	<u>24</u>	<u>22</u>
Other Certified Staff:				
Teachers	337	327	333	330
Department Chairs	21	20	20	20
Librarians	7	7	7	6
Counselors	20	20	19	19
Student Assistance Coordinators	2	2	2	2
Social workers	6	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>407</u>	<u>397</u>	<u>402</u>	<u>398</u>
Support staff:				
Teacher aides	95	95	95	92
Student supervisors	24	25	25	26
Clerical and other support	90	90	89	92
Technical Support	14	13	13	13
Maintenance, custodians and grounds	<u>60</u>	<u>59</u>	<u>56</u>	<u>59</u>
Total support staff	<u>283</u>	<u>282</u>	<u>278</u>	<u>282</u>
 Total employees	 <u>717</u>	 <u>706</u>	 <u>704</u>	 <u>702</u>

Source of Information: District Personnel Records

2014- 2015	2013- 2014	2012- 2013	2011- 2012	2010- 2011	2009- 2010
1	1	1	1	1	1
3	3	2	2	2	2
6	5	5	5	5	5
<u>14</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
<u>24</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
330	331	327	322	327	326
20	20	20	20	20	20
6	6	6	6	5	5
19	19	19	18	18	20
2	2	2	2	2	2
7	7	7	7	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>398</u>	<u>399</u>	<u>395</u>	<u>389</u>	<u>391</u>	<u>392</u>
88	85	88	86	83	85
26	26	24	22	22	22
88	88	88	86	84	83
12	12	12	12	11	11
<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>	<u>59</u>
<u>273</u>	<u>270</u>	<u>271</u>	<u>265</u>	<u>259</u>	<u>260</u>
<u>695</u>	<u>692</u>	<u>689</u>	<u>677</u>	<u>673</u>	<u>675</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
2019	4,994	\$ 110,383,897	\$22,103	-12.1%	\$ 129,727,219	\$ 25,977	0.5%	337	14.8	22.3%
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	5.7%	90,035,032	17,088	6.5%	326	16.2	16.9%

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	2,154	2,185	2,206	2,197	2,129	2,117	2,130	2,131	2,179	2,144
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	2,782	2,696	2,656	2,722	2,769	2,881	3,024	3,065	3,149	3,125
Transition Facility										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	-	-	-	-
Capacity (Students)	80	80	80	80	80	80	-	-	-	-
Enrollment	58	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, 2019 and June 30, 2018

	<u>2019</u>	<u>2018</u>
Expenditures:		
Educational Fund	\$ 74,052,507	\$ 72,434,975
Operations and Maintenance Fund	8,324,386	8,261,134
Debt Service Fund	10,917,604	11,071,294
Transportation Fund	4,539,018	4,038,466
Municipal Retirement/Social Security Fund	3,088,978	3,077,139
	<u>100,922,493</u>	<u>98,883,008</u>
Less Revenues/Expenditures not Applicable to Operating Expense of Regular Programs		
<u>General</u>		
Educational:		
Tuition paid	2,032,132	1,949,676
Summer school	375,399	351,966
Special education private tuition	38,314	49,150
Capital outlay	653,659	1,978,252
Community service	28,220	28,925
Operations and Maintenance:		
Capital outlay	1,191,458	1,256,330
<u>Special Revenue</u>		
Transportation:		
Payments to other governmental units	33,570	
Capital outlay	503	57,522
Municipal Retirement/Social Security		
Summer School	12,997	9,923
Community service	848	484
<u>Debt Service</u>		
Debt retirement	10,269,817	10,303,940
	<u>14,636,917</u>	<u>15,986,168</u>
Net operating expenditures	\$ 86,285,576	\$ 82,896,840
Average daily attendance	4,436.90	4,871.28
Operating expenditure per student	\$ 19,447	\$ 17,017

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