

**Downers Grove Grade School
District No. 58**

Downers Grove, Illinois

Annual Financial Report

Year Ended June 30, 2021

Downers Grove Grade School District No. 58

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 4
Management's Discussion and Analysis (Unaudited)	5 - 12
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Deficit - Governmental Activities	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	15 - 16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Deficit	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18 - 19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20 - 21
Notes to the Financial Statements	22 - 69
Required Supplementary Information (Unaudited)	
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	70 - 71
Multiyear Schedule of Contributions - Illinois Municipal Retirement Fund	72
Multiyear Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Retirement System of the State of Illinois	73 - 74
Multiyear Schedule of District Contributions - Teachers' Retirement System of the State of Illinois	75 - 76
Multiyear Schedule of Changes in Total Other Postemployment Benefits (OPEB) and Related Ratios - Retiree Health Plan	77
Multiyear Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (OPEB) Liability - Teachers' Health Insurance Security Fund	78
Multiyear Schedule of District Contributions - Teachers' Health Insurance Security Fund	79
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	80 - 89
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	90 - 91

(Continued)

Downers Grove Grade School District No. 58
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information (Unaudited) (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Retirement/Social Security Fund	93 - 95
Notes to the Required Supplementary Information	96 - 101
Supplementary Financial Information	
General Fund	
Combining Balance Sheet	102
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	104 - 105
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Fund	106 - 107
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Fire Prevention and Safety Fund	108
Other Supplemental Information (Unaudited)	
General Long-Term Debt - Schedule of General Obligation Bonds	109

(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Downers Grove Grade School District No. 58
Downers Grove, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Downers Grove Grade School District No. 58, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Downers Grove Grade School District No. 58's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Downers Grove Grade School District No. 58'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Downers Grove Grade School District No. 58, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note A-2 and Note N to the financial statements, assets and fund balance/net position as of July 1, 2020 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 70 through 76, the other postemployment benefits data on page 77 through 79, budgetary comparison schedules and notes to the required supplementary information on pages 80 through 101 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, 2021, was conducted for the purpose of forming opinions on the financial statements that collectively comprise Downers Grove Grade School District No. 58's basic financial statements. The other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The 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, 2021, has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021, 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 Supplementary Financial Information for the year ended June 30, 2021, is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Downers Grove School District No. 58, as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated December 10, 2020, 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 Downers Grove School District No. 58's basic financial statements as a whole. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Fire Prevention and Safety Fund, and Debt Service Fund with comparative actual amounts for the year ended June 30, 2020 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 2020 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Fire Prevention and Safety Fund, and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2020 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, Fire Prevention and Safety Fund, and 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, 2020.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of Downers Grove School District No. 58'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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Downers Grove School District No. 58's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., LTD.

Certified Public Accountants

Deerfield, Illinois
December 21, 2021

Downers Grove Grade School District No. 58

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2021

The discussion and analysis of Downers Grove Grade School District No. 58's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2021. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- ❑ Government-wide revenues were \$109.5 million, \$5.1 million more than the government-wide expenses of \$104.4 million.
- ❑ Governmental funds revenues were \$94.9 million, \$4.4 million more than the governmental fund expenses of \$90.6 million.
- ❑ Total net deficit on a government-wide basis was \$13.1 million. This represents a \$5.2 million, or a 28% decrease in the net deficit from fiscal year 2020 of \$18.2 (as restated).
- ❑ The aggregate fund balance increased \$8 million from \$27 million to \$35 million.
- ❑ At the close of fiscal year 2021, the District's long-term liabilities, including outstanding long-term bonded debt, were \$61.9 million.

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 are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report contains required supplementary information, supplementary financial information, and other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net deficit presents information on all of the District's assets and deferred outflows, liabilities and deferred inflows, with the difference between these reported as net deficit. Over time, increases or decreases in net deficit may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net deficit changed during the fiscal year being reported. All changes in net deficit are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Downers Grove Grade School District No. 58

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2021

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District's governmental activities include instructional services (regular education, special education, and other), supporting services, operations and maintenance of facilities, and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The District does not have any proprietary or fiduciary funds.

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all funds. The District considers all funds to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a better understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, including fund budgetary data, as well as information concerning the District's pension data related to the Illinois Municipal Retirement Fund (IMRF) and the Teachers' Retirement System (TRS), and information for the other postemployment benefits (OPEB).

Downers Grove Grade School District No. 58
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Government-Wide Financial Analysis

Table 1		
Condensed Statement of Net Deficit		
<i>(In millions of dollars)</i>		
	<u>2020*</u>	<u>2021</u>
Assets:		
Current and other assets	\$ 59.2	\$ 64.5
Capital assets	22.4	21.6
Total assets	<u>81.6</u>	<u>86.1</u>
Deferred outflows:		
Related to pension and OPEB	8.4	8.0
Total deferred outflows	<u>8.4</u>	<u>8.0</u>
Liabilities:		
Long-term liabilities	63.5	61.9
Other liabilities	5.6	7.3
Total liabilities	<u>69.1</u>	<u>69.2</u>
Deferred inflows:		
Property taxes levied for future periods	26.8	22.2
Related to pensions and OPEB	12.5	15.8
Total deferred inflows	<u>39.3</u>	<u>38.0</u>
Net deficit:		
Net investment in capital assets	12.3	17.4
Restricted	9.6	13.6
Unrestricted	(40.3)	(44.1)
Total net deficit	<u>\$ (18.4)</u>	<u>\$ (13.1)</u>

*Amounts presented as originally reported and not restated due to implementation of GASB Statement No.84.

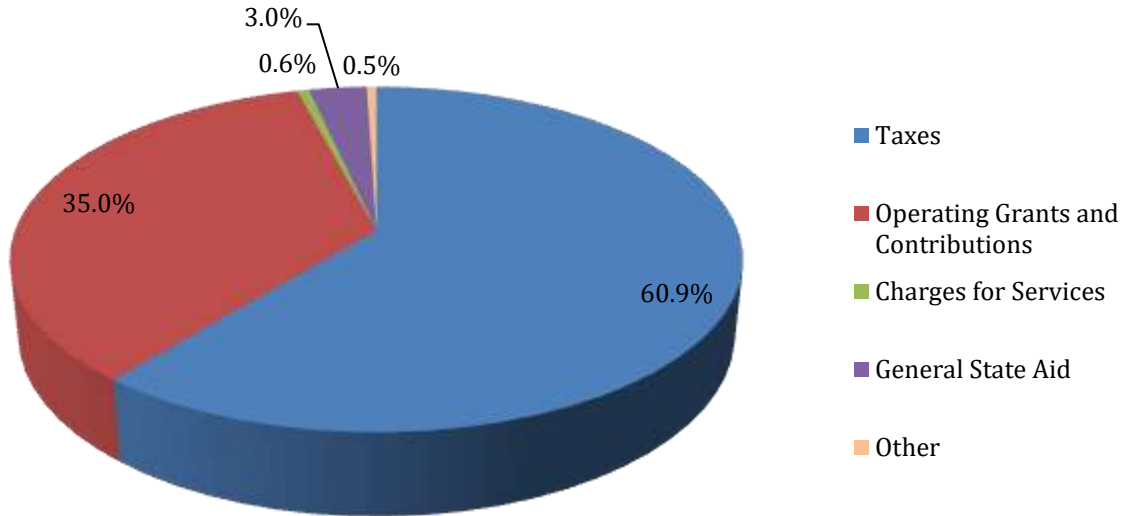
Downers Grove Grade School District No. 58
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Table 2		
Changes in Net Deficit		
<i>(In millions of dollars)</i>		
	<u>2020*</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2.8	\$ 0.7
Grants and contributions	35.6	38.3
General revenues:		
Property taxes	58.2	65.5
Replacement taxes	0.9	1.2
Other	4.7	3.8
Total revenues	<u>102.2</u>	<u>109.5</u>
Expenses:		
Instruction	75.0	78.4
Support services	26.9	25.5
Interest and fees and other	0.5	0.5
Total expenses	<u>102.4</u>	<u>104.4</u>
Decrease in Net Deficit	(0.2)	5.1
Beginning Net Deficit	<u>(18.2)</u>	<u>(18.2)</u>
Ending Net Deficit	<u>\$ (18.4)</u>	<u>\$ (13.1)</u>

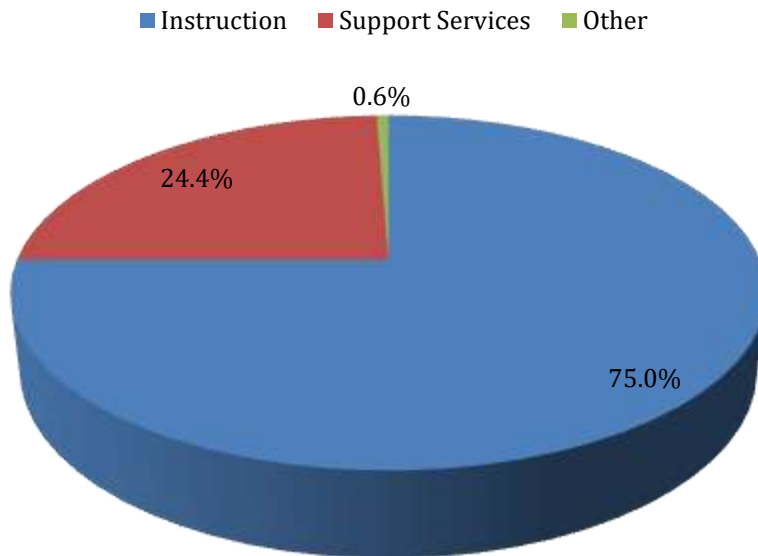
*Amounts presented as originally reported and not restated due to implementation of GASB Statement No.84.

**Downers Grove Grade School District No. 58
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Government-Wide Revenues by Source



Government-Wide Expenses by Function



Downers Grove Grade School District No. 58

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2021

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in the governmental funds statement of revenues, expenditures, and changes in fund balances. Total revenues in the governmental funds were \$94.9 million compared to \$89.0 million in the prior year. Total expenditures in the governmental funds were \$90.6 million, compared to \$86.5 million in the prior year. Revenues exceeded expenditures by \$4.3 million. The fund balances in the governmental funds increased from \$27.0 million (as restated) in the prior year to \$35.0 million as of June 30, 2021. On behalf payments by the State of Illinois to the Teachers' Retirement System (TRS) and Teachers' Health Insurance Security Fund (THIS), are recognized as both revenue and expense on the District's financial statements, were \$17.9 million compared to \$16.6 million in the prior year, an increase of \$1.3 million.

General (Educational and Working Cash) Fund Budgetary Highlights

General Fund: The largest revenue source in the General Fund is property taxes at 66% of all General Fund revenue, and 84.4% of General Fund revenue when excluding on-behalf contributions. The total revenues in the General Fund amounted to \$82.2 million, compared to \$75.3 million in the prior year. Revenues from state sources were \$22.4 million (of which \$17.9 million represents TRS/THIS on-behalf contributions), which represented 27.3% of all revenue in the General Fund. Revenue from federal sources were \$3.5 million which represented 4.3% of all General Fund revenue, a \$1.1 million increase from the prior year total. The District continues to be heavily reliant on property tax revenues.

There were total expenditures of \$78.1 million in the General Fund, compared to \$75.2 million in the prior year. TRS/THIS on behalf payments represent \$17.9 million of the total compared to \$16.6 million in the prior year, an increase of \$1.3 million.

Medical Insurance Balance: At June 30, 2021, the self-funded medical insurance plan (which is a sub-account of the Educational Account in the General Fund) had an assigned fund balance of \$2.0 million for self-insurance claims. The June 30, 2020 assigned fund balance for the medical insurance plan was \$2.6 million. The decrease is the result of keeping the premium rates at a zero-increase effective January 1, 2021 and an increase in utilization. This was a planned spend down of the significant increase in fund balance from the prior year caused by the pandemic shutdown.

Capital Asset and Debt Administration

Capital assets

By the end of fiscal year 2021, the District had compiled a total investment of \$21.6 million (net of accumulated depreciation) in a broad range of capital assets including land, construction in progress, land improvements, buildings and improvements, and equipment. For more detailed information on capital asset activity, refer to Note D in the notes to the financial statements.

Downers Grove Grade School District No. 58
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

Table 3				
Capital Assets (net of depreciation)				
<i>(In millions of dollars)</i>				
	<u>2020</u>		<u>2021</u>	
Land	\$	0.2	\$	0.2
Construction in progress		0.3		0.7
Land improvements		1.1		1.7
Buildings and improvements		19.4		18.0
Equipment		1.4		1.0
Total	\$	<u>22.4</u>	\$	<u>21.6</u>

Long-term liabilities

At June 30, 2021, the District had \$61.9 million in general obligation bonds and other long-term liabilities outstanding. For more detailed information on long-term liability activity, refer to Note E in the notes to the financial statements.

Table 4				
Outstanding Long-Term Liabilities				
<i>(In millions of dollars)</i>				
	<u>2020</u>		<u>2021</u>	
General obligation bonds	\$	10.3	\$	12.2
Other long-term liabilities		53.2		49.7
Total	\$	<u>63.5</u>	\$	<u>61.9</u>

Factors Bearing on the District's Future

The District ended fiscal year 2021 with an increase to fund balance due to several factors, a significant reduction in transportation expenditures due to school being remote for the beginning of school due to the pandemic, tight control on costs throughout the year to control expenditures, and a significant increase in federal funds to assist with the increase in costs due to the Covid-19 pandemic. The initial budget adopted by the Board of Education in September of 2020 had an operating deficit. That deficit was eliminated by the District controlling costs as much as possible and by the increase in federal funds to cover those expenditures created by the impact of COVID.

The District's fund surplus in the Transportation fund at the end of the fiscal year will be reduced the following year due to the increase in expenditure and lower amount of reimbursement from the State in fiscal year 2022 due to the reduced expenditure in fiscal year 2021. This deficit spending in the transportation fund will correct in fiscal year 2023 when the reimbursement for 2022 will increase.

Downers Grove Grade School District No. 58

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2021

As part of the District's continual management of its fiscal controls to ensure adequate and appropriate funding of programs the following steps were taken this last year:

- The District has used five year projections in its budgeting process for many years, however during fiscal year 2021 the Board of Education moved to the five-year financial plan process where the Board approved a five year spending plan to anchor the budgeting process to a format of maintain the fiscal ability over the short term to its strategic plan. Fiscal year 2022 is based on that format.
- The Board approved a fund balance policy requiring that the budget to be adopted has a 35% of budgeted operating expenditures in fund balance, this policy is to ensure adequate funding during the low cash point in the year prior to the second installment of property taxes.
- The Board approved a balanced budget for fiscal year 2022 that is based on the five-year financial plan and the 35% fund balance policy.
- The District entered into a seven-year gross lease for its administrative office with a 2% annual increase. This was the first step of a three-step process to transform its administration facility into the new warehouse, operations and technology support facility. The third step is the liquidation of a former school building, Longfellow, used for warehouse and operations. The District in a sealed bid sold the facility for \$4.1 million, \$3 million to be used on capital projects in schools the summer of 2022. These moves have eliminated over 9,000 square feet of space managed by the District for storage and support, and eliminated a building from inventory that would have needed considerable updates soon to remain usable for District needs.
 - The property was sold to a home developer who is planning to build twelve homes on the site, which will have an increase in tax revenue for the school district.

The District did receive an increase in State Evidence based funding (EBF) and Corporate Personal Property Replacement Tax (CPPRT) in fiscal year 2021, this helped make up for the loss of interest income due to the lower interest rates on funds.

Additionally, the District anticipates using ESSER funds through fiscal year 2023 to help with learning loss and expenses incurred due to the pandemic. These funds will assist in lowering the financial impact of the pandemic and allow the District to add programs to assist students in learning loss.

The District continues to see growth in new construction in both commercial and residential real estate. Most residential growth is teardowns and rebuilds on existing residential lots. The aggregate property base also continues to see appreciation above inflation. The downtown TIF will expire for the 2021 tax levy year and is expected to add over \$65 million in new property to accessible tax base for the District of mostly commercial property. Even though the CPI for the 2021 tax levy is 1.4%, due to new property estimates including the expiration of the downtown TIF the District anticipates property tax revenue in excess of 4%.

The District continues to work on its large deferred maintenance list. Summer of 2021, the District used \$3 million of bond proceeds after restructuring its bonded debt. For the summer of 2022, the District is scheduling an additional \$3 million in work using a large portion of the proceeds from the sale of the Longfellow property for updates to schools focusing on safety and building envelope issues.

The remainder of the proceeds from the sale of Longfellow will be held in fund balance to assist with the 35% fund balance policy, and if needed for funds to cover unanticipated capital needs.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, 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's Assistant Superintendent for Business and Chief School Business Official at (630) 719-5829.

BASIC FINANCIAL STATEMENTS

Downers Grove Grade School District No. 58
 STATEMENT OF NET DEFICIT - GOVERNMENTAL ACTIVITIES
June 30, 2021

ASSETS	
Cash and investments	\$ 31,828,969
Receivables (net of allowance for uncollectibles)	
Property taxes	30,848,564
Replacement taxes	230,354
Intergovernmental	1,608,821
Capital assets:	
Land	223,031
Construction in progress	660,398
Depreciable buildings, property, and equipment, net	<u>20,688,351</u>
Total assets	<u>86,088,488</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	96,208
Deferred outflows related to pensions	4,528,269
Deferred outflows related to other postemployment benefits	<u>3,370,661</u>
Total deferred outflows	<u>7,995,138</u>
LIABILITIES	
Accounts payable	749,311
Salaries and wages payable	4,414,032
Payroll deductions payable	1,006
Claims payable	1,064,695
Interest payable	12,614
Unearned revenue	1,079,531
Long-term liabilities:	
Due within one year	1,706,720
Due after one year	<u>60,195,883</u>
Total liabilities	<u>69,223,792</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for a future period	22,154,106
Deferred inflows related to pensions	7,727,145
Deferred inflows related to other postemployment benefits	<u>8,053,130</u>
Total deferred inflows	<u>37,934,381</u>
NET POSITION	
Net investment in capital assets	17,396,306
Restricted for:	
Operations and maintenance	5,509,585
Debt service	916,879
Retirement benefits	1,335,748
Student transportation	3,340,060
Capital projects	2,487,059
Unrestricted	<u>(44,060,184)</u>
Total net deficit	<u>\$ (13,074,547)</u>

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2021

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 33,165,201	\$ 271,079	\$ 1,769,919	\$ (31,124,203)
Special programs	11,539,083	-	2,470,193	(9,068,890)
Other instructional programs	1,093,994	124,859	19,714	(949,421)
State retirement contributions	32,572,817	-	32,572,817	-
Support services:				
Pupils	4,600,170	-	-	(4,600,170)
Instructional staff	4,314,484	-	133,811	(4,180,673)
General administration	1,550,315	-	-	(1,550,315)
School administration	3,723,187	-	-	(3,723,187)
Business	1,446,031	-	393,061	(1,052,970)
Transportation	3,398,933	118,346	948,133	(2,332,454)
Operations and maintenance	5,464,336	148,580	-	(5,315,756)
Central	805,993	-	-	(805,993)
Other supporting services	156,738	-	-	(156,738)
Community services	80,229	-	-	(80,229)
Interest and fees	495,421	-	-	(495,421)
Total governmental activities	\$ 104,406,932	\$ 662,864	\$ 38,307,648	(65,436,420)
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				54,288,170
Real estate taxes, levied for specific purposes				9,620,689
Real estate taxes, levied for debt service				1,603,801
Personal property replacement taxes				1,231,283
State aid-formula grants				3,333,554
Investment earnings				32,931
Miscellaneous				485,000
Total general revenues				70,595,428
				Change in net deficit 5,159,008
				Net deficit, beginning of year, as restated - Note N (18,233,555)
				Net deficit, end of year \$ (13,074,547)

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

Governmental Funds

BALANCE SHEET

June 30, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 19,284,965	\$ 5,028,416	\$ 2,811,279	\$ 1,056,104
Receivables (net of allowance for uncollectibles):				
Property taxes	25,850,141	1,865,828	1,419,652	992,198
Replacement taxes	230,354	-	-	-
Intergovernmental	<u>1,374,087</u>	<u>-</u>	<u>234,734</u>	<u>-</u>
Total assets	<u>\$ 46,739,547</u>	<u>\$ 6,894,244</u>	<u>\$ 4,465,665</u>	<u>\$ 2,048,302</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 178,800	44,517	91,204	-
Salaries and wages payable	4,414,032	-	-	-
Payroll deductions payable	821	185	-	-
Claims payable	1,064,695	-	-	-
Unearned revenue	<u>1,064,663</u>	<u>-</u>	<u>14,868</u>	<u>-</u>
Total liabilities	<u>6,723,011</u>	<u>44,702</u>	<u>106,072</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>18,564,454</u>	<u>1,339,957</u>	<u>1,019,533</u>	<u>712,554</u>
Total deferred inflows	<u>18,564,454</u>	<u>1,339,957</u>	<u>1,019,533</u>	<u>712,554</u>
FUND BALANCES				
Restricted	-	4,665,170	3,340,060	1,335,748
Committed	-	844,415	-	-
Assigned	2,184,376	-	-	-
Unassigned	<u>19,267,706</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>21,452,082</u>	<u>5,509,585</u>	<u>3,340,060</u>	<u>1,335,748</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 46,739,547</u>	<u>\$ 6,894,244</u>	<u>\$ 4,465,665</u>	<u>\$ 2,048,302</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 726,356	\$ 2,913,307	\$ 8,542	\$ 31,828,969
720,745	-	-	30,848,564
-	-	-	230,354
-	-	-	1,608,821
<u>\$ 1,447,101</u>	<u>\$ 2,913,307</u>	<u>\$ 8,542</u>	<u>\$ 64,516,708</u>
-	434,790	-	\$ 749,311
-	-	-	4,414,032
-	-	-	1,006
-	-	-	1,064,695
-	-	-	1,079,531
-	434,790	-	7,308,575
<u>517,608</u>	-	-	22,154,106
<u>517,608</u>	-	-	22,154,106
929,493	2,478,517	8,542	12,757,530
-	-	-	844,415
-	-	-	2,184,376
-	-	-	19,267,706
<u>929,493</u>	<u>2,478,517</u>	<u>8,542</u>	<u>35,054,027</u>
<u>\$ 1,447,101</u>	<u>\$ 2,913,307</u>	<u>\$ 8,542</u>	<u>\$ 64,516,708</u>

Downers Grove Grade School District No. 58
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF NET DEFICIT
June 30, 2021

Total fund balances - total governmental funds		\$ 35,054,027
Amounts reported for governmental activities in the statement of net deficit are different because:		
Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds.		21,571,780
Deferred charges included in the statement of net position are not available to pay for current expenditures and, accordingly, are not included in the governmental funds balance sheet.		96,208
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions		4,528,269
Deferred inflows of resources related to pensions		(7,727,145)
Deferred outflows and inflows of resources related to other postemployment benefit are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to OPEB		3,370,661
Deferred inflows of resources related to OPEB		(8,053,130)
Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds:		
General obligation bonds	\$(12,229,345)	
Unamortized bond premiums	(706,099)	
Capital leases	(386,720)	
Compensated absences	(140,759)	
IMRF net pension liability	(3,743,514)	
TRS net pension liability	(3,697,077)	
RHP total other postemployment benefit liability	(2,913,354)	
THIS net other postemployment benefit liability	<u>(38,085,735)</u>	(61,902,603)
Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		<u>(12,614)</u>
Net deficit of governmental activities		\$ (13,074,547)

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2021

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 54,288,170	\$ 4,166,363	\$ 3,274,532	\$ 2,179,794
Replacement taxes	1,214,122	-	-	17,161
State aid	22,420,138	-	948,133	-
Federal aid	3,529,923	3,529	-	-
Interest	22,662	4,588	3,168	1,264
Other	770,101	235,250	118,697	-
Total revenues	<u>82,245,116</u>	<u>4,409,730</u>	<u>4,344,530</u>	<u>2,198,219</u>
Expenditures				
Current:				
Instruction:				
Regular programs	31,473,597	-	-	407,615
Special programs	7,811,644	-	-	429,774
Other instructional programs	1,062,621	-	-	16,860
State retirement contributions	17,950,523	-	-	-
Support services:				
Pupils	4,900,663	-	-	156,296
Instructional staff	4,242,225	-	-	182,040
General administration	1,502,733	-	-	32,721
School administration	3,480,202	-	-	174,575
Business	1,428,977	27,556	-	47,122
Transportation	-	-	3,398,933	-
Operations and maintenance	2,846	4,037,868	-	391,896
Central	809,472	-	-	53,381
Other supporting services	156,738	-	-	-
Community services	80,720	-	-	5,182
Nonprogrammed charges	3,164,661	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	-	5,996	-	-
Total expenditures	<u>78,067,622</u>	<u>4,071,420</u>	<u>3,398,933</u>	<u>1,897,462</u>
Excess (deficiency) of revenues over expenditures	4,177,494	338,310	945,597	300,757
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(3,578,597)	(44,878)	-	-
Proceeds from issuance of debt	2,882,424	-	-	-
Premium on issuance of debt	605,000	-	-	-
Deposit with escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(91,173)</u>	<u>(44,878)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4,086,321	293,432	945,597	300,757
Fund balance, beginning of year, as restated - Note N	<u>17,365,761</u>	<u>5,216,153</u>	<u>2,394,463</u>	<u>1,034,991</u>
Fund balance, end of year	<u>\$ 21,452,082</u>	<u>\$ 5,509,585</u>	<u>\$ 3,340,060</u>	<u>\$ 1,335,748</u>

The accompanying notes are an integral part of this statement.

	Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$	1,603,801	\$ -	\$ -	\$ 65,512,660
	-	-	-	1,231,283
	-	11,782	-	23,380,053
	105,403	-	-	3,638,855
	610	628	11	32,931
	-	23,816	-	1,147,864
	<u>1,709,814</u>	<u>36,226</u>	<u>11</u>	<u>94,943,646</u>
	-	-	-	31,881,212
	-	-	-	8,241,418
	-	-	-	1,079,481
	-	-	-	17,950,523
	-	-	-	5,056,959
	-	-	-	4,424,265
	-	-	-	1,535,454
	-	-	-	3,654,777
	-	15,036	-	1,518,691
	-	-	-	3,398,933
	-	-	-	4,432,610
	-	-	-	862,853
	-	-	-	156,738
	-	-	-	85,902
	-	-	-	3,164,661
	1,650,103	-	-	1,650,103
	385,911	-	-	385,911
	-	1,131,294	-	1,137,290
	<u>2,036,014</u>	<u>1,146,330</u>	<u>-</u>	<u>90,617,781</u>
	(326,200)	(1,110,104)	11	4,325,865
	423,475	3,200,000	-	3,623,475
	-	-	-	(3,623,475)
	5,017,576	-	-	7,900,000
	131,028	-	-	736,028
	(4,939,667)	-	-	(4,939,667)
	<u>632,412</u>	<u>3,200,000</u>	<u>-</u>	<u>3,696,361</u>
	306,212	2,089,896	11	8,022,226
	<u>623,281</u>	<u>388,621</u>	<u>8,531</u>	<u>27,031,801</u>
\$	<u>929,493</u>	<u>2,478,517</u>	<u>8,542</u>	<u>35,054,027</u>

Downers Grove Grade School District No. 58

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds.	\$ 8,022,226
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.

Capital outlay	\$ 1,103,537	
Depreciation expense	<u>(1,904,229)</u>	(800,692)

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.	(1,826)
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Changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits are reported only in the statement of activities:

Deferred outflows and inflows of resources related to IMRF pension	(1,937,215)
Deferred outflows and inflows of resources related to TRS pension	(497,996)
Deferred outflows and inflows of resources related to RHP	(21,254)
Deferred outflows and inflows of resources related to THIS	(1,329,514)

Governmental funds report the effects of the loss on refunding 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.	(43,459)
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Governmental funds report the effect of premiums and discounts 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.	(706,099)
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(Continued)

Downers Grove Grade School District No. 58

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

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. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Issuance of general obligation bonds	\$ (7,900,000)	
Principal repayments		
General obligation bonds	1,270,000	
Capital Leases	380,103	
Deferred loss on refunding bonds	139,667	
Defeased bonds	4,800,000	
Accretion on capital appreciation bonds	(94,154)	
Compensated absences, net	(17,226)	
IMRF pension liability, net	2,952,406	
TRS pension liability, net	635,430	
RHP other postemployment benefit liability, net	44,458	
THIS other postemployment benefit liability, net	<u>264,153</u>	<u>2,474,837</u>
Change in net position of governmental activities		<u><u>\$ 5,159,008</u></u>

The accompanying notes are an integral part of this statement.

(Concluded)

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Downers Grove Grade School District No. 58 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Reporting Entity

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

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

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

2. New Accounting Pronouncement

The GASB has issued Statement No. 84, *Fiduciary Activities*, which was implemented by the District for the year ended June 30, 2021. This Statement established guidance for identifying fiduciary activities and resulted in a change to accounting and financial reporting requirements. Specific changes to the District's financial statements relate to the inclusion of the student activity funds within the District's General Fund. See Note N for the effects of this restatement.

3. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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 fund), and the acquisition or construction of major capital facilities (capital project 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.

4. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipients 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.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash 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. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least 0.05% of the District's current equalized assessed valuation.

The Student Activity balance is accounted for in the Educational Account. The balance accounts for activities such as student yearbooks, student clubs and councils and scholarships.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the debt service or capital projects fund) 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 revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

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

c. Debt Service Fund

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

d. Capital Projects Funds

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 and transfers from other funds.

Fire Prevention and Safety Fund - accounts for state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). 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 are 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 are recorded when a fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences, claims, and judgements, which are recognized when the obligation is expected to be liquidated with expendable and available financial resources.

Property taxes, personal property replacement taxes, interest, and intergovernmental 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.

6. Deposits and Investments

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

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. 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, 2021, the District reported deferred outflows of resources related to pension liabilities, other postemployment benefit (OPEB) liabilities and loss on refunding. 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, 2021, the District reported deferred inflows related to property taxes levied for a future period, pension, and OPEB.

8. Capital Assets

Capital assets, which include land, construction in progress, land improvements, buildings and improvements, and equipment 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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15 - 20
Buildings and improvements	20 - 45
Equipment	5 - 20

Construction in progress is stated at cost and includes engineering, design, material, and labor costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Accumulated Unpaid Vacation and Sick Pay

All employees are provided sick leave and vacation benefits in accordance with their contractual agreements (teachers, secretaries, instructional aides, custodians, maintenance) or employee handbooks (administrators, technology, food service). Teachers receive 15 days of sick leave per year and may accumulate up to a maximum of 195 days, not including the current year's allocation. Secretaries, clerks, and instructional aides receive sick leave benefits as follows: 12-month employees receive 18 days per year up to a maximum of 260; 10-month employees receive 15 days per year up to a maximum of 210; and instructional aides receive 10 days per year up to maximum of 180. Custodial/maintenance employees receive 1.5 days of sick leave per month, cumulative up to 260 days. Part-time custodians receive 10 days of sick leave per year, cumulative to 180 days. Administrators receive 15 days sick leave per year and may accumulate up to a maximum of 355 days. Upon retirement, a certified employee may apply up to 355 days of unused sick leave toward service credit for the Teachers' Retirement System (TRS); therefore, the District does not pay an employee for any unused sick days.

Full-time and 600-hour or more secretarial/clerkal employees scheduled on a 12-month basis receive 10 days of vacation annually. After the fifth year, an additional day is added each year to a maximum of 20 days annually. At no time may the accumulation of vacation days exceed 40 days.

Full-time custodial/technology/maintenance employees earn one vacation day each full month after 90 days of employment to a maximum of 10 days during the first 5 years of employment. Thereafter, an employee will continue to earn one additional day each year to a maximum of 20 days vacation. All vacation must be exhausted within the allocated work year.

Twelve-month administrators receive 20 days vacation each year with a maximum accumulation of 50 days. After the fifteenth year, an additional day is added each year to a maximum of 25 days annually. At no time may the accumulation of vacation days exceed 60 days.

Upon leaving employment, employees are paid for any unused vacation days up to 50. Current compensated absences would be reported within the individual funds as salary-related payments.

The liability for accrued vacation, at June 30, 2021, was \$140,759 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. Future payments will be made from the same fund where the employee's salary is recorded.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position. Bond premiums and discounts and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as 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. Issuance cost, whether or not withheld from actual proceeds, are reported as debt service expenditures.

11. Personal Property Replacement Taxes

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

12. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets 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 is 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 positions were 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

In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance (Continued)

- 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 or inventories.
- 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 debt service and capital projects funds, are by definition restricted for those specified purposes. All restricted fund balances are for purposes of the restricted funds as described in Note A-4.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At June 30, 2021 the District has committed \$844,415 in the Operations and Maintenance Fund which represents the balance of a separate sinking fund that was created and funded by the District to fund future projects.
- 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 delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Assistant Superintendent for Business/CSBO may assign amounts for a specific purpose. At June 30, 2021, the District has assigned \$1,997,356 in the General (Educational Account) Fund associated with the medical reserve account for self-insurance claims and the District student activity balance of \$187,020 has been assigned at June 30, 2021.
- 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, and 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.

16. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits (OPEB) liability, 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.

NOTE B - 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2021, the District's cash and investments consisted of the following and for disclosure purposes, is classified into the following components:

	<u>Total</u>
Cash on hand	\$ 1,250
Deposits with financial institutions*	31,735,925
Illinois Funds	<u>91,794</u>
	<u>\$ 31,828,969</u>

* Includes accounts held in demand and savings accounts, and money market savings accounts, 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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs.

The following investment is measured at net asset value (NAV):

			<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Illinois Funds	\$	91,794	n/a	Daily	1 day

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).

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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 requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2021, the bank balances of the District's deposits with financial institutions totaled \$33,019,291, all of which was fully insured or collateralized.

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 in high quality investment pools and/or be secured by private insurance or collateral.

NOTE C - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on November 9, 2020. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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

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

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

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 2020 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectible amounts of 1%. The receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Net taxes receivable less the amount expected to be collected within 60 days are reported as deferred inflow of resources - property taxes levied for a future period.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 223,031	\$ -	\$ -	\$ 223,031
Construction in progress	286,273	874,385	500,260	660,398
Total capital assets, not being depreciated	509,304	874,385	500,260	883,429
Capital assets, being depreciated				
Land improvements	2,732,620	729,412	-	3,462,032
Buildings and improvements	48,172,095	-	-	48,172,095
Equipment	9,173,297	-	605,581	8,567,716
Total capital assets, being depreciated	60,078,012	729,412	605,581	60,201,843
Less accumulated depreciation for:				
Land improvements	1,642,525	133,439		1,775,964
Buildings and improvements	28,786,909	1,359,953	-	30,146,862
Equipment	7,785,410	410,837	605,581	7,590,666
Total accumulated depreciation	38,214,844	1,904,229	605,581	39,513,492
Total capital assets, being depreciated, net	21,863,168	(1,174,817)	-	20,688,351
Governmental activities capital assets, net	\$ 22,372,472	\$ (300,432)	\$ 500,260	\$ 21,571,780

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE D - CAPITAL ASSETS (Continued)

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

Regular programs	\$ 676,780
Special programs	21,789
Pupils	4,353
Instructional staff	151,081
General administration	4,032
School administration	3,925
Business	1,000,819
Central	<u>41,450</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,904,229</u></u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES

1. Changes in Long-term Liabilities

During the year ended June 30, 2021, changes in long-term liabilities were as follows:

	Balance July 1, 2020	Additions/ Accretion	Defeased/ Reductions	Balance June 30, 2021
Bonds payable				
General obligation bonds	\$ 10,305,191	\$ 7,994,154	\$ 6,070,000	\$ 12,229,345
Unamortized premiums	-	736,028	29,929	706,099
	10,305,191	8,730,182	6,099,929	12,935,444
TRS net pension liability	4,332,507	230,316	865,746	3,697,077
IMRF net pension liability	6,695,920	5,210,274	8,162,680	3,743,514
RHP total other postemployment benefit liability	2,957,812	286,020	330,478	2,913,354
THIS net other postemployment benefit liability	38,349,888	2,330,580	2,594,733	38,085,735
Capital leases	766,823	-	380,103	386,720
Compensated absences	123,533	138,720	121,494	140,759
	123,533	138,720	121,494	140,759
Total long-term liabilities - governmental activities	\$ 63,531,674	\$ 16,926,092	\$ 18,555,163	\$ 61,902,603
	Due Within one year			
General obligation bonds	\$ 1,320,000			
Capital leases	386,720			
	\$ 1,706,720			

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds

During the fiscal year ended June 30, 2021, the District issued \$5,355,000 of Taxable General Obligation Limited School Bonds, Series 2021A and \$2,545,000 of General Obligation Limited School Bonds, Series 2021B. Proceeds of the 2021A Bonds were used to (i) advance refund the District's outstanding General Obligation Limited School Bonds, Series 2013 and a portion of the General Obligation Limited Tax Capital Appreciation School Bonds, Series 2018, (ii) increase the District's working cash fund and (iii) pay costs associated with the issuance of the 2021A Bonds. Proceeds of the 2021B Bonds were used to (i) increase the District's working cash fund and (ii) pay costs associated with the issuance of the 2021B Bonds.

The refunding resulted in a theoretical economic loss (difference between the present value of the debt service payments on the Series 2013 and 2018 bonds and Series 2021A bonds) of \$235,696.

The District defeased the Series 2013 Bonds and a portion of the 2018 Bonds by placing a portion of the proceeds of Series 2021A Bonds in an irrevocable trust to provide for future debt service payments on the Series 2013 and 2018 Bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2021, \$4,770,000 of Series 2013 and \$30,000 of Series 2018 principal outstanding is considered defeased.

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

Purpose	Interest Rates	Face Amount	Carrying Amount
2010B General Obligation Bonds, due December 15, 2022 (Build America Bonds)	2.20% - 4.65%	\$ 1,370,000	\$ 1,370,000
2018 General Obligation Limited Tax Capital Appreciation Bonds, Series 2018, due December 15, 2027	1.75% - 3.18%	3,500,000	2,959,345
2021A Taxable General Obligation Limited School Bonds, Series 2021A, due December 15, 2028	0.20% - 1.40%	5,355,000	5,355,000
2021B General Obligation Limited School Bonds, Series 2021B, due December 15, 2031	4.00%	2,545,000	2,545,000
		\$ 12,770,000	\$ 12,229,345

Downers Grove Grade School District No. 58
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds (Continued)

At June 30, 2021, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 1,320,000	229,940	\$ 1,549,940
2023	1,350,000	151,423	1,501,423
2024	1,360,000	138,900	1,498,900
2025	1,370,000	125,250	1,495,250
2026	1,385,000	117,100	1,502,100
2027-2031	5,265,000	471,700	5,736,700
2032	720,000	14,400	734,400
Total	<u>\$ 12,770,000</u>	<u>\$ 1,248,713</u>	<u>\$ 14,018,713</u>

A percentage of the interest amount reported on the Build America Bonds will be refunded to the District by the federal government. Future annual subsidy amounts may be subject to future increases or decreases as sequestration levels fall or rise, which cannot be determined at this time.

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$929,493 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2021, the statutory debt limit for the District was \$219,543,589 of which \$206,386,869 is fully available.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - LONG-TERM LIABILITIES (Continued)

3. Capital Leases

The District has entered into various capital lease agreements for computers and phone system. The leases expire at various dates through January 2022 and require annual payments of principal and interest ranging from \$44,878 to \$343,598. The obligations are repaid from the Debt Service Fund, with funding provided by transfers from the General (Educational Account) Fund and the Operations and Maintenance Fund. At June 30, 2021, the District's future cash flow requirements for retirement of leases payable principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 386,720	\$ 6,756	\$ 393,476
Total	\$ 386,720	\$ 6,756	\$ 393,476

The gross amount of capital assets recorded under capital leases for equipment purchased is \$1,788,878.

NOTE F - INTERFUND TRANSFERS

The District transferred \$348,597 to the Debt Service Fund from the General Fund (Education Account), and \$44,878 to the Debt Service Fund from the Operations and Maintenance Fund. Amounts transferred were used for principal and interest payments of capital leases.

The District transferred \$3,200,000 to the Capital Projects Fund and \$30,000 to the Debt Service Fund from the General Fund (Working Cash Account). These transfers represented an abatement of the General Fund (Working Cash Account).

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE G - OPERATING LEASE AGREEMENTS

The District leases various equipment and vehicles under noncancelable operating leases with unrelated parties. Total cost for such leases was \$80,868 for the year ended June 30, 2021. The future minimum lease payments under this agreement is as follows:

Future Maturities	
Year Ending	
June 30	Total
2022	\$ 80,868
2023	6,739
Total	\$ <u>87,607</u>

NOTE H - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; torts; theft of, damage to, and destruction of assets; errors and omissions; 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. There have been no significant reductions in insurance coverage from coverage in prior years. 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 processes 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 and dental claims, and administration fees. The District's liability will not exceed \$150,000 per employee, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2021, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$1,064,695. These estimates, which consider historical lag periods and current year claims experience, 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. Claims incurred but not yet reported (IBNRs) include known loss events that are expected to later be presented as claims, unknown loss events that are expected to become claims, and expected future developments on claims already reported.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE H - RISK MANAGEMENT (Continued)

For the two years ended June 30, 2021 and 2020, changes in the liability for unpaid claims are as follows:

	<u>2021</u>	<u>2020</u>
Unpaid claims, beginning of fiscal year	\$ 496,130	\$ 517,579
Incurred claims (including IBNRs)	8,683,142	7,675,615
Claim payments	<u>(8,114,577)</u>	<u>(7,697,064)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,064,695</u>	<u>\$ 496,130</u>

NOTE I - 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/fy2020; 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 consecutive 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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 highest 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 three 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. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. 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 began in 2019 and are 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, 2020, 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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, 2021, 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 \$30,839,852 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$17,480,295 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, 2021, were \$219,945 and are deferred because they were paid after the June 30, 2020 measurement date.

Federal and Special Trust Fund Contributions

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

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

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$541,935 were paid from federal and special trust funds that required employer contributions of \$56,415.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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.

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, 2021, the District paid \$168 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 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, 2021, 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	\$	3,697,077
State's proportionate share of the net pension liability associated with the District		<u>289,574,305</u>
Total	\$	<u><u>293,271,382</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2020, the District's proportion was 0.0042881939 percent, which was an decrease of 0.001053447 percent from its proportion measured as of June 30, 2019.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2021, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - revenue and expense/expenditure	\$ 30,839,852	\$ 17,480,295
District TRS pension expense	82,419	219,945
Total TRS expense/expenditure	\$ 30,922,271	\$ 17,700,240
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,829	\$ 987
Change of assumptions	15,149	38,791
Net difference between projected and actual earnings on pension plan investments	110,389	-
Changes in proportion and differences between District contributions and proportionate share of contributions	922,177	1,262,266
Total deferred amounts to be recognized in pension expense in the future periods	1,083,544	1,302,044
District contributions subsequent to the measurement date	219,945	-
Total deferred amounts related to pensions	\$ 1,303,489	\$ 1,302,044

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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 District reported \$219,945 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Net Deferred Inflows (Outflows) of Resources</u>
2022	\$ 93,907
2023	77,383
2024	(35,608)
2025	17,917
2026	64,901
Total	<u>\$ 218,500</u>

Actuarial Assumptions

The total pension liability in the June 30, 2020 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, 2020 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, 2019 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	16.5 %	6.1 %
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private Debt	5.2	6.3
Hedge Funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	<u>100.0 %</u>	

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2020 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:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount</u> <u>Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 4,487,579	\$ 3,697,077	\$ 3,046,266

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2020 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	389
Inactive plan members entitled to but not yet receiving benefits	544
Active plan members	<u>196</u>
Total	<u><u>1,129</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 2020 was 15.58%. For the fiscal year ended June 30, 2021 the District contributed \$923,500 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, 2020. 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, 2020:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Long-term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	37%	5.00%
International equities	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative investments	7%	2.85% - 6.95%
Cash Equivalents	1%	0.70%
Total	100%	

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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 2.75% (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%.

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, 2020:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 50,589,739	\$ 43,893,819	\$ 6,695,920
Changes for the year:			
Service cost	649,972	-	649,972
Interest on the total pension liability	3,566,730	-	3,566,730
Changes in benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	1,276,326	-	1,276,326
Changes of assumptions	(282,754)	-	(282,754)
Contributions - employer		974,531	(974,531)
Contributions - employees	-	284,507	(284,507)
Net investment income	-	6,416,592	(6,416,592)
Benefit payments, including refunds of employee contributions	(3,436,891)	(3,436,891)	-
Other (net transfer)	-	487,050	(487,050)
Net changes	<u>1,773,383</u>	<u>4,725,789</u>	<u>(2,952,406)</u>
Balances at December 31, 2020	<u>\$ 52,363,122</u>	<u>\$ 48,619,608</u>	<u>\$ 3,743,514</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ 9,038,203	\$ 3,743,514	\$ (683,054)

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

For the year ended June 30, 2021 the District recognized pension income of \$91,567. At June 30, 2021, 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
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 496,462	\$ -
Change of assumptions	-	109,985
Net difference between projected and actual earnings on pension plan investments	2,240,611	6,315,116
Total deferred amounts to be recognized in pension expense in the future periods	2,737,073	6,425,101
Pension contributions made subsequent to the measurement date	487,707	-
Total deferred amounts related to pensions	\$ 3,224,780	\$ 6,425,101

The District reported \$487,707 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, 2022.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - 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)

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

Year Ended June 30,	Net Deferred Inflows of Resources
2022	\$ 920,994
2023	493,806
2024	1,614,110
2025	659,118
2026	-
Thereafter	-
Total	\$ 3,688,028

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 219,945	\$ 487,707	\$ 707,652
Experience	35,829	496,462	532,291
Assumptions	15,149	-	15,149
Proportionate share	922,177	-	922,177
Investments	110,389	2,240,611	2,351,000
	\$ 1,303,489	\$ 3,224,780	\$ 4,528,269
Net pension liability	\$ 3,697,077	\$ 3,743,514	\$ 7,440,591
Pension expense (income)	\$ 30,922,271	\$ (91,567)	\$ 30,830,704
Deferred inflows of resources:			
Assumptions	\$ 38,791	\$ 109,985	\$ 148,776
Experience	987	-	987
Investments	-	6,315,116	6,315,116
Proportionate share	1,262,266	-	1,262,266
	\$ 1,302,044	\$ 6,425,101	\$ 7,727,145

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE I - PENSION LIABILITIES (Continued)

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.

NOTE J - 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - 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, 2021. 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, 2021, the District recognized revenue and expenses of \$1,732,965 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$470,228 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, 2021. For the year ended June 30, 2021, the District paid \$348,878 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2020 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.

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

At June 30, 2021, 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	\$ 38,085,735
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>51,595,799</u>
Total	<u><u>\$ 89,681,534</u></u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - 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 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, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020. 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, 2020, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2020, the District's proportion was 0.142452 percent, which was an increase of 0.003892 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 1,732,965	\$ 470,228
District OPEB pension expense	1,414,031	348,878
Total OPEB expense/expenditure	\$ 3,146,996	\$ 819,106

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - 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)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,011,898
Change of assumptions	12,897	6,282,195
Net difference between projected and actual earnings on OPEB plan investments	-	1,084
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>2,092,694</u>	<u>694,310</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>2,105,591</u>	<u>7,989,487</u>
District contributions subsequent to the measurement date	<u>348,878</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 2,454,469</u>	<u>\$ 7,989,487</u>

The District reported \$348,878 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, 2022. 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>
2022	\$ 1,168,907
2023	1,168,805
2024	1,168,593
2025	976,482
2026	577,788
Thereafter	<u>823,321</u>
Total	<u>\$ 5,883,896</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 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, 2020, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.50 percent
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Trend Rate	Actual trend used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional rate adjustment due to the repeal of the Excise tax.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - 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)

Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

The State, the District and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2020. 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 3.13 percent at June 30, 2019, and 2.45 percent at June 30, 2020, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.13 percent to 3.45 percent, caused the total OPEB liability for the entire plan to increase by approximately \$3,012 million as of June 30, 2020.

Investment Return

During plan year end June 30, 2020, the trust earned \$193,000 in interest, and the market value of assets at June 30, 2020, is \$189 million. Given the low asset value and pay-as-you-go funding policy, the long-term expected rate of 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 1.732% for plan year end June 30, 2020, and 2.038% for plan year end June 30, 2019.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - 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 Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 2.45 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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
District's proportionate share of the net OPEB liability \$	45,773,660	\$ 38,085,735	\$ 31,994,962

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase**
District's proportionate share of the net OPEB liability \$	30,632,532	\$ 38,085,735	\$ 48,161,061

*One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.

** One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP)

Plan Description

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

Benefits Provided

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. Retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board. Retirees may also access dental insurance benefits on a "pay all" basis. Dependents may also continue coverage on a pay-all basis.

Employees Covered by Benefit Terms

As of June 30, 2020 (most recent information available) the following employees were covered by the benefit terms:

Active	441
Inactive entitled to but not yet receiving benefits	-
Inactive currently receiving benefits	<u>61</u>
Total	<u><u>502</u></u>

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2019 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal

Actuarial assumptions:

Discount rate (as of June 30, 2021)	2.18%
Inflation	3.00%
Salary rate increases	4.00%
Healthcare inflation rate	District Medical Plans 7.00% initial 4.50% ultimate (reached in fiscal year 2035)

TRIP TCHP Plan Option: 5.00% for all years

TRIP Plan Stipend: 0% for all years

Mortality rates	IMRF Employees and Retirees: rates from the December 31, 2019 IMRF actuarial valuation report.
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	TRS Employees and Retirees: rates from the June 30, 2019 TRS actuarial valuation report.
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Election at retirement	100% of Administrators and Certified Staff assumed to elect the TRIP coverage at retirement. 20% of active IMRF employees are assumed to elect continuation of coverage on the District medical plan at retirement.
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Marital status	30% of employees electing coverage continuation 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.
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Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

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). The discount rate was updated from 2.66% as of June 30, 2020 to 2.18% as of June 30, 2021, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2021.

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, 2021 based upon a rollforward actuarial valuation from the actuarial valuation performed July 1, 2019 to the fiscal year-end:

	<u>Total OPEB Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net OPEB Liability (A) - (B)</u>
Balances at July 1, 2020	\$ 2,957,812	\$ -	\$ 2,957,812
Changes for the year:			
Service cost	136,547	-	136,547
Interest on the total OPEB liability	74,282	-	74,282
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	75,191	-	75,191
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(330,478)	-	(330,478)
Other changes	-	-	-
Net changes	<u>(44,458)</u>	<u>-</u>	<u>(44,458)</u>
Balances at June 30, 2021	<u>\$ 2,913,354</u>	<u>\$ -</u>	<u>\$ 2,913,354</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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 2.18%, 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 (1.18%)	Current Discount Rate (2.18%)	1% Higher (3.18%)
Total OPEB liability	\$ 3,081,390	\$ 2,913,354	\$ 2,753,145

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%-7.00%, 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	Current Healthcare Rate	1% Higher
Total OPEB liability	\$ 2,823,435	\$ 2,913,354	\$ 3,017,633

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

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

For the year ended June 30, 2021 the District recognized OPEB expense of \$307,274. At June 30, 2021, 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>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ 164,023	\$ -
Change of assumptions	<u>752,169</u>	<u>63,643</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 916,192</u>	<u>\$ 63,643</u>

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

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2022	\$ 96,445
2023	96,445
2024	96,445
2025	96,445
2026	96,445
Thereafter	<u>370,324</u>
Total	<u>\$ 852,549</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2021:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 348,878	\$ -	\$ 348,878
Experience	-	164,023	164,023
Assumptions	12,897	752,169	765,066
Proportionate share	2,092,694	-	2,092,694
	\$ 2,454,469	\$ 916,192	\$ 3,370,661
 OPEB liability	 \$ 38,085,735	 \$ 2,913,354	 \$ 40,999,089
 OPEB expense	 \$ 3,146,996	 \$ 307,274	 \$ 3,454,270
Deferred inflows of resources:			
Assumptions	\$ 6,282,195	\$ 63,643	\$ 6,345,838
Experience	1,011,898	-	1,011,898
Investments	1,084	-	1,084
Proportionate share	694,310	-	694,310
	\$ 7,989,487	\$ 63,643	\$ 8,053,130

NOTE K - 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 6 S 331 Cornwall Road, Naperville, Illinois 60540.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE L - CONTINGENCIES

1. Litigation

The District is not involved in any significant litigation. With regard to other pending matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

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

The District has 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 for the 2020 tax year was approximately \$49,000.

4. COVID-19

The long-term direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, as is the duration and severity of any impacts that the District may experience. The District continues to monitor investment values and returns, tax revenues, and state and federal funding, which could be impacted. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that the pandemic will have on its operations, cash flows, and financial position; however, they may be significant.

NOTE M - COMMITMENTS

As of June 30, 2021, the District has committed to approximately \$1,891,000 in capital projects.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE N - CHANGE IN ACCOUNTING PRINCIPLE - RESTATEMENT

The implementation of GASB 84 (Note A-2) required the District to report its student activity fund as part of the General Fund and the Government-wide financial statements. As a result of this implementation as of July 1, 2020, net position and fund balance increased by \$192,379 and cash and investments increased by \$192,379.

NOTE O - SUBSEQUENT EVENT

Management has evaluated subsequent events through December 21, 2021, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than the items described below, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

On August 1, 2021, the District entered into a lease for administrative office space commencing October 1, 2021 and expiring June 30, 2028, that requires monthly rental payments ranging from \$7,179 to \$8,084.

On August 9, 2021, the District approved a resolution to sell its Longfellow property. On September 27, 2021, the District awarded the contract at an estimated sales price of \$4,155,000 and the sale is pending due diligence.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Downers Grove Grade School District No. 58

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

Seven Most Recent Fiscal Years

	2021	2020	2019
Total pension liability			
Service cost	\$ 649,972	\$ 634,766	\$ 619,570
Interest on the total pension liability	3,566,730	3,469,607	3,339,906
Difference between expected and actual experience of the total pension liability	1,276,326	555,210	1,275,982
Assumption changes	(282,754)	-	1,182,124
Benefit payments and refunds	(3,436,891)	(3,218,218)	(2,982,999)
Net change in total pension liability	1,773,383	1,441,365	3,434,583
Total pension liability, beginning	50,589,739	49,148,374	45,713,791
Total pension liability, ending	\$ 52,363,122	\$ 50,589,739	\$ 49,148,374
Plan fiduciary net position			
Contributions, employer	\$ 974,531	\$ 887,330	\$ 918,803
Contributions, employee	284,507	287,383	269,112
Net investment income	6,416,592	7,481,785	(2,527,731)
Benefit payments, including refunds of employee contributions	(3,436,891)	(3,218,218)	(2,982,999)
Other (net transfer)	487,050	196,934	1,399,821
Net change in plan fiduciary net position	4,725,789	5,635,214	(2,922,994)
Plan fiduciary net position, beginning	43,893,819	38,258,605	41,181,599
Plan fiduciary net position, ending	\$ 48,619,608	\$ 43,893,819	\$ 38,258,605
Net pension liability	\$ 3,743,514	\$ 6,695,920	\$ 10,889,769
Plan fiduciary net position as a percentage of the total pension liability	92.85	86.76 %	77.84 %
Covered Valuation Payroll	\$ 6,255,012	\$ 6,266,454	\$ 5,904,907
Net pension liability as a percentage of covered valuation payroll	59.85 %	106.85 %	184.42 %

Note 1: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	686,233	\$ 782,284	\$ 746,714	\$ 830,709
	3,346,657	3,197,627	3,037,325	2,779,385
	175,824	615,264	603,963	150,038
	(1,385,320)	(241,033)	95,189	1,726,170
	(2,777,166)	(2,433,212)	(2,047,024)	(1,736,852)
	<u>46,228</u>	<u>1,920,930</u>	<u>2,436,167</u>	<u>3,749,450</u>
	45,667,563	43,746,633	41,310,466	37,561,016
\$	<u><u>45,713,791</u></u>	<u><u>45,667,563</u></u>	<u><u>43,746,633</u></u>	<u><u>41,310,466</u></u>
\$	848,576	\$ 926,983	\$ 908,587	\$ 887,996
	276,271	287,160	301,130	363,996
	6,760,004	2,342,140	178,145	2,081,383
	(2,777,166)	(2,433,212)	(2,047,024)	(1,736,852)
	(1,282,568)	427,864	417,073	87,652
	<u>3,825,117</u>	<u>1,550,935</u>	<u>(242,089)</u>	<u>1,684,175</u>
	37,356,482	35,805,547	36,047,636	34,363,461
\$	<u><u>41,181,599</u></u>	<u><u>37,356,482</u></u>	<u><u>35,805,547</u></u>	<u><u>36,047,636</u></u>
\$	<u><u>4,532,192</u></u>	<u><u>8,311,081</u></u>	<u><u>7,941,086</u></u>	<u><u>5,262,830</u></u>
	90.09 %	81.80 %	81.85 %	87.26 %
\$	6,084,557	\$ 6,336,280	\$ 6,619,221	\$ 6,788,974
	74.49 %	131.17 %	119.97 %	77.52 %

Downers Grove Grade School District No. 58
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Seven 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>
2021	\$ 1,077,113	* \$ 974,531	\$ 102,582	\$ 6,255,012	15.58 %
2020	887,330	887,330	-	6,266,454	14.16
2019	918,804	918,803	1	5,904,907	15.56
2018	846,970	848,576	(1,606)	6,084,557	13.95
2017	913,058	926,983	(13,925)	6,336,280	14.63
2016	900,876	908,587	(7,711)	6,619,221	13.73
2015	887,997	887,996	1	6,788,974	13.08

* Estimated based on contribution rate of 17.22% and covered valuation payroll of \$6,255,012.

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

Downers Grove Grade School District No. 58
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0042881939 %	0.0053416410 %	0.0035632007 %
District's proportionate share of the net pension liability	\$ 3,697,077	\$ 4,332,507	\$ 2,777,331
State's proportionate share of the net pension liability associated with the District	<u>289,574,305</u>	<u>308,339,795</u>	<u>190,258,816</u>
Total	<u>\$ 293,271,382</u>	<u>\$ 312,672,302</u>	<u>\$ 193,036,147</u>
District's covered-employee payroll	\$ 36,058,524	\$ 34,080,454	\$ 33,190,956
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.25 %	12.71 %	8.37 %
Plan fiduciary net position as a percentage of the total pension liability	37.8 %	39.6 %	40.0 %

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.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0051814405 %	0.0046950648 %	0.0066063731 %	0.0064739066 %
\$ 3,958,524	\$ 3,706,099	\$ 4,327,840	\$ 3,939,908
<u>241,739,723</u>	<u>255,215,128</u>	<u>188,886,330</u>	<u>187,434,288</u>
<u>\$ 245,698,247</u>	<u>\$ 258,921,227</u>	<u>\$ 193,214,170</u>	<u>\$ 191,374,196</u>
\$ 32,682,535	\$ 31,176,055	\$ 30,136,212	\$ 30,291,184
12.11 %	11.89 %	14.36 %	13.01 %
39.3 %	36.4 %	41.5 %	43.0 %

Downers Grove Grade School District No. 58
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
Seven Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 209,139	\$ 197,667	\$ 192,508
Contributions in relation to the contractually required contribution	<u>209,045</u>	<u>241,911</u>	<u>148,048</u>
Contribution deficiency (excess)	<u>\$ 94</u>	<u>\$ (44,244)</u>	<u>\$ 44,460</u>
District's covered-employee payroll	\$ 37,921,575	\$ 36,058,524	\$ 34,080,454
Contributions as a percentage of covered-employee payroll	0.55 %	0.67 %	0.43 %

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.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 238,814	\$ 186,079	\$ 229,365	\$ 223,244
<u>213,474</u>	<u>181,826</u>	<u>231,487</u>	<u>230,986</u>
\$ <u><u>25,340</u></u>	\$ <u><u>4,253</u></u>	\$ <u><u>(2,122)</u></u>	\$ <u><u>(7,742)</u></u>
\$ 33,190,956	\$ 32,682,535	\$ 31,176,055	\$ 30,136,212
0.64 %	0.56 %	0.74 %	0.77 %

Downers Grove Grade School District No. 58
MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS
(OPEB) LIABILITY AND RELATED RATIOS
Retiree Health Plan
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 136,547	\$ 132,258	\$ 125,285	\$ 112,964
Interest on the total OPEB liability	74,282	57,235	71,667	71,294
Changes of benefit terms	-	-	-	70,890
Difference between expected and actual experience of the total OPEB liability	-	128,245	-	22,584
Changes of assumptions and other inputs	75,191	419,876	70,317	19,900
Benefit payments, including the implicit rate subsidy	(330,478)	(342,132)	(281,131)	(303,313)
Other changes	-	339,816	(30,816)	(65,122)
Net change in total OPEB liability	<u>(44,458)</u>	<u>735,298</u>	<u>(44,678)</u>	<u>(70,803)</u>
Total OPEB liability, beginning	<u>2,957,812</u>	<u>2,222,514</u>	<u>2,267,192</u>	<u>2,337,995</u>
Total OPEB liability, ending	<u>\$ 2,913,354</u>	<u>\$ 2,957,812</u>	<u>\$ 2,222,514</u>	<u>\$ 2,267,192</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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 2,913,354</u>	<u>\$ 2,957,812</u>	<u>\$ 2,222,514</u>	<u>\$ 2,267,192</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %	0.00 %
Covered Valuation Payroll	\$ 32,439,096	\$ 32,439,096	\$ 32,306,296	\$ 32,306,296
Net OPEB liability as a percentage of covered valuation payroll	9.00 %	9.14 %	6.90 %	7.04 %

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

Downers Grove Grade School District No. 58
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
Four Most Recent Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1424520000 %	0.1385600000 %	0.1399640000	0.1420350000 %
District's proportionate share of the net OPEB liability	\$ 38,085,735	\$ 38,349,888	\$ 36,874,634	\$ 36,857,598
State's proportionate share of the net OPEB liability associated with the District	<u>51,595,799</u>	<u>51,930,641</u>	<u>49,514,681</u>	<u>48,403,185</u>
Total	<u>\$ 89,681,534</u>	<u>\$ 90,280,529</u>	<u>\$ 86,389,315</u>	<u>\$ 85,260,783</u>
District's covered-employee payroll	\$ 36,058,524	\$ 34,080,454	\$ 33,190,956	\$ 32,682,535
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	105.62%	112.53%	111.10%	112.77%
Plan fiduciary net position as a percentage of the total OPEB liability	0.70%	0.25%	-0.07%	-0.17%

Note 1: Actuarial valuations are 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.

Downers Grove Grade School District No. 58
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
Four Most Recent Fiscal Years

Fiscal year ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 331,738	\$ 313,540	\$ 292,080	\$ 274,533
Contributions in relation to the contractually required contribution	<u>331,529</u>	<u>313,312</u>	<u>291,980</u>	<u>274,467</u>
Contribution excess	<u><u>\$ (209)</u></u>	<u><u>\$ (228)</u></u>	<u><u>\$ (100)</u></u>	<u><u>\$ (66)</u></u>
District's covered-employee payroll	\$ 37,921,575	\$ 36,058,524	\$ 34,080,454	\$ 33,190,956
Contributions as a percentage of covered-employee payroll	0.87%	0.87%	0.86%	0.83%

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

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 49,042,000	\$ 49,042,000	\$ 54,288,170	\$ 5,246,170	\$ 47,355,314
Corporate personal property replacement taxes	750,000	760,000	1,214,122	454,122	866,558
Regular tuition from pupils or parents	75,000	75,000	96,920	21,920	154,388
Summer school tuition from pupils or parents	60,000	60,000	53,115	(6,885)	35,276
Interest on investments	145,000	20,000	22,662	2,662	285,254
Sales to pupils - lunch	75,000	25,000	-	(25,000)	296,545
Fees	-	-	(357)	(357)	1,721
Other district/school activity revenue	-	-	15,623	15,623	81,995
Student activity fund revenues	-	-	71,744	71,744	153,942
Rentals - regular textbook	700,000	600,000	374,142	(225,858)	835,636
Rentals - other	1,000	1,000	12,608	11,608	4,510
Sales - other	10,000	10,000	-	(10,000)	11,929
Contributions and donations from private sources	176,000	176,000	208,231	32,231	193,179
Impact fees from municipal or county governments	5,000	5,000	-	(5,000)	4,904
Refund of prior years' expenditures	10,000	10,000	14,047	4,047	550
Payment from other districts	170,000	170,000	23,872	(146,128)	125,798
Other local fees	25,000	25,000	(227,857)	(252,857)	1,145,701
Other	85,000	85,000	128,013	43,013	17,845
Total local sources	<u>51,329,000</u>	<u>51,064,000</u>	<u>56,295,055</u>	<u>5,231,055</u>	<u>51,571,045</u>
State sources					
Evidence Based Funding Formula	3,333,554	3,333,554	3,333,554	-	3,333,554
Special Education - Private Facility Tuition	900,000	900,000	648,921	(251,079)	926,502
Special Education - Orphanage - Individual	150,000	150,000	114,595	(35,405)	140,571
Special Education - Orphanage - Summer Individual	10,000	10,000	-	(10,000)	9,297
State Free Lunch & Breakfast	2,500	2,500	1,273	(1,227)	1,580
Early Childhood - Block Grant	400,000	400,000	363,964	(36,036)	362,661
Other restricted revenue from state sources	200,000	200,000	7,308	(192,692)	3,719
On-Behalf Payments to TRS from the State	19,000,000	21,000,000	17,950,523	(3,049,477)	16,572,270
Total state sources	<u>23,996,054</u>	<u>25,996,054</u>	<u>22,420,138</u>	<u>(3,575,916)</u>	<u>21,350,154</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Federal sources					
National School Lunch Program	\$ 100,000	\$ 125,000	\$ -	\$ (125,000)	\$ 85,781
Special Milk Program	12,000	12,000	-	(12,000)	23,188
School Breakfast Program	50,000	50,000	-	(50,000)	-
Summer Food Service Program	-	-	391,788	391,788	98,374
Title I - Low Income	420,870	420,870	256,578	(164,292)	348,272
Title IV - Student Support & Academic Enrichment Grant	17,473	17,473	-	(17,473)	-
Federal Special Education - Preschool Flow-Through	72,756	72,756	47,691	(25,065)	59,537
Federal Special Education - IDEA Flow Through	1,172,488	1,172,488	1,237,926	65,438	1,307,316
Federal Special Education - IDEA Room & Board	300,000	300,000	100,864	(199,136)	270,116
Title III - English Language Acquisition	-	-	19,714	19,714	-
Title II - Teacher Quality	194,859	194,859	114,721	(80,138)	89,024
Medicaid Matching Funds - Administrative Outreach	60,000	60,000	65,686	5,686	60,930
Medicaid Matching Funds - Fee-For-Service Program	90,000	90,000	254,510	164,510	107,193
Other restricted revenue from Federal Sources	-	800,000	1,040,445	240,445	-
Total federal sources	<u>2,490,446</u>	<u>3,315,446</u>	<u>3,529,923</u>	<u>214,477</u>	<u>2,449,731</u>
Total revenues	<u>77,815,500</u>	<u>80,375,500</u>	<u>82,245,116</u>	<u>1,869,616</u>	<u>75,370,930</u>
Expenditures					
Instruction					
Regular programs					
Salaries	19,346,241	19,546,241	24,749,485	(5,203,244)	24,198,400
Employee benefits	3,707,478	3,707,478	5,310,263	(1,602,785)	3,660,976
On-Behalf Payments to TRS from the State	19,000,000	21,000,000	17,950,523	3,049,477	16,572,270
Purchased services	151,162	151,162	158,503	(7,341)	160,025
Supplies and materials	1,172,503	1,172,503	1,173,507	(1,004)	1,206,105
Other objects	4,000	4,000	3,385	615	3,919
Non-capitalized equipment	9,650	9,650	1,351	8,299	1,975
Total	<u>43,391,034</u>	<u>45,591,034</u>	<u>49,347,017</u>	<u>(3,755,983)</u>	<u>45,803,670</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Pre-K programs					
Salaries	\$ 5,744,104	\$ 5,744,104	\$ 262,605	\$ 5,481,499	\$ 382,275
Employee benefits	1,285,890	1,285,890	54,350	1,231,540	89,209
Purchased services	11,053	11,053	-	11,053	-
Supplies and materials	<u>99,116</u>	<u>99,116</u>	<u>-</u>	<u>99,116</u>	<u>-</u>
Total	<u>7,140,163</u>	<u>7,140,163</u>	<u>316,955</u>	<u>6,823,208</u>	<u>471,484</u>
Special education programs					
Salaries	4,128,805	4,128,805	4,736,892	(608,087)	4,581,660
Employee benefits	624,644	624,644	756,286	(131,642)	732,674
Purchased services	-	-	2,893	(2,893)	3,313
Supplies and materials	3,213	3,213	80,721	(77,508)	70,925
Other objects	1,720,869	2,120,869	1,425,286	695,583	1,739,485
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>994</u>
Total	<u>6,477,531</u>	<u>6,877,531</u>	<u>7,002,078</u>	<u>(124,547)</u>	<u>7,129,051</u>
Special education programs pre-K					
Salaries	550,325	550,325	418,104	132,221	411,175
Employee benefits	100,037	100,037	89,056	10,981	97,649
Purchased services	15,000	15,000	(1,294)	16,294	1,294
Supplies and materials	<u>-</u>	<u>-</u>	<u>22,128</u>	<u>(22,128)</u>	<u>19,685</u>
Total	<u>665,362</u>	<u>665,362</u>	<u>527,994</u>	<u>137,368</u>	<u>529,803</u>
Remedial and Supplemental programs K-12					
Salaries	90,796	90,796	247,253	(156,457)	215,129
Employee benefits	37,918	37,918	1,519	36,399	36,850
Supplies and materials	<u>-</u>	<u>-</u>	<u>32,800</u>	<u>(32,800)</u>	<u>24,706</u>
Total	<u>128,714</u>	<u>128,714</u>	<u>281,572</u>	<u>(152,858)</u>	<u>276,685</u>
Interscholastic programs					
Salaries	-	-	-	-	95,621
Employee benefits	1,424	1,424	-	1,424	1,369
Purchased services	7,000	7,000	-	7,000	5,549
Supplies and materials	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>6,683</u>
Total	<u>15,424</u>	<u>15,424</u>	<u>-</u>	<u>15,424</u>	<u>109,222</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Summer school programs					
Salaries	\$ 43,402	\$ 43,402	\$ 68,616	\$ (25,214)	\$ 48,320
Employee benefits	618	618	1,300	(682)	595
Supplies and materials	-	-	104	(104)	523
Total	<u>44,020</u>	<u>44,020</u>	<u>70,020</u>	<u>(26,000)</u>	<u>49,438</u>
Gifted programs					
Salaries	79,021	79,021	79,021	-	66,779
Employee benefits	1,171	1,171	6,634	(5,463)	1,131
Purchased services	1,549	1,549	-	1,549	1,519
Supplies and materials	-	-	282	(282)	2,614
Total	<u>81,741</u>	<u>81,741</u>	<u>85,937</u>	<u>(4,196)</u>	<u>72,043</u>
Bilingual programs					
Salaries	500,025	500,025	499,573	452	460,690
Employee benefits	90,249	90,249	86,681	3,568	88,058
Purchased services	476	476	27	449	665
Supplies and materials	-	-	3,428	(3,428)	467
Total	<u>590,750</u>	<u>590,750</u>	<u>589,709</u>	<u>1,041</u>	<u>549,880</u>
Student Activity Fund Expenditures	<u>-</u>	<u>-</u>	<u>77,103</u>	<u>(77,103)</u>	<u>142,530</u>
Total instruction	<u>58,534,739</u>	<u>61,134,739</u>	<u>58,298,385</u>	<u>2,836,354</u>	<u>55,133,806</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	1,222,613	1,222,613	1,262,700	(40,087)	1,092,386
Employee benefits	240,722	240,722	244,673	(3,951)	252,754
Purchased services	-	-	10,443	(10,443)	-
Supplies and materials	<u>1,326</u>	<u>1,326</u>	<u>368</u>	<u>958</u>	<u>622</u>
Total	<u>1,464,661</u>	<u>1,464,661</u>	<u>1,518,184</u>	<u>(53,523)</u>	<u>1,345,762</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Guidance services					
Salaries	\$ 403,493	\$ 403,493	\$ 403,493	\$ -	\$ 391,806
Employee benefits	86,568	86,568	78,615	7,953	84,522
Supplies and materials	300	300	75	225	19
Total	<u>490,361</u>	<u>490,361</u>	<u>482,183</u>	<u>8,178</u>	<u>476,347</u>
Health services					
Salaries	302,371	302,371	680,598	(378,227)	324,474
Employee benefits	62,177	62,177	60,835	1,342	60,680
Purchased services	111,914	111,914	3,467	108,447	104,471
Supplies and materials	6,598	6,598	6,402	196	8,919
Total	<u>483,060</u>	<u>483,060</u>	<u>751,302</u>	<u>(268,242)</u>	<u>498,544</u>
Psychological services					
Salaries	668,752	668,752	668,063	689	619,889
Employee benefits	148,319	148,319	133,113	15,206	144,734
Purchased services	21,029	21,029	103,243	(82,214)	21,434
Total	<u>838,100</u>	<u>838,100</u>	<u>904,419</u>	<u>(66,319)</u>	<u>786,057</u>
Speech pathology and audiology services					
Salaries	985,988	985,988	1,002,295	(16,307)	905,741
Employee benefits	172,660	172,660	172,577	83	168,565
Purchased services	5,000	5,000	84,660	(79,660)	3,895
Supplies and materials	1,326	1,326	551	775	743
Total	<u>1,164,974</u>	<u>1,164,974</u>	<u>1,260,083</u>	<u>(95,109)</u>	<u>1,078,944</u>
Total pupils	<u>4,441,156</u>	<u>4,441,156</u>	<u>4,916,171</u>	<u>(475,015)</u>	<u>4,185,654</u>
Instructional staff					
Improvement of instruction services					
Salaries	1,456,076	1,456,076	1,592,386	(136,310)	1,671,198
Employee benefits	394,597	394,597	337,453	57,144	414,286
Purchased services	167,489	167,489	166,712	777	158,573
Supplies and materials	-	-	16,062	(16,062)	25,438
Other objects	-	-	284	(284)	300
Total	<u>2,018,162</u>	<u>2,018,162</u>	<u>2,112,897</u>	<u>(94,735)</u>	<u>2,269,795</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Educational media services					
Salaries	\$ 1,150,007	\$ 1,150,007	\$ 1,014,293	\$ 135,714	\$ 1,225,969
Employee benefits	292,538	292,538	219,988	72,550	284,092
Purchased services	1,021,511	971,511	631,525	339,986	531,434
Supplies and materials	377,880	377,880	245,524	132,356	427,918
Capital outlay	-	-	-	-	5,535
Non-capitalized equipment	-	-	-	-	9,588
Total	2,841,936	2,791,936	2,111,330	680,606	2,484,536
Assessment and testing					
Salaries	14,000	14,000	2,224	11,776	795
Employee benefits	12	12	266	(254)	12
Total	14,012	14,012	2,490	11,522	807
Total instructional staff	4,874,110	4,824,110	4,226,717	597,393	4,755,138
General administration					
Board of education services					
Salaries	8,400	8,400	8,362	38	8,040
Employee benefits	2,055	2,055	1,272	783	2,055
Purchased services	242,613	242,613	135,539	107,074	209,558
Supplies and materials	10,100	10,100	16,276	(6,176)	3,537
Other objects	-	-	15,414	(15,414)	9,775
Total	263,168	263,168	176,863	86,305	232,965
Executive administration services					
Salaries	279,565	279,565	285,719	(6,154)	266,960
Employee benefits	85,335	85,335	82,313	3,022	81,500
Purchased services	39,270	39,270	12,209	27,061	38,616
Supplies and materials	14,000	14,000	14,326	(326)	9,567
Other objects	-	-	4,430	(4,430)	2,439
Total	418,170	418,170	398,997	19,173	399,082

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Special area administrative services					
Salaries	\$ 277,333	\$ 277,333	\$ 283,815	\$ (6,482)	\$ 280,149
Employee benefits	106,554	106,554	67,243	39,311	95,900
Purchased services	5,768	5,768	1,500	4,268	6,302
Supplies and materials	500	500	3,303	(2,803)	3,182
Non-capitalized equipment	-	-	1,374	(1,374)	-
Total	390,155	390,155	357,235	32,920	385,533
Tort immunity services					
Purchased services	406,500	406,500	569,638	(163,138)	490,096
Total	406,500	406,500	569,638	(163,138)	490,096
Total general administration	1,477,993	1,477,993	1,502,733	(24,740)	1,507,676
School administration					
Office of the principal services					
Salaries	2,765,690	2,765,690	2,620,223	145,467	2,694,985
Employee benefits	932,519	932,519	823,114	109,405	841,579
Purchased services	101,989	101,989	30,269	71,720	59,749
Supplies and materials	10,700	10,700	3,999	6,701	2,097
Other objects	1,500	1,500	2,597	(1,097)	685
Total	3,812,398	3,812,398	3,480,202	332,196	3,599,095
Total school administration	3,812,398	3,812,398	3,480,202	332,196	3,599,095
Business					
Direction of business support services					
Salaries	295,758	295,758	303,969	(8,211)	284,859
Employee benefits	81,182	81,182	83,563	(2,381)	78,934
Purchased services	1,345	1,345	220	1,125	1,333
Other objects	3,000	3,000	1,950	1,050	1,085
Total	381,285	381,285	389,702	(8,417)	366,211

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Fiscal services					
Salaries	\$ 139,070	\$ 139,070	\$ 134,941	\$ 4,129	\$ 132,900
Employee benefits	54,896	54,896	48,480	6,416	48,826
Purchased services	272,009	222,009	307,922	(85,913)	273,777
Supplies and materials	-	-	1,857	(1,857)	7,177
Other objects	1,000	1,000	1,170	(170)	1,170
Total	<u>466,975</u>	<u>416,975</u>	<u>494,370</u>	<u>(77,395)</u>	<u>463,850</u>
Food services					
Salaries	-	-	204,325	(204,325)	-
Purchased services	279,500	279,500	332,324	(52,824)	369,215
Supplies and materials	-	-	1,538	(1,538)	5,200
Capital outlay	18,000	18,000	-	18,000	17,021
Non-capitalized equipment	-	-	9,564	(9,564)	4,759
Total	<u>297,500</u>	<u>297,500</u>	<u>547,751</u>	<u>(250,251)</u>	<u>396,195</u>
Total business	<u>1,145,760</u>	<u>1,095,760</u>	<u>1,431,823</u>	<u>(336,063)</u>	<u>1,226,256</u>
Central					
Direction of central support services					
Salaries	317,983	317,983	324,906	(6,923)	311,908
Employee benefits	140,944	140,944	162,691	(21,747)	131,734
Purchased services	15,754	15,754	1,500	14,254	2,712
Total	<u>474,681</u>	<u>474,681</u>	<u>489,097</u>	<u>(14,416)</u>	<u>446,354</u>
Information services					
Salaries	65,084	65,084	65,084	-	78,510
Employee benefits	27,317	27,317	26,258	1,059	26,708
Purchased services	61,046	61,046	83,267	(22,221)	33,661
Other objects	-	-	320	(320)	-
Total	<u>153,447</u>	<u>153,447</u>	<u>174,929</u>	<u>(21,482)</u>	<u>138,879</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual		
Staff services					
Purchased services	\$ 16,000	\$ 16,000	\$ 137,185	\$ (121,185)	\$ 61,914
Supplies and materials	-	-	8,186	(8,186)	8,659
Other objects	-	-	75	(75)	-
Total	<u>16,000</u>	<u>16,000</u>	<u>145,446</u>	<u>(129,446)</u>	<u>70,573</u>
Total central	<u>644,128</u>	<u>644,128</u>	<u>809,472</u>	<u>(165,344)</u>	<u>655,806</u>
Other supporting services					
Employee benefits	323,062	323,062	143,181	179,881	306,380
Purchased services	3,270	3,270	384	2,886	3,270
Supplies and materials	-	-	85	(85)	144
Total	<u>326,332</u>	<u>326,332</u>	<u>143,650</u>	<u>182,682</u>	<u>309,794</u>
Total support services	<u>16,721,877</u>	<u>16,621,877</u>	<u>16,510,768</u>	<u>111,109</u>	<u>16,239,419</u>
Community services					
Salaries	22,104	22,104	61,378	(39,274)	96,234
Employee benefits	6,875	6,875	16,068	(9,193)	6,682
Purchased services	14,000	14,000	3,274	10,726	13,491
Supplies and materials	-	-	13,088	(13,088)	7,564
Non-capitalized equipment	-	-	-	-	1,400
Total	<u>42,979</u>	<u>42,979</u>	<u>93,808</u>	<u>(50,829)</u>	<u>125,371</u>
Payments to other districts and government units					
Payments for regular programs					
Purchased services	<u>110,006</u>	<u>110,006</u>	<u>-</u>	<u>110,006</u>	<u>-</u>
Total	<u>110,006</u>	<u>110,006</u>	<u>-</u>	<u>110,006</u>	<u>-</u>
Payments for special education programs					
Purchased services	-	-	107,714	(107,714)	110,006
Other objects	<u>3,406,970</u>	<u>2,606,970</u>	<u>3,056,947</u>	<u>(449,977)</u>	<u>3,608,902</u>
Total	<u>3,406,970</u>	<u>2,606,970</u>	<u>3,164,661</u>	<u>(557,691)</u>	<u>3,718,908</u>
Total payments to other districts and other government units	<u>3,516,976</u>	<u>2,716,976</u>	<u>3,164,661</u>	<u>(447,685)</u>	<u>3,718,908</u>
Total expenditures	<u>78,816,571</u>	<u>80,516,571</u>	<u>78,067,622</u>	<u>2,448,949</u>	<u>75,217,504</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual (as restated)
	Original Budget	Amended and Final Budget	Actual		
Excess (deficiency) of revenues over expenditures	<u>\$ (1,001,071)</u>	<u>\$ (141,071)</u>	<u>\$ 4,177,494</u>	<u>\$ 4,318,565</u>	<u>\$ 153,426</u>
Other financing sources (uses)					
Proceeds from debt issuance	-	3,487,424	2,882,424	605,000	-
Premium on debt issuance	-	-	605,000	(605,000)	-
Permanent transfer from working cash fund - abatement	-	(3,230,000)	(3,230,000)	-	-
Permanent transfer from working cash fund - interest	-	-	-	-	(38,036)
Transfer to debt service fund for principal on capital leases	-	-	(338,671)	338,671	(406,481)
Transfer to debt service fund for interest on capital leases	-	-	(9,926)	9,926	(17,558)
Total other financing sources (uses)	<u>-</u>	<u>257,424</u>	<u>(91,173)</u>	<u>348,597</u>	<u>(462,075)</u>
Net change to fund balance	<u>\$ (1,001,071)</u>	<u>\$ 116,353</u>	<u>4,086,321</u>	<u>\$ 3,969,968</u>	<u>(308,649)</u>
Fund balance, beginning of year, as restated - Note N			<u>17,365,761</u>		<u>17,674,410</u>
Fund balance, end of year			<u>\$ 21,452,082</u>		<u>\$ 17,365,761</u>

(Concluded)

Downers Grove Grade School District No. 58
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual
	Original Budget	Amended and Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 3,835,100	\$ 3,835,100	\$ 4,166,363	\$ 331,263	\$ 4,159,304
Interest on investments	40,000	10,000	4,588	(5,412)	33,048
Rentals	130,000	145,000	148,580	3,580	132,329
Contributions and donations from private sources	63,000	63,000	-	(63,000)	1,871
Refund of prior years' expenditures	3,000	3,000	875	(2,125)	1,500
Other	<u>15,000</u>	<u>15,000</u>	<u>85,795</u>	<u>70,795</u>	<u>13,114</u>
Total local sources	<u>4,086,100</u>	<u>4,071,100</u>	<u>4,406,201</u>	<u>335,101</u>	<u>4,341,166</u>
State sources					
School Infrastructure - Maintenance Projects	-	-	-	-	50,000
Other restricted revenue from state sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Total state sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>50,000</u>
Federal sources					
Other restricted revenue from Federal Sources	<u>-</u>	<u>-</u>	<u>3,529</u>	<u>3,529</u>	<u>-</u>
Total federal sources	<u>-</u>	<u>-</u>	<u>3,529</u>	<u>3,529</u>	<u>-</u>
Total revenues	<u>4,136,100</u>	<u>4,121,100</u>	<u>4,409,730</u>	<u>288,630</u>	<u>4,391,166</u>
Expenditures					
Support services					
Business					
Facilities acquisition and construction services					
Purchased services	-	-	27,556	(27,556)	51,297
Capital outlay	<u>40,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total	<u>40,000</u>	<u>10,000</u>	<u>27,556</u>	<u>(17,556)</u>	<u>51,297</u>

(Continued)

Downers Grove Grade School District No. 58

Operations and Maintenance Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Actual	Variance From Final Budget	2020 Actual
	Original Budget	Amended and Final Budget			
Operation and maintenance of plant services					
Salaries	\$ 1,752,360	\$ 1,802,360	\$ 1,696,630	\$ 105,730	\$ 1,665,768
Employee benefits	485,009	485,009	472,455	12,554	488,433
Purchased services	955,500	955,500	858,376	97,124	622,291
Supplies and materials	918,892	918,892	933,528	(14,636)	752,953
Capital outlay	30,000	-	5,996	(5,996)	88,478
Other objects	3,500	3,500	-	3,500	3,137
Non-capitalized equipment	28,000	58,000	76,879	(18,879)	6,276
Total	<u>4,173,261</u>	<u>4,223,261</u>	<u>4,043,864</u>	<u>179,397</u>	<u>3,627,336</u>
Total business	<u>4,213,261</u>	<u>4,233,261</u>	<u>4,071,420</u>	<u>161,841</u>	<u>3,678,633</u>
Total support services	<u>4,213,261</u>	<u>4,233,261</u>	<u>4,071,420</u>	<u>161,841</u>	<u>3,678,633</u>
Total expenditures	<u>4,213,261</u>	<u>4,233,261</u>	<u>4,071,420</u>	<u>161,841</u>	<u>3,678,633</u>
Excess (deficiency) of revenues over expenditures	<u>(77,161)</u>	<u>(112,161)</u>	<u>338,310</u>	<u>450,471</u>	<u>712,533</u>
Other financing sources (uses)					
Permanent transfer from working cash fund - interest	-	-	-	-	38,036
Transfer to debt service fund for principal on capital leases	-	-	(41,432)	(41,432)	(39,809)
Transfer to debt service fund for interest on capital leases	-	-	(3,446)	(3,446)	(5,069)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(44,878)</u>	<u>(44,878)</u>	<u>(6,842)</u>
Net change in fund balance	<u>\$ (77,161)</u>	<u>\$ (112,161)</u>	293,432	<u>\$ 405,593</u>	705,691
Fund balance, beginning of year			<u>5,216,153</u>		<u>4,510,462</u>
Fund balance, end of year			<u>\$ 5,509,585</u>		<u>\$ 5,216,153</u>

(Concluded)

Downers Grove Grade School District No. 58

Transportation Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2020 Actual
Revenues					
Local sources					
General levy	\$ 3,030,020	\$ 3,030,020	\$ 3,274,532	\$ 244,512	\$ 3,205,069
Regular transportation fees from pupils or parents					
in state	20,000	20,000	27,613	7,613	54,244
Regular transportation fees from other districts -					
in state	30,000	30,000	90,733	60,733	62,715
Interest on investments	5,000	4,000	3,168	(832)	7,265
Refund of prior years' expenditures	-	-	-	-	96,696
Other	10,000	10,000	351	(9,649)	9,678
Total local sources	<u>3,095,020</u>	<u>3,094,020</u>	<u>3,396,397</u>	<u>302,377</u>	<u>3,435,667</u>
State sources					
Transportation - Regular and Vocational	130,000	130,000	24,461	(105,539)	461,886
Transportation - Special Education	974,000	974,000	923,672	(50,328)	1,231,596
Total state sources	<u>1,104,000</u>	<u>1,104,000</u>	<u>948,133</u>	<u>(155,867)</u>	<u>1,693,482</u>
Total revenues	<u>4,199,020</u>	<u>4,198,020</u>	<u>4,344,530</u>	<u>146,510</u>	<u>5,129,149</u>
Expenditures					
Support services					
Business					
Pupil transportation services					
Purchased services	4,860,390	3,660,390	3,398,933	261,457	3,455,198
Total support services	<u>4,860,390</u>	<u>3,660,390</u>	<u>3,398,933</u>	<u>261,457</u>	<u>3,455,198</u>
Total expenditures	<u>4,860,390</u>	<u>3,660,390</u>	<u>3,398,933</u>	<u>261,457</u>	<u>3,455,198</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (661,370)</u>	<u>\$ 537,630</u>	<u>945,597</u>	<u>\$ 407,967</u>	<u>1,673,951</u>
Fund balance, beginning of year			<u>2,394,463</u>		<u>720,512</u>
Fund balance, end of year			<u>\$ 3,340,060</u>		<u>\$ 2,394,463</u>

Downers Grove Grade School District No. 58
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
General levy	\$ 1,000,000	\$ 1,000,000	\$ 1,089,897	\$ 89,897	\$ 994,188
Social security/Medicare only levy	1,000,010	1,000,010	1,089,897	89,887	994,189
Corporate personal property replacement taxes	17,161	17,161	17,161	-	17,161
Interest on investments	6,000	4,000	1,264	(2,736)	8,949
Total local sources	<u>2,023,171</u>	<u>2,021,171</u>	<u>2,198,219</u>	<u>177,048</u>	<u>2,014,487</u>
Total revenues	<u>2,023,171</u>	<u>2,021,171</u>	<u>2,198,219</u>	<u>177,048</u>	<u>2,014,487</u>
Expenditures					
Instruction					
Regular programs	579,935	579,935	407,615	172,320	571,602
Pre-K programs	5,365	5,365	3,635	1,730	5,260
Special education programs	354,725	354,725	386,176	(31,451)	351,427
Special education programs pre-K	25,710	25,710	23,977	1,733	25,451
Remedial and supplemental programs K-12	21,358	21,358	19,621	1,737	21,176
Interscholastic programs	2,092	2,092	-	2,092	2,061
Summer school programs	2,310	2,310	1,432	878	2,287
Gifted programs	988	988	1,057	(69)	968
Bilingual programs	9,603	9,603	10,736	(1,133)	9,451
Total instruction	<u>1,002,086</u>	<u>1,002,086</u>	<u>854,249</u>	<u>147,837</u>	<u>989,683</u>
Support services					
Pupils					
Attendance and social work services	15,848	15,848	17,109	(1,261)	15,546
Guidance services	5,531	5,531	5,630	(99)	5,422
Health services	25,269	25,269	110,366	(85,097)	25,028
Psychological services	8,616	8,616	9,309	(693)	8,447
Speech pathology and audiology services	13,255	13,255	13,882	(627)	12,995
Total pupils	<u>68,519</u>	<u>68,519</u>	<u>156,296</u>	<u>(87,777)</u>	<u>67,438</u>

(Continued)

Downers Grove Grade School District No. 58
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2020 Actual
Instructional staff					
Improvement of instruction services	\$ 37,554	\$ 37,554	\$ 37,405	\$ 149	\$ 37,002
Educational media services	172,227	172,227	144,603	27,624	170,785
Assessment and testing	<u>12</u>	<u>12</u>	<u>32</u>	<u>(20)</u>	<u>12</u>
Total instructional staff	<u>209,793</u>	<u>209,793</u>	<u>182,040</u>	<u>27,753</u>	<u>207,799</u>
General administration					
Board of education services	1,783	1,783	1,944	(161)	1,770
Executive administration services	14,731	14,731	16,603	(1,872)	14,577
Special area administrative services	<u>12,124</u>	<u>12,124</u>	<u>14,174</u>	<u>(2,050)</u>	<u>11,988</u>
Total general administration	<u>28,638</u>	<u>28,638</u>	<u>32,721</u>	<u>(4,083)</u>	<u>28,335</u>
School administration					
Office of the principal services	<u>174,253</u>	<u>174,253</u>	<u>174,575</u>	<u>(322)</u>	<u>172,579</u>
Total school administration	<u>174,253</u>	<u>174,253</u>	<u>174,575</u>	<u>(322)</u>	<u>172,579</u>
Business					
Direction of business support services	14,544	14,544	15,557	(1,013)	14,391
Fiscal services	29,797	29,797	31,565	(1,768)	29,562
Operation and maintenance of plant services	<u>368,868</u>	<u>368,868</u>	<u>391,896</u>	<u>(23,028)</u>	<u>365,976</u>
Total business	<u>413,209</u>	<u>413,209</u>	<u>439,018</u>	<u>(25,809)</u>	<u>409,929</u>
Central					
Direction of central support services	34,981	34,981	38,356	(3,375)	34,676
Information services	<u>17,219</u>	<u>17,219</u>	<u>15,025</u>	<u>2,194</u>	<u>17,083</u>
Total central	<u>52,200</u>	<u>52,200</u>	<u>53,381</u>	<u>(1,181)</u>	<u>51,759</u>
Total support services	<u>946,612</u>	<u>946,612</u>	<u>1,038,031</u>	<u>(91,419)</u>	<u>937,839</u>
Community services	<u>269</u>	<u>269</u>	<u>5,182</u>	<u>(4,913)</u>	<u>264</u>
Total expenditures	<u>1,948,967</u>	<u>1,948,967</u>	<u>1,897,462</u>	<u>51,505</u>	<u>1,927,786</u>

(Continued)

Downers Grove Grade School District No. 58
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Excess of revenues over expenditures	<u>\$ 74,204</u>	<u>\$ 72,204</u>	<u>300,757</u>	<u>\$ 228,553</u>	<u>86,701</u>
Fund balance, beginning of year			<u>1,034,991</u>		<u>948,290</u>
Fund balance, end of year			<u>\$ 1,335,748</u>		<u>\$ 1,034,991</u>

(Concluded)

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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 each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) 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.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 28, 2020.
- 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, 2021:

<u>Funds</u>	<u>Variance</u>
Debt Service	\$ 520,357
Capital Projects	696,330

3. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

For the 2020 - 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 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

Downers Grove Grade School District No. 58
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

3. CHANGES OF ASSUMPTIONS - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 (Continued)

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.

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2020 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): 23-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 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 IMRF CONTRIBUTION RATE* (Continued)

Mortality For non-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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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, IMRF specific mortality rates were 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.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

Change in Assumptions:

For the 2020, 2019 and 2018 measurement years, 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 2020 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 30, 2019

Measurement Date June 30, 2020

Fiscal Year End June 30, 2021

Downers Grove Grade School District No. 58
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2020 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	2.45%
Price Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of 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 3.13% used in the Fiscal Year 2020 valuation to 2.45% in fiscal year 2021, 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".

The Discount Rate was changed from 3.62% used in the Fiscal Year 2019 valuation to 3.13% in fiscal year 2021, 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".

Downers Grove Grade School District No. 58
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2021

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	10.73 years
Municipal Bond Index	2.18%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%
Retirement Rates	IMRF Employees: Rates from the December 31, 2019 IMRF actuarial valuation report. TRIS Employees and Retirees: rates from the June 30, 2019 TRIS actuarial valuation report.
Election at Retirement	100% of Administrators and Certified Staff assumed to elect the TRIP coverage at retirement. 20% of active IMRF employees are assumed to elect continuation of coverage on the District medical plan at retirement.
Marital Status	30% of employees electing coverage continuation 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.
Healthcare Cost Trend Rates	District Health Plan: 7.00, Initial 4.50, Ultimate TRIP TCHP Plan Option: 5.00% for all years TRIP Plan Stipend: 0.00% for all years

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 RHP CONTRIBUTION RATE (Continued)

Change in Assumptions:

The Discount Rate was changed from 2.66% used in the Fiscal Year 2020 valuation to 2.18% for the fiscal year 2021 valuation, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2021. The Discount Rate was changed from 2.79% used in Fiscal Year 2019 valuation to 2.66% in the fiscal year 2020 valuation, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2020.

SUPPLEMENTARY FINANCIAL INFORMATION

Downers Grove Grade School District No. 58

General Fund

COMBINING BALANCE SHEET

June 30, 2021

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 9,347,180	\$ 9,937,785	\$ 19,284,965
Receivables (net of allowance for uncollectibles):			
Property taxes	25,750,298	99,843	25,850,141
Replacement taxes	230,354	-	230,354
Intergovernmental	<u>1,374,087</u>	<u>-</u>	<u>1,374,087</u>
Total assets	<u>\$ 36,701,919</u>	<u>\$ 10,037,628</u>	<u>\$ 46,739,547</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 178,800	\$ -	\$ 178,800
Salaries and wages payable	4,414,032	-	4,414,032
Payroll deductions payable	821	-	821
Claims payable	1,064,695	-	1,064,695
Unearned revenue	<u>1,064,663</u>	<u>-</u>	<u>1,064,663</u>
Total liabilities	<u>6,723,011</u>	<u>-</u>	<u>6,723,011</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>18,492,751</u>	<u>71,703</u>	<u>18,564,454</u>
Total deferred inflows	<u>18,492,751</u>	<u>71,703</u>	<u>18,564,454</u>
FUND BALANCES			
Assigned	2,184,376	-	2,184,376
Unassigned	<u>9,301,781</u>	<u>9,965,925</u>	<u>19,267,706</u>
Total fund balance	<u>11,486,157</u>	<u>9,965,925</u>	<u>21,452,082</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 36,701,919</u>	<u>\$ 10,037,628</u>	<u>\$ 46,739,547</u>

Downers Grove Grade School District No. 58

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2021

	<u>Educational Account</u>	<u>Working Cash Account</u>	<u>Total</u>
Revenues			
Property taxes	\$ 54,101,824	\$ 186,346	\$ 54,288,170
Replacement taxes	1,214,122	-	1,214,122
State aid	22,420,138	-	22,420,138
Federal aid	3,529,923	-	3,529,923
Interest	12,540	10,122	22,662
Other	<u>770,101</u>	<u>-</u>	<u>770,101</u>
Total revenues	<u>82,048,648</u>	<u>196,468</u>	<u>82,245,116</u>
Expenditures			
Current:			
Instruction:			
Regular programs	31,473,597	-	31,473,597
Special programs	7,811,644	-	7,811,644
Other instructional programs	1,062,621	-	1,062,621
State retirement contributions	17,950,523	-	17,950,523
Support services:			
Pupils	4,900,663	-	4,900,663
Instructional staff	4,242,225	-	4,242,225
General administration	1,502,733	-	1,502,733
School administration	3,480,202	-	3,480,202
Business	1,428,977	-	1,428,977
Central	809,472	-	809,472
Other supporting services	156,738	-	156,738
Community services	80,720	-	80,720
Nonprogrammed charges	<u>3,164,661</u>	<u>-</u>	<u>3,164,661</u>
Total expenditures	<u>78,067,622</u>	<u>-</u>	<u>78,067,622</u>
Excess of revenues over expenditures	<u>3,981,026</u>	<u>196,468</u>	<u>4,177,494</u>
Other financing sources (uses)			
Permanent transfer from working cash fund - abatment	(348,597)	(3,230,000)	(3,578,597)
Proceeds from debt issuance	-	2,882,424	2,882,424
Premium on debt issuance	<u>-</u>	<u>605,000</u>	<u>605,000</u>
Total other financing sources (uses)	<u>(348,597)</u>	<u>257,424</u>	<u>(91,173)</u>
Net change in fund balance	3,632,429	453,892	4,086,321
Fund balance, beginning of year, as restated	<u>7,853,728</u>	<u>9,512,033</u>	<u>17,365,761</u>
Fund balance, end of year	<u>\$ 11,486,157</u>	<u>\$ 9,965,925</u>	<u>\$ 21,452,082</u>

Downers Grove Grade School District No. 58

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance From Final Budget	2020 Actual
	Original Budget	Amended and Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 1,550,010	\$ 1,550,010	\$ 1,603,801	\$ 53,791	\$ 1,475,131
Interest on investments	1,000	1,000	610	(390)	2,522
Total local sources	<u>1,551,010</u>	<u>1,551,010</u>	<u>1,604,411</u>	<u>53,401</u>	<u>1,477,653</u>
Federal sources					
Build America Bond Interest Reimbursement	<u>27,000</u>	<u>47,741</u>	<u>105,403</u>	<u>57,662</u>	<u>138,753</u>
Total federal sources	<u>27,000</u>	<u>47,741</u>	<u>105,403</u>	<u>57,662</u>	<u>138,753</u>
Total revenues	<u>1,578,010</u>	<u>1,598,751</u>	<u>1,709,814</u>	<u>111,063</u>	<u>1,616,406</u>
Expenditures					
Debt service					
Bonds and other - interest	<u>290,000</u>	<u>290,000</u>	<u>173,775</u>	<u>116,225</u>	<u>306,517</u>
Principal payments on long-term debt	<u>1,221,657</u>	<u>1,221,657</u>	<u>1,650,103</u>	<u>428,446</u>	<u>1,656,290</u>
Other debt service					
Other objects	<u>4,000</u>	<u>4,000</u>	<u>212,136</u>	<u>(208,136)</u>	<u>5,346</u>
Total debt service	<u>1,515,657</u>	<u>1,515,657</u>	<u>2,036,014</u>	<u>(520,357)</u>	<u>1,968,153</u>
Total expenditures	<u>1,515,657</u>	<u>1,515,657</u>	<u>2,036,014</u>	<u>(520,357)</u>	<u>1,968,153</u>
Excess (deficiency) of revenues over expenditures	<u>62,353</u>	<u>83,094</u>	<u>(326,200)</u>	<u>(409,294)</u>	<u>(351,747)</u>

(Continued)

Downers Grove Grade School District No. 58

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	2020 Actual
Other financing sources (uses)					
Permanent transfer from working cash fund - abatement	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -
Proceeds from issuance of debt	-	-	5,017,576	5,017,576	-
Premium on issuance of debt	-	-	131,028	131,028	-
Transfer to pay principal on capital leases	-	-	380,103	380,103	446,290
Transfer to pay interest on capital leases	-	-	13,372	13,372	22,627
Deposit with escrow agent	-	-	(4,939,667)	(4,939,667)	-
Total other financing sources (uses)	-	30,000	632,412	602,412	468,917
Net change in fund balance	\$ 62,353	\$ 113,094	306,212	\$ 193,118	117,170
Fund balance, beginning of year			623,281		506,111
Fund balance, end of year			\$ 929,493		\$ 623,281

(Concluded)

Downers Grove Grade School District No. 58

Capital Projects Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
Interest on investments	\$ 1,250	\$ 1,250	\$ 628	\$ (622)	\$ 2,491
Contributions and donations from private sources	<u>60,000</u>	<u>60,000</u>	<u>23,816</u>	<u>(36,184)</u>	<u>592,613</u>
Total local sources	<u>61,250</u>	<u>61,250</u>	<u>24,444</u>	<u>(36,806)</u>	<u>595,104</u>
State sources					
Infrastructure improvements - planning/ construction	200,000	200,000	-	(200,000)	-
Other restricted revenue from state sources	<u>-</u>	<u>-</u>	<u>11,782</u>	<u>11,782</u>	<u>-</u>
Total state sources	<u>200,000</u>	<u>200,000</u>	<u>11,782</u>	<u>(188,218)</u>	<u>-</u>
Total revenues	<u>261,250</u>	<u>261,250</u>	<u>36,226</u>	<u>(225,024)</u>	<u>595,104</u>
Expenditures					
Support services					
Capital outlay	<u>450,000</u>	<u>450,000</u>	<u>1,131,294</u>	<u>(681,294)</u>	<u>401,038</u>
Total support services	<u>450,000</u>	<u>450,000</u>	<u>1,146,330</u>	<u>(696,330)</u>	<u>401,038</u>
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>1,146,330</u>	<u>(696,330)</u>	<u>401,038</u>
Excess (deficiency) of revenues over expenditures	<u>(188,750)</u>	<u>(188,750)</u>	<u>(1,110,104)</u>	<u>(921,354)</u>	<u>194,066</u>
Other financing sources					
Permanent transfer from working cash fund - abatment	<u>-</u>	<u>3,200,000</u>	<u>3,200,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>3,200,000</u>	<u>3,200,000</u>	<u>-</u>	<u>-</u>

(Continued)

Downers Grove Grade School District No. 58

Capital Projects Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Net change in fund balance	<u>\$ (188,750)</u>	<u>\$ 3,011,250</u>	2,089,896	<u>\$ (921,354)</u>	194,066
Fund balance, beginning of year			<u>388,621</u>		<u>194,555</u>
Fund balance, end of year			<u>\$ 2,478,517</u>		<u>\$ 388,621</u>

(Concluded)

Downers Grove Grade School District No. 58

Fire Prevention and Safety Fund

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

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Original Budget	Amended and Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
Interest on investments	\$ 20	\$ -	\$ 11	\$ 11	\$ 54
Total revenues	<u>20</u>	<u>-</u>	<u>11</u>	<u>11</u>	<u>54</u>
Excess of revenues over expenditures	<u>\$ 20</u>	<u>\$ -</u>	<u>11</u>	<u>\$ 11</u>	<u>54</u>
Fund balance, beginning of year			<u>8,531</u>		<u>8,477</u>
Fund balance, end of year			<u><u>\$ 8,542</u></u>		<u><u>\$ 8,531</u></u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

Downers Grove Grade School District No. 58

GENERAL LONG-TERM DEBT

SCHEDULE OF GENERAL OBLIGATION BONDS

Year Ended June 30, 2021

	Maturity as follows			
	for the Year Ended June 30	Principal	Interest	Total
* General Obligation Bonds Series 2010B, due December 15, 2022	2022	\$ 1,200,000	\$ 34,905	\$ 1,234,905
	2023	170,000	3,952	173,952
Total		<u>1,370,000</u>	<u>38,857</u>	<u>1,408,857</u>
General Obligation	2022	-	-	-
Limited Tax Capital	2023	-	-	-
Appreciation Bonds	2024	-	-	-
Series 2018, due	2025	-	-	-
December 15, 2027	2026	1,060,000	-	1,060,000
	2027	1,390,000	-	1,390,000
	2028	1,050,000	-	1,050,000
Total		<u>3,500,000</u>	<u>-</u>	<u>3,500,000</u>
General Obligation Bonds Series 2021A, due December 15, 2028	2022	120,000	62,129	182,129
	2023	1,180,000	45,670	1,225,670
	2024	1,360,000	37,100	1,397,100
	2025	1,370,000	23,450	1,393,450
	2026	325,000	15,300	340,300
	2027	-	14,000	14,000
	2028	-	14,000	14,000
	2029	1,000,000	7,000	1,007,000
Total		<u>5,355,000</u>	<u>218,649</u>	<u>5,573,649</u>
General Obligation Bonds Series 2021B, due December 15, 2028	2022	-	132,906	132,906
	2023	-	101,800	101,800
	2024	-	101,800	101,800
	2025	-	101,800	101,800
	2026	-	101,800	101,800
	2027	-	101,800	101,800
	2028	-	101,800	101,800
	2029	-	101,800	101,800
	2030	895,000	83,900	978,900
	2031	930,000	47,400	977,400
	2032	720,000	14,400	734,400
Total		<u>2,545,000</u>	<u>991,206</u>	<u>3,536,206</u>
Total general obligation bonds payable		<u>\$ 12,770,000</u>	<u>\$ 1,248,713</u>	<u>\$ 14,018,713</u>

* A percentage of the interest amount reported on the Build America Bonds will be refunded to the District by the federal government. Future annual subsidy amounts may be subject to future increases or decreases as sequestration levels fall or rise, which cannot be determined at this time.