

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

Downers Grove, Illinois

Annual Financial Report

Year Ended June 30, 2022

Downers Grove Grade School District No. 58

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2022

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ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Downers Grove Grade School District No. 58 (the District), as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 14, Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 74 through 80, the other postemployment benefits data on pages 81 through 84, and the budgetary comparison schedules and notes to the required supplementary information on pages 85 through 106 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Financial Information

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary financial information, as listed in the table of contents, for the year ended June 30, 2022 is presented for purposes of additional analysis and is 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 accompanying supplementary financial information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Supplementary Financial Information (Continued)

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated December 21, 2021 which contained unmodified opinions on the respective financial statements of the governmental activities, and each major fund. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2021 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 2021 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund were subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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, Debt Service Fund, and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other supplemental information, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
December 15, 2022

Downers Grove Grade School District No. 58

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

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, 2022. 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 \$97.4 million, \$3.3 million more than the government-wide expenses of \$94.1 million.
- ❑ Governmental funds revenues were \$97.6 million, \$4.3 million less than the governmental fund expenses of \$101.9 million.
- ❑ Total net deficit on a government-wide basis was \$5.8 million. This represents a \$7.3 million, or a 44% decrease in the net deficit from fiscal year 2021 of \$13.1.
- ❑ The aggregate fund balance increased \$0.5 million from \$35 million to \$35.5 million.
- ❑ At the close of fiscal year 2022, the District's long-term liabilities, including outstanding long-term bonded debt, were \$50.7 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, 2022

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

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 post-employment benefits (OPEB).

Downers Grove Grade School District No. 58
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

Government-Wide Financial Analysis

Table 1			
Condensed Statement of Net Deficit			
<i>(In millions of dollars)</i>			
		<u>2021</u>	<u>2022</u>
Assets:			
Current and other assets		\$ 64.5	\$ 71.2
Capital assets		21.6	24.5
Total assets		<u>86.1</u>	<u>95.7</u>
Deferred outflows:			
Related to pension and OPEB		8.0	5.6
Total deferred outflows		<u>8.0</u>	<u>5.6</u>
Liabilities:			
Long-term liabilities		61.9	50.7
Other liabilities		7.3	9.2
Total liabilities		<u>69.2</u>	<u>59.9</u>
Deferred inflows:			
Property taxes levied for future periods		22.2	24.8
Related to pensions and OPEB		15.8	22.4
Total deferred inflows		<u>38.0</u>	<u>47.2</u>
Net deficit:			
Net investment in capital assets		17.4	21.5
Restricted		13.6	12.3
Unrestricted		(44.1)	(39.6)
Total net deficit		<u>\$ (13.1)</u>	<u>\$ (5.8)</u>

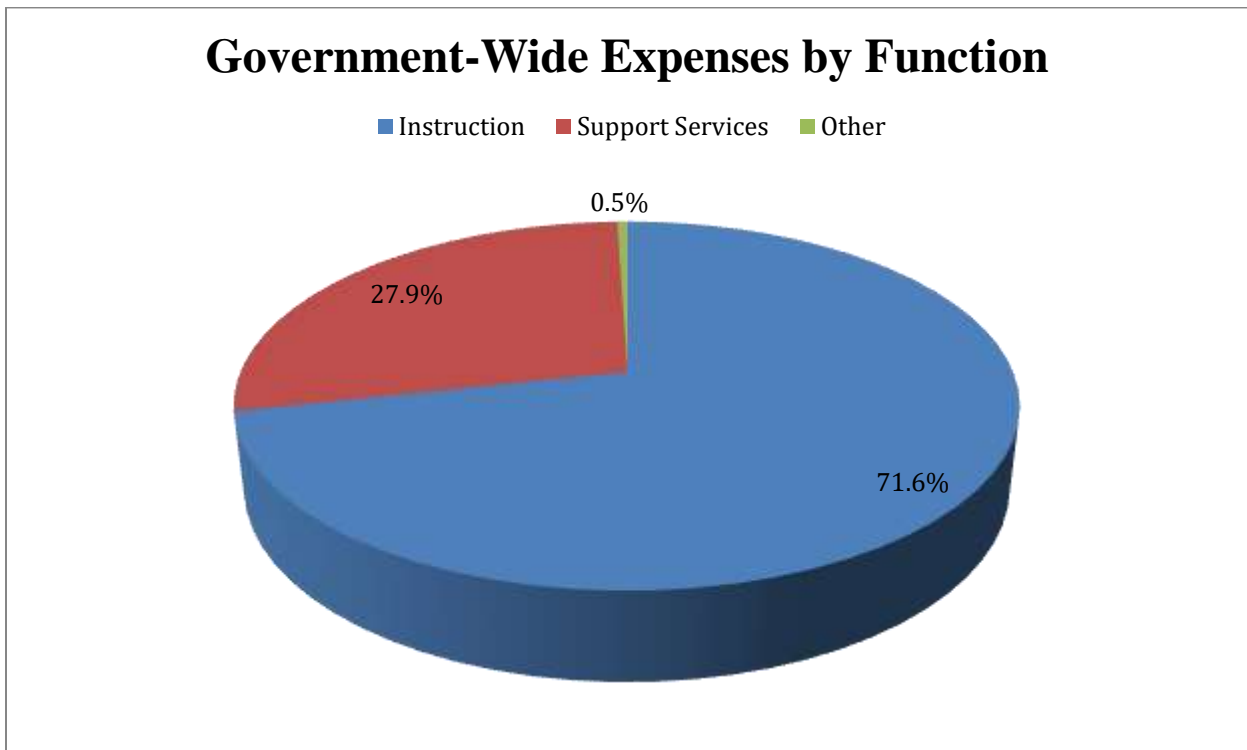
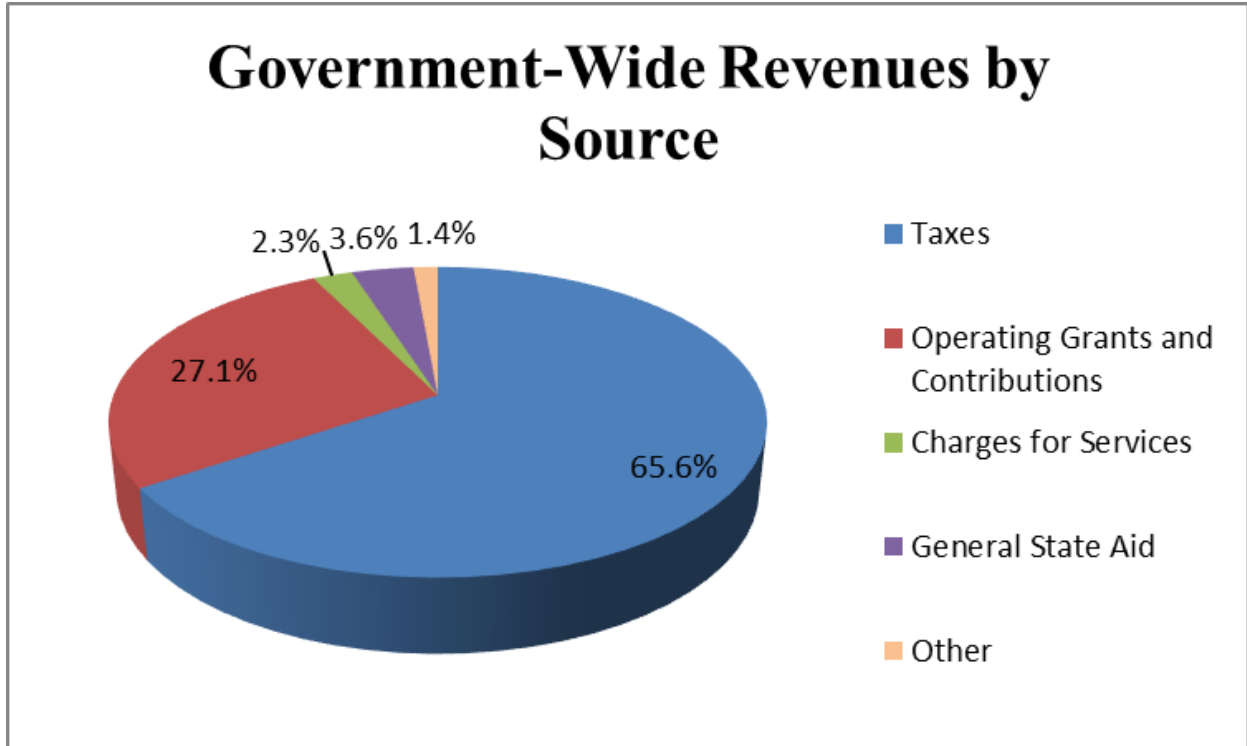
Downers Grove Grade School District No. 58
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

Government-Wide Financial Analysis (Continued)

Table 2			
Changes in Net Deficit			
<i>(In millions of dollars)</i>			
	<u>2021</u>	<u>2022</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 0.7	\$ 2.3	
Grants and contributions	38.3	26.4	
General revenues:			
Property taxes	65.5	61.1	
Replacement taxes	1.2	2.7	
Other	3.8	4.9	
Total revenues	<u>109.5</u>	<u>97.4</u>	
Expenses:			
Instruction	78.4	67.4	
Support services	25.5	26.3	
Interest and fees and other	0.5	0.4	
Total expenses	<u>104.4</u>	<u>94.1</u>	
Special item - Gain on sale of land and	-	4.0	
Decrease in Net Deficit	5.1	7.3	
Beginning Net Deficit	(18.2)	(13.1)	
Ending Net Deficit	<u>\$ (13.1)</u>	<u>\$ (5.8)</u>	

**Downers Grove Grade School District No. 58
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022**

Government-Wide Financial Analysis (Continued)



Downers Grove Grade School District No. 58

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

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 \$97.6 million compared to \$94.9 million in the prior year. Total expenditures in the governmental funds were \$101.9 million, compared to \$90.6 million in the prior year. Expenditures exceeded revenues by \$4.3 million. The fund balances in the governmental funds increased from \$35.0 million in the prior year to \$35.5 million as of June 30, 2022. 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 \$20.1 million compared to \$17.9 million in the prior year, an increase of \$2.2 million.

General (Educational and Working Cash) Fund Budgetary Highlights

General Fund: The largest revenue source in the General Fund is property taxes at 60.1% of General Fund revenue, and 78.3% of General Fund revenue when excluding on-behalf contributions. The total revenues in the General Fund amounted to \$86 million, compared to \$82.2 million in the prior year. Revenues from state sources were \$24.7 million (of which \$20.1 million represents TRS/THIS on-behalf contributions), which represented 28.7% of all revenue in the General Fund. Revenue from federal sources were \$4.3 million which represented 5.0% of all General Fund revenue, a \$0.7 million increase from the prior year total. The District continues to be heavily reliant on property tax revenues.

There were total expenditures of \$85.6 million in the General Fund, compared to \$781 million in the prior year. TRS/THIS on behalf payments represent \$20.1 million of the total compared to \$17.0 in the prior year.

Medical Insurance Balance: At June 30, 2022, 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 \$1.6 million for self-insurance claims. The June 30, 2021 assigned fund balance for the medical insurance plan was \$2.0 million. The decrease is the result of keeping the premium rates at a zero-increase effective January 1, 2021. 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 2022, the District had compiled a total investment of \$24.5 million (net of accumulated depreciation) in a broad range of capital assets including land, construction in progress, land improvements, buildings and improvements, equipment and right to use assets. 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, 2022

Capital Asset and Debt Administration (Continued)

Capital assets (Continued)

Table 3				
Capital Assets (net of depreciation and amortization)				
<i>(In millions of dollars)</i>				
	<u>2021</u>		<u>2022</u>	
Land	\$	0.2	\$	0.2
Construction in progress		0.7		2.0
Land improvements		1.7		1.8
Buildings and improvements		18.0		17.8
Equipment		1.0		1.9
Right of use assets		-		0.8
Total	\$	21.6	\$	24.5

Long-term liabilities

At June 30, 2022, the District had \$50.7 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>2021</u>		<u>2022</u>	
General obligation bonds	\$	12.2	\$	11.0
Other long-term liabilities		49.7		39.7
Total	\$	61.9	\$	50.7

Factors Bearing on the District's Future

The District ended fiscal year 2022 with an increase to fund balance due to several factors, a lower usage in transportation in the earlier part of the 2022 school year due to the pandemic, and tight control on costs throughout the year to control expenditures. 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 prior fiscal year was reduced in fiscal year 2022 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 was correct in fiscal year 2023 when the reimbursement for 2022 increased.

Downers Grove Grade School District No. 58

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

Factors Bearing on the District's Future (Continued)

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 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 2022, 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 2024 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 expired for the 2021 tax levy year and added over \$65 million in new property to the 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 saw a significant increase in 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 used 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.

Downers Grove Grade School District No. 58 Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2022

Factors Bearing on the District's Future (Continued)

In November 2022, the voters of the District approved a \$179 million referendum for capital improvements. The District will issue \$140 million of those bonds in December for the next three years of capital improvements. The capital projects will update facilities and add additions to the middle schools to move 6th grade from the elementary schools to middle school, addressing overcrowding in elementary schools and making needed curriculum changes to 6th grade, which will meet current curriculum formats. It is anticipated that the capital projects will take five years for all projects to be completed.

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, 2022

ASSETS

Cash and investments	\$	36,856,819
Receivables (net of allowance for uncollectibles)		
Property taxes		29,707,413
Replacement taxes		436,181
Intergovernmental		2,509,573
Net pension asset		1,680,605
Capital assets:		
Land		219,459
Construction in progress		2,009,355
Depreciable buildings, property, and equipment, net of depreciation		21,489,688
Right to use leased assets, net of amortization		799,698
		95,708,791

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		1,305,732
Deferred outflows related to other postemployment benefits		4,299,126
		5,604,858

LIABILITIES

Accounts payable		2,952,263
Salaries and wages payable		4,805,854
Payroll deductions payable		5,081
Claims payable		686,389
Interest payable		6,548
Unearned revenue		773,276
Long-term liabilities:		
Due within one year		1,435,341
Due after one year		49,273,151
		59,937,903

DEFERRED INFLOWS OF RESOURCES

Property taxes levied for a future period		24,751,826
Deferred inflows related to pensions		8,004,734
Deferred inflows related to other postemployment benefits		14,447,668
		47,204,228

NET POSITION (DEFICIT)

Net investment in capital assets		21,542,726
Restricted for:		
Operations and maintenance		4,857,052
Debt service		834,490
Retirement benefits		1,307,628
Student transportation		2,314,307
Capital projects		2,916,962
Unrestricted		(39,601,647)
		(5,828,482)
Total net deficit	\$	(5,828,482)

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, 2022

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	\$ 34,494,800	\$ 1,833,130	\$ 2,099,199	\$ (30,562,471)
Special programs	11,062,625	-	2,184,261	(8,878,364)
Other instructional programs	2,013,516	179,164	68,888	(1,765,464)
State retirement contributions	19,749,848	-	19,749,848	-
Support services:				
Pupils	3,712,589	-	-	(3,712,589)
Instructional staff	4,345,096	-	318,478	(4,026,618)
General administration	1,831,439	-	-	(1,831,439)
School administration	3,385,624	-	-	(3,385,624)
Business	1,555,725	563	951,997	(603,165)
Transportation	4,769,996	119,295	1,013,221	(3,637,480)
Operations and maintenance	5,848,922	138,433	-	(5,710,489)
Central	681,403	-	-	(681,403)
Other supporting services	145,743	-	-	(145,743)
Community services	88,889	-	-	(88,889)
Interest and fees	343,004	-	-	(343,004)
	<u>\$ 94,029,219</u>	<u>\$ 2,270,585</u>	<u>\$ 26,385,892</u>	<u>(65,372,742)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				51,691,084
Real estate taxes, levied for specific purposes				7,926,872
Real estate taxes, levied for debt service				1,444,500
Personal property replacement taxes				2,662,256
State aid-formula grants				3,465,290
Investment loss				(54,335)
Miscellaneous				1,457,914
Total general revenues				<u>68,593,581</u>
Special item - Gain on sale of land and building (Note D)				4,025,226
Total general revenues and special items				<u>72,618,807</u>
Change in net deficit				7,246,065
Net deficit, beginning of year				<u>(13,074,547)</u>
Net deficit, end of year				<u>\$ (5,828,482)</u>

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

Governmental Funds

BALANCE SHEET

June 30, 2022

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 24,974,924	\$ 4,669,162	\$ 1,934,651	\$ 1,161,022
Receivables (net of allowance for uncollectibles):				
Property taxes	25,298,097	1,619,750	1,202,814	878,862
Replacement taxes	436,181	-	-	-
Intergovernmental	<u>2,255,038</u>	<u>-</u>	<u>254,535</u>	<u>-</u>
Total assets	<u>\$ 52,964,240</u>	<u>\$ 6,288,912</u>	<u>\$ 3,392,000</u>	<u>\$ 2,039,884</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,317,568	\$ 82,256	\$ 75,294	\$ -
Salaries and wages payable	4,805,854	-	-	-
Payroll deductions payable	5,031	50	-	-
Claims payable	686,389	-	-	-
Unearned revenue	<u>773,046</u>	<u>-</u>	<u>230</u>	<u>-</u>
Total liabilities	<u>8,587,888</u>	<u>82,306</u>	<u>75,524</u>	<u>-</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>21,078,042</u>	<u>1,349,554</u>	<u>1,002,169</u>	<u>732,256</u>
Total deferred inflows	<u>21,078,042</u>	<u>1,349,554</u>	<u>1,002,169</u>	<u>732,256</u>
FUND BALANCES				
Restricted	-	4,012,280	2,314,307	1,307,628
Committed	-	844,772	-	-
Assigned	1,780,737	-	-	-
Unassigned	<u>21,517,573</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>23,298,310</u>	<u>4,857,052</u>	<u>2,314,307</u>	<u>1,307,628</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 52,964,240</u>	<u>\$ 6,288,912</u>	<u>\$ 3,392,000</u>	<u>\$ 2,039,884</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 722,953	\$ 3,385,563	\$ 8,544	\$ 36,856,819
707,890	-	-	29,707,413
-	-	-	436,181
-	-	-	2,509,573
<u>\$ 1,430,843</u>	<u>\$ 3,385,563</u>	<u>\$ 8,544</u>	<u>\$ 69,509,986</u>
\$ -	\$ 477,145	\$ -	\$ 2,952,263
-	-	-	4,805,854
-	-	-	5,081
-	-	-	686,389
-	-	-	773,276
-	477,145	-	9,222,863
589,805	-	-	24,751,826
589,805	-	-	24,751,826
841,038	2,908,418	8,544	11,392,215
-	-	-	844,772
-	-	-	1,780,737
-	-	-	21,517,573
<u>841,038</u>	<u>2,908,418</u>	<u>8,544</u>	<u>35,535,297</u>
<u>\$ 1,430,843</u>	<u>\$ 3,385,563</u>	<u>\$ 8,544</u>	<u>\$ 69,509,986</u>

Downers Grove Grade School District No. 58
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET DEFICIT
June 30, 2022

Total fund balances - total governmental funds	\$	35,535,297
Amounts reported for governmental activities in the statement of net deficit are different because:		
The net pension asset resulting from the IMRF plan fiduciary net position exceeding the total pension liability is not a financial resource and therefore is not reported in the governmental funds balance sheet.		1,680,605
Net capital assets used in governmental activities and included in the statement of net deficit do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds.		24,518,200
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		1,305,732
Deferred inflows of resources related to pensions		(8,004,734)
Deferred outflows and inflows of resources related to other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to OPEB		4,299,126
Deferred inflows of resources related to OPEB		(14,447,668)
Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not reported in the governmental funds:		
General obligation bonds	\$	(11,000,839)
Unamortized bond premiums		(616,310)
Lease liabilities		(511,836)
Compensated absences		(133,364)
TRS net pension liability		(3,299,243)
RHP total other postemployment benefit liability		(2,918,491)
THIS net other postemployment benefit liability		<u>(32,228,409)</u> (50,708,492)
Interest on long-term liabilities (interest payable) accrued in the statement of net deficit will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		<u>(6,548)</u>
Net deficit of governmental activities	\$	<u><u>(5,828,482)</u></u>

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, 2022

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 51,691,084	\$ 3,464,185	\$ 2,597,525	\$ 1,865,162
Replacement taxes	2,445,095	200,000	-	17,161
State aid	24,668,639	50,000	1,013,221	-
Federal aid	4,265,125	-	-	-
Interest income and investment losses	(60,083)	3,065	811	1,037
Other	3,053,355	308,150	132,686	-
Total revenues	<u>86,063,215</u>	<u>4,025,400</u>	<u>3,744,243</u>	<u>1,883,360</u>
Expenditures				
Current:				
Instruction:				
Regular programs	33,636,057	-	-	440,147
Special programs	7,630,691	-	-	428,581
Other instructional programs	2,002,918	-	-	20,833
State retirement contributions	20,084,094	-	-	-
Support services:				
Pupils	4,890,660	-	-	160,455
Instructional staff	4,501,540	-	-	172,343
General administration	1,808,858	-	-	30,270
School administration	3,248,471	-	-	165,171
Business	1,485,883	104,845	-	45,512
Transportation	-	-	4,769,996	-
Operations and maintenance	-	4,331,308	-	390,121
Central	778,490	-	-	55,307
Other supporting services	145,743	-	-	-
Community services	150,902	-	-	2,740
Nonprogrammed charges	3,009,016	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	2,211,897	128,439	-	-
Total expenditures	<u>85,585,220</u>	<u>4,564,592</u>	<u>4,769,996</u>	<u>1,911,480</u>
Excess (deficiency) of revenues over expenditures	477,995	(539,192)	(1,025,753)	(28,120)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(429,465)	(113,341)	-	-
Lease issuance	650,405	-	-	-
Sale of capital assets	1,147,293	-	-	-
Total other financing sources (uses)	<u>1,368,233</u>	<u>(113,341)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,846,228	(652,533)	(1,025,753)	(28,120)
Fund balance, beginning of year	21,452,082	5,509,585	3,340,060	1,335,748
Fund balance, end of year	<u>\$ 23,298,310</u>	<u>\$ 4,857,052</u>	<u>\$ 2,314,307</u>	<u>\$ 1,307,628</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 1,444,500	\$ -	\$ -	\$ 61,062,456
-	-	-	2,662,256
-	168,011	-	25,899,871
20,432	-	-	4,285,557
253	580	2	(54,335)
-	<u>234,308</u>	-	<u>3,728,499</u>
<u>1,465,185</u>	<u>402,899</u>	<u>2</u>	<u>97,584,304</u>
-	-	-	34,076,204
-	-	-	8,059,272
-	-	-	2,023,751
-	-	-	20,084,094
-	-	-	5,051,115
-	-	-	4,673,883
-	-	-	1,839,128
-	-	-	3,413,642
-	-	-	1,636,240
-	-	-	4,769,996
-	-	-	4,721,429
-	-	-	833,797
-	-	-	145,743
-	-	-	153,642
-	-	-	3,009,016
1,845,289	-	-	1,845,289
251,157	-	-	251,157
-	<u>2,972,998</u>	-	<u>5,313,334</u>
<u>2,096,446</u>	<u>2,972,998</u>	<u>-</u>	<u>101,900,732</u>
(631,261)	(2,570,099)	2	(4,316,428)
542,806	-	-	542,806
-	-	-	(542,806)
-	-	-	650,405
-	<u>3,000,000</u>	-	<u>4,147,293</u>
<u>542,806</u>	<u>3,000,000</u>	<u>-</u>	<u>4,797,698</u>
(88,455)	429,901	2	481,270
<u>929,493</u>	<u>2,478,517</u>	<u>8,542</u>	<u>35,054,027</u>
<u>\$ 841,038</u>	<u>\$ 2,908,418</u>	<u>\$ 8,544</u>	<u>\$ 35,535,297</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, 2022

Net change in fund balances - total governmental funds.	\$	481,270
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Amounts reported for governmental activities in the statement of activities are different because:

The net pension asset resulting from the IMRF plan fiduciary net position exceeding the total pension liability is not a financial resource and therefore is not reported in the governmental funds balance sheet. 1,680,605

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 and amortization expense. This is the amount by which capital outlay exceeds depreciation and amortization expense in the current period.

Capital outlay	\$ 5,207,546		
Depreciation and amortization expense	(2,123,882)		
Sale of capital assets	<u>(137,244)</u>		2,946,420

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. 6,066

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

Deferred outflows and inflows of resources related to IMRF pension	(3,225,076)
Deferred outflows and inflows of resources related to TRS pension	(275,050)
Deferred outflows and inflows of resources related to RHP OPEB	171,529
Deferred outflows and inflows of resources related to THIS OPEB	(5,637,602)

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. (96,208)

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. 89,789

(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 (Continued)
For the Year Ended June 30, 2022

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 lease liabilities	\$	(650,405)	
Principal repayments			
General obligation bonds		1,320,000	
Lease liabilities		525,289	
Accretion on capital appreciation bonds		(91,494)	
Compensated absences, net		7,395	
IMRF pension liability, net		3,743,514	
TRS pension liability, net		397,834	
RHP other postemployment benefit liability, net		(5,137)	
THIS other postemployment benefit liability, net		<u>5,857,326</u>	<u>\$ 11,104,322</u>
Change in net deficit of governmental activities			<u>\$ 7,246,065</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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. 87, *Leases*, which was implemented by the District for the year ended June 30, 2022. This statement requires a lessee to recognize a lease liability and an intangible right to use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Specific changes to the District's financial statements relate to the recording of right to use assets and lease liabilities on the statement of net deficit. The effect of implementation of GASB 87 resulted in a reclassification of depreciable assets to right to use assets in the amount of \$1,570,779 and the related accumulated depreciation of \$964,871 is now recognized as accumulated amortization of the intangible asset. See notes A-9, D, and E.

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, 2022

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, 2022

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, 2022

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, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- * Quoted prices for similar assets or liabilities in active markets;
- * Quoted prices for identical or similar assets or liabilities in inactive markets;
- * Inputs other than quoted prices that are observable for the asset or liability;
- * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the District's investments measured at fair value. There have been no changes in the methodologies used at June 30, 2022.

U.S. Treasury Securities: Valued at closing price of similar instruments with comparable durations reported on the active market on which the individual securities are traded.

Negotiable Certificates of Deposit: Valued at closing price of identical instruments with comparable durations reported on the active market on which the similar securities are traded.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

8. 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 assets that applies to a future period. At June 30, 2022, the District reported deferred outflows of resources related to pension liabilities and other postemployment benefit (OPEB) liabilities. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period. At June 30, 2022, the District reported deferred inflows related to property taxes levied for a future period, pensions, and OPEB.

9. Capital Assets and Right to Use 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 District has recorded right to use assets as a result of implementing GASB 87. The District's right to use assets were initially recorded at an amount equal to the related lease liability (Note E) as of July 1, 2021. The right to use assets are amortized on a straight-line basis over the remaining term of the related lease.

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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Capital Assets and Right to Use Assets (Continued)

Depreciation of capital assets and amortization of right to use leased assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows.

<u>Assets</u>	<u>Years</u>
Land improvements	15 - 20
Buildings and improvements	20 - 45
Equipment	5 - 20
Right to use leased assets	3 - 7

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.

10. 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/clerical 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Accumulated Unpaid Vacation and Sick Pay (Continued)

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, 2022, was \$133,364 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.

11. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net deficit. Bond premiums and discounts and losses on refunding of bonds, are deferred and amortized over the life of the 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, including leases, 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.

12. 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.

13. 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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.

15. Fund Balance

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

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items 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, 2022 the District has committed \$844,772 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, 2022, the District has assigned \$1,619,073 in the General (Educational Account) Fund associated with the medical reserve account for self-insurance claims and the District student activity balance of \$161,664 has been assigned at June 30, 2022.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Fund Balance (Continued)

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.

16. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, 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.

17. 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, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2022, the District's cash and investments consisted of the following and for disclosure purposes, is classified into the following components:

	Total
Cash on hand	\$ 1,250
Deposits with financial institutions*	22,344,307
Illinois Funds	120,300
Illinois Trust Term Series	4,011,906
Other investments	10,379,056
	\$ 36,856,819

* Includes accounts held in demand accounts, 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. Maturity information on other investments is shown in the table below.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	\$ 244,525	\$ 244,525	\$ -	\$ -	\$ -
U.S. Treasury Obligations:					
Treasury notes	10,134,531	10,134,531	-	-	-
	\$ 10,379,056	\$ 10,379,056	\$ -	\$ -	\$ -

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

The following investments are measured at net asset value (NAV):

		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Illinois Funds	\$ 120,300	n/a	Daily	1 day
Illinois Trust	4,011,906	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). The District's investments in negotiable certificates of deposits are unrated.

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.

The Illinois Trust, formerly known as the Illinois Institutional Investors Trust (IIIT), is a trust organized under the laws of the State of Illinois and managed by a Board of Trustees, elected from participating members. The Illinois Trust is not registered with the SEC as an investment company. Investments in the Illinois Trusts are rated AAAM and are valued at Illinois Trust's share price, which is the price for which the investment could be sold. There were no unfunded commitments.

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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

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, 2022, the bank balances of the District's deposits with financial institutions totaled \$23,867,243, 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 District's 2021 tax levy resolution was approved by the Board on November 8, 2021. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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

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

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

The portion of the 2021 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, 2022

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021 *</u>	<u>Transfer/ Additions</u>	<u>Transfer/ Deletions</u>	<u>Balance June 30, 2022</u>
Capital assets, not being depreciated				
Land	\$ 223,031	\$ -	\$ 3,572	\$ 219,459
Construction in progress	660,398	2,838,946	1,489,989	2,009,355
Total capital assets, not being depreciated	<u>883,429</u>	<u>2,838,946</u>	<u>1,493,561</u>	<u>2,228,814</u>
Capital assets, being depreciated				
Land improvements	3,462,032	288,438	26,169	3,724,301
Buildings and improvements	48,172,095	1,241,255	261,115	49,152,235
Equipment	6,996,937	1,678,491	882,355	7,793,073
Total capital assets, being depreciated	<u>58,631,064</u>	<u>3,208,184</u>	<u>1,169,639</u>	<u>60,669,609</u>
Less accumulated depreciation for:				
Land improvements	1,775,964	156,926	26,169	1,906,721
Buildings and improvements	30,146,862	1,421,590	142,800	31,425,652
Equipment	6,625,795	88,751	866,998	5,847,548
Total accumulated depreciation	<u>38,548,621</u>	<u>1,667,267</u>	<u>1,035,967</u>	<u>39,179,921</u>
Total capital assets, being depreciated, net	<u>20,082,443</u>	<u>1,540,917</u>	<u>133,672</u>	<u>21,489,688</u>
Right to use assets				
Leased building	-	563,968	-	563,968
Leased equipment	1,570,779	86,437	-	1,657,216
Total right to use assets	<u>1,570,779</u>	<u>650,405</u>	<u>-</u>	<u>2,221,184</u>
Less accumulated amortization for:				
Leased building	-	62,667	-	62,667
Leased equipment	964,871	393,948	-	1,358,819
Total accumulated amortization	<u>964,871</u>	<u>456,615</u>	<u>-</u>	<u>1,421,486</u>
Total right to use assets, net	<u>605,908</u>	<u>193,790</u>	<u>-</u>	<u>799,698</u>
Governmental activities capital assets, net				
assets, net	<u>\$ 21,571,780</u>	<u>\$ 4,573,653</u>	<u>\$ 1,627,233</u>	<u>\$ 24,518,200</u>

*As reclassified, see Note A-2 regarding reclassifications as a result of implementing GASB 87, *Leases*.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE D - CAPITAL ASSETS (Continued)

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

Regular programs	\$	754,847
Special programs		24,302
Pupils		4,855
Instructional staff		168,508
General administration		4,497
School administration		4,378
Business		1,116,264
Central		<u>46,231</u>

Total depreciation and amortization expense - governmental activities \$ 2,123,882

On January 10, 2022, the District finalized its sale of its Longfellow property. The District recognized the net gain from the sale in the amount of \$4,025,226 as an other financing source, sale of capital assets. This amount is included as a gain on sale of capital assets in the statement of activities.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE E - LONG-TERM LIABILITIES

1. Changes in Long-term Liabilities

During the year ended June 30, 2022, changes in long-term liabilities were as follows:

	Balance July 1, 2021	Additions/ Accretion	Reductions	Balance June 30, 2022
Bonds payable				
General obligation bonds	\$ 12,229,345	\$ 91,494	\$ 1,320,000	\$ 11,000,839
Unamortized premiums	706,099	-	89,789	616,310
	12,935,444	91,494	1,409,789	11,617,149
TRS net pension liability	3,697,077	509,763	907,597	3,299,243
IMRF net pension liability*	3,743,514	4,196,583	7,940,097	-
RHP total other postemployment benefit liability	2,913,354	586,605	581,468	2,918,491
THIS net other postemployment benefit liability	38,085,735	774,990	6,632,316	32,228,409
Lease liabilities**	386,720	650,405	525,289	511,836
Compensated absences	140,759	118,872	126,267	133,364
	61,902,603	6,928,712	18,122,823	50,708,492
Total long-term liabilities - governmental activities	\$ 61,902,603	\$ 6,928,712	\$ 18,122,823	\$ 50,708,492

*In 2022, the IMRF plan fiduciary net position exceeded the total pension liability resulting in a net pension asset of \$1,680,605.

**As reclassified, see Note A-2 regarding reclassifications as a result of implementing GASB 87, *Leases*.

	Due Within one year
General obligation bonds	\$ 1,350,000
Lease liabilities	85,341
	\$ 1,435,341

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE E - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
2010B General Obligation Bonds, due December 15, 2022 (Build America Bonds)	2.20% - 4.65%	\$ 170,000	\$ 170,000
2018 General Obligation Limited Tax Capital Appreciation Bonds, Series 2018, due December 15, 2027	1.75% - 3.18%	3,500,000	3,050,839
2021A Taxable General Obligation Limited School Bonds, Series 2021A, due December 15, 2028	0.20% - 1.40%	5,235,000	5,235,000
2021B General Obligation Limited School Bonds, Series 2021B, due December 15, 2031	4.00%	<u>2,545,000</u>	<u>2,545,000</u>
		<u>\$ 11,450,000</u>	<u>\$ 11,000,839</u>

At June 30, 2022, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

<u>Year Ending</u>	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,390,000	115,800	1,505,800	
2028-2032	<u>4,595,000</u>	<u>370,300</u>	<u>4,965,300</u>	
Total	<u>\$ 11,450,000</u>	<u>\$ 1,018,773</u>	<u>\$ 12,468,773</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 \$841,038 in the Debt Service Fund to service the outstanding bonds payable.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE E - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds (Continued)

In the prior year, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old 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, 2022, \$30,000 of Series 2018 principal outstanding is considered defeased.

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, 2022, the statutory debt limit for the District was \$224,390,326 of which \$212,428,490 is fully available.

3. Lease Liabilities

The District entered into various lease agreements for computers, a phone system, copiers, and administrative office space. The lease agreements qualify as other than short-term leases under GASB 87 and therefore have been recorded at the present value of the future minimum lease payments. The District reclassified \$386,720 previously classified as capital leases to lease liabilities upon implementation of GASB 87 as of July 1, 2021. The leases expire at various dates through June 2028 and require future aggregate annual payments of principal and interest ranging from \$91,283 to \$98,023. The lease liabilities for administrative office space and copiers are measured at an incremental borrowing rate of 2.70%. The lease liabilities for computers and phone system are measured at a stated interest rate of 1.45% and 4.00%, respectively. As a result of the leases the District has recorded right to use assets (Note A-9) with a net book value of \$799,698 as of June 30, 2022 (Note D). 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, 2022, 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	
2023	\$ 85,341	\$ 12,682	\$ 98,023	
2024	80,733	10,551	91,284	
2025	82,968	8,316	91,284	
2026	85,236	6,048	91,284	
2027	87,567	3,717	91,284	
2028	89,991	1,292	91,283	
Total	\$ <u>511,836</u>	\$ <u>42,606</u>	\$ <u>554,442</u>	

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE F - INTERFUND TRANSFERS

The District transferred \$429,465 to the Debt Service Fund from the General (Education Account) Fund, and \$113,341 to the Debt Service Fund from the Operations and Maintenance Fund. Amounts transferred were used for principal and interest payments on leases.

NOTE G - 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, 2022, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$686,389. 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.

For the two years ended June 30, 2022 and 2021, changes in the liability for unpaid claims are as follows:

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning of fiscal year	\$ 1,064,695	\$ 496,130
Incurred claims (including IBNRs)	8,741,914	8,683,142
Claim payments	<u>(9,120,220)</u>	<u>(8,114,577)</u>
Unpaid claims, end of fiscal year	<u>\$ 686,389</u>	<u>\$ 1,064,695</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - 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/acfrs/fy2021; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

As a multi-employer cost sharing pension plan, TRS employs a methodology to allocate the pension liabilities to each individual district based off of the actual contributions a District makes to the plan in a fiscal year and is re-measured annually, and thus the timing of receipt of contribution payments from the District's or refunds made by TRS to the District can have a significant impact on the District's allocation of the net pension liability that may not be reflective of the District's portion of the total contractual contribution to the Plan. The net pension liability as a whole is a significant accounting estimate that takes into account several assumptions and allocations.

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.

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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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, 2021, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2022, 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 \$19,833,069 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$19,726,945 in the General Fund based on the current financial resources measurement basis.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

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, 2022 were \$230,162 and are deferred because they were paid after the June 30, 2021 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, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$465,763 were paid from federal and special trust funds that required employer contributions of \$48,020.

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, 2022, the District paid \$3,341 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

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

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

At June 30, 2022, 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	\$	3,299,243
State's proportionate share of the net pension liability associated with the District		<u>276,511,648</u>
 Total	 \$	 <u><u>279,810,891</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. 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, 2021, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2021, the District's proportion was 0.0042291867 percent, which was an decrease of 0.0000590072 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized the following pension expense/expenditures and revenue for the support provided by the state pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 19,833,069	\$ 19,726,945
District TRS pension expense	<u>107,435</u>	<u>230,162</u>
Total TRS expense/expenditure	<u>\$ 19,940,504</u>	<u>\$ 19,957,107</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

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

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

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,926	\$ 13,603
Change of assumptions	1,462	16,303
Net difference between projected and actual earnings on pension plan investments	-	221,302
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>609,479</u>	<u>882,426</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>629,867</u>	<u>1,133,634</u>
District contributions subsequent to the measurement date	<u>230,162</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 860,029</u>	<u>\$ 1,133,634</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - 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 \$230,162 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, 2023. 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:

<u>Year ending June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2023	\$ 170,494
2024	57,585
2025	110,948
2026	157,516
2027	<u>7,224</u>
Total	<u>\$ 503,767</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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, 2021 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - 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	16.7 %	6.2 %
U.S. equities small/mid cap	2.2	7.4
International equities developed	10.6	6.9
Emerging market equities	4.5	9.2
U.S. bonds core	3.0	1.6
International debt developed	1.0	0.4
Emerging international debt	4.0	4.4
Cash equivalents	2.0	0.1
TIPS	1.0	0.8
Real estate	16.0	5.8
Hedge funds	10.0	3.9
Infrastructure	4.0	6.3
Private equity	15.0	10.4
Private debt	10.0	6.5
Total	100.0 %	

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - 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, 2021, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2020 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, 2021 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	\$ 4,086,045	\$ 3,299,243	\$ 2,645,700

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2021 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - 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 Annual Comprehensive 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, 2022

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	401
Inactive plan members entitled to but not yet receiving benefits	553
Active plan members	<u>186</u>
Total	<u><u>1,140</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 2021 was 16.56%. For the fiscal year ended June 30, 2022 the District contributed \$904,532 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 (Asset)

The District's net pension liability (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) 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, 2021:

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%

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
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 as of December 31, 2021:

Long-term Expected Rate of Return (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equities	39%	1.90 %
International equities	15%	3.15 %
Fixed Income	25%	(0.60)%
Real Estate	10%	3.30 %
Alternative investments	10%	1.70% - 5.50%
Cash Equivalents	1%	(0.90)%
Total	100%	

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - 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 as of December 31, 2021. 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 1.84% (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%.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

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

Changes in Net Pension Liability (Asset)

The following table shows the components of the change in the District's net pension liability (asset) for the calendar year ended December 31, 2021:

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (Asset) (A) - (B)</u>
Balances at December 31, 2020	\$ 52,363,122	\$ 48,619,608	\$ 3,743,514
Changes for the year:			
Service cost	586,415	-	586,415
Interest on the total pension liability	3,687,073	-	3,687,073
Changes in benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	(76,905)	-	(76,905)
Changes of assumptions	-	-	-
Contributions - employer	-	950,563	(950,563)
Contributions - employees	-	268,203	(268,203)
Net investment income	-	8,537,777	(8,537,777)
Benefit payments, including refunds of employee contributions	(3,600,297)	(3,600,297)	-
Other (net transfer)	-	(135,841)	135,841
Net changes	<u>596,286</u>	<u>6,020,405</u>	<u>(5,424,119)</u>
Balances at December 31, 2021	<u>\$ 52,959,408</u>	<u>\$ 54,640,013</u>	<u>\$ (1,680,605)</u>

Sensitivity of the Net Pension Liability (Asset) 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:

	<u>1% Lower (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Higher (8.25%)</u>
Net pension liability (asset)	\$ 3,594,418	\$ (1,680,605)	\$ (6,091,465)

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

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

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

For the year ended June 30, 2022 the District recognized pension income of \$1,290,484. At June 30, 2022, 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	\$ -	\$ 20,778
Net difference between projected and actual earnings on pension plan investments	-	6,850,322
Total deferred amounts to be recognized in pension expense in the future periods	-	6,871,100
Pension contributions made subsequent to the measurement date	445,703	-
Total deferred amounts related to pensions	\$ 445,703	\$ 6,871,100

The District reported \$445,703 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, 2023.

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
2023	\$ 1,535,406
2024	2,634,932
2025	1,679,940
2026	1,020,822
2027	-
Thereafter	-
Total	\$ 6,871,100

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 230,162	\$ 445,703	\$ 675,865
Experience	18,926	-	18,926
Assumptions	1,462	-	1,462
Proportionate share	609,479	-	609,479
	<u>\$ 860,029</u>	<u>\$ 445,703</u>	<u>\$ 1,305,732</u>
Net pension liability (asset)	<u>\$ 3,299,243</u>	<u>\$ (1,680,605)</u>	<u>\$ 1,618,638</u>
Pension expense (income)	<u>\$ 19,940,504</u>	<u>\$ (1,290,484)</u>	<u>\$ 18,650,020</u>
	TRS	IMRF	Total
Deferred inflows of resources:			
Assumptions	\$ 16,303	\$ -	\$ 16,303
Experience	13,603	20,778	34,381
Investments	221,302	6,850,322	7,071,624
Proportionate share	882,426	-	882,426
	<u>\$ 1,133,634</u>	<u>\$ 6,871,100</u>	<u>\$ 8,004,734</u>

4. Social Security/Medicare

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

5. 457(b) Retirement Plan

On October 14, 2020 the Board of Education approved the establishment of a 457(b) Retirement Plan, which is a defined contribution plan, for District employees. The plan is held in a trust and administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2022 was 3. The plan allows for both employee and the District to make optional contributions to the plan. For the fiscal year ended June 30, 2022, the District did not make any contributions to the plan.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE H - PENSION LIABILITIES (Continued)

6. 403(b) Retirement Plan

The District also has a 403(b) Salary Reduction plan, that also contains a Roth option, which is a defined contribution plan, for District employees. The plan is held in a trust and administered by a third party serving as the plan's trustee. The number of employees participating in the plan on June 30, 2022 was 184. The plan allows for both employee and the District to make contributions to the plan. For the fiscal year ended June 30, 2022, the District did not make any contributions to the plan.

7. TRS Supplemental Savings Plan

Illinois Teachers' Retirement System established a Supplemental Savings Plan that is available to Illinois public school teachers employed outside the city of Chicago that is required to be adopted by all public-school districts in Illinois by September 30, 2022. The Board of Education voted to adopt this plan on December 6, 2021. The Supplemental Savings Plan is a 457(b) Retirement Plan, which is a defined contribution plan. The plan assets are held in a trust and are administered by a third party serving as the plan's trustee. The plan allows for both employee and the District to make contributions to the plan. There were no employees participating in the plan on June 30, 2022.

NOTE I - 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

General Information about the Other Postemployment Plan (Continued)

Plan Description (Continued)

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.

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 0.90 percent of pay during the year ended June 30, 2022. 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, 2022, the District recognized a benefit of \$83,221 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$357,149 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 0.67 percent during the year ended June 30, 2022. For the year ended June 30, 2022, the District paid \$265,877 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2021 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

At June 30, 2022, 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	\$ 32,228,409
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>43,697,019</u>
Total	<u><u>\$ 75,925,428</u></u>

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

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to June 30, 2021. 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, 2021, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2021, the District's proportion was 0.146125 percent, which was an increase of 0.003673 percent from its proportion measured as of June 30, 2020.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

For the year ended June 30, 2022, 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 (benefit)	\$ (83,221)	\$ 357,149
District OPEB pension expense	46,221	265,877
Total OPEB expense/expenditure (benefit)	\$ (37,000)	\$ 623,026

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,507,605
Change of assumptions	11,126	12,068,087
Net difference between projected and actual earnings on OPEB plan investments	-	109
Changes in proportion and differences between District contributions and proportionate share of contributions	2,685,477	559,299
Total deferred amounts to be recognized in OPEB expense in future periods	2,696,603	14,135,100
District contributions subsequent to the measurement date	265,877	-
Total deferred amounts related to OPEB	\$ 2,962,480	\$ 14,135,100

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

The District reported \$265,877 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, 2023. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
2023	\$ 2,103,481
2024	2,103,264
2025	1,902,567
2026	1,536,034
2027	1,273,205
Thereafter	2,519,946
Total	\$ 11,438,497

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 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, 2021, 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

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - 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)

Investment rate of return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
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 Trend Rate	Trend for fiscal year ending 2022 based on expected increases used to develop average costs. For fiscal years on and after 2023, trend starts at 8.00% gradually decreases to an ultimate trend of 4.25%.
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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Discount Rate

The State, school districts and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2021. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.45 percent at June 30, 2020, and 1.92 percent at June 30, 2021, was used to measure the total OPEB liability. The decrease in the single discount rate, from 2.45 percent to 1.92 percent, caused the total OPEB liability to increase by approximately \$1,965 million as of June 30, 2021.

Investment Return

During plan year end June 30, 2021, the trust earned \$51,000 in interest, and the market value of assets at June 30, 2021, is \$313.2 million. The long-term investment return was assumed to be 2.75 percent.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 0.320% for plan year end June 30, 2021, and 1.732% for plan year end June 30, 2020.

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 1.92 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 (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current rate:

	<u>1% Decrease (0.92%)</u>	<u>Current Discount Rate (1.92%)</u>	<u>1% Increase (2.92%)</u>
District's proportionate share of the net OPEB liability \$	\$ 38,715,810	\$ 32,228,409	\$ 27,086,261

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

The following table shows the plan's net OPEB liability as of June 30, 2021, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00 percent in 2022 decreasing to an ultimate trend rate of 4.25 percent in 2038.

	<u>1% Decrease*</u>	<u>Current Healthcare Trend Rate</u>	<u>1% Increase**</u>
District's proportionate share of the net OPEB liability \$	<u>25,800,465</u>	<u>\$ 32,228,409</u>	<u>\$ 40,960,299</u>

*One percentage point decrease in healthcare trend rates are 7.00% in 2022 decreasing to an ultimate trend rate of 3.25% in 2038.

** One percentage point increase in healthcare trend rates are 9.00% in 2022 decreasing to an ultimate trend rate of 5.25% in 2038.

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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Employees Covered by Benefit Terms

As of June 30, 2022 the following employees were covered by the benefit terms:

Active	422
Inactive entitled to but not yet receiving benefits	-
Inactive currently receiving benefits	54
	<hr/>
Total	476
	<hr/> <hr/>

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.

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2021 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	4.09%
Inflation	3.00%
Salary rate increases	4.00%
Healthcare inflation rate	District Medical Plans 7.00% initial 4.50% ultimate (reached in fiscal year 2037)
	TRIP TCHP Plan Option: 5.00% for all years
	TRIP Plan Stipend: 0% for all years

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Total OPEB Liability (Continued)

Mortality rates	IMRF Employees and Retirees: rates from the December 31, 2021 IMRF actuarial valuation report. TRS Employees and Retirees: rates from the June 30, 2021 TRS 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.

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 4.09% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2022.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at July 1, 2021	\$ 2,913,354	\$ -	\$ 2,913,354
Changes for the year:			
Service cost	143,507	-	143,507
Interest on the total OPEB liability	58,179	-	58,179
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total OPEB liability	384,918	-	384,918
Changes of assumptions and other inputs	(92,285)	-	(92,285)
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(489,182)	-	(489,182)
Other changes	-	-	-
Net changes	<u>5,137</u>	<u>-</u>	<u>5,137</u>
 Balances at June 30, 2022	 <u>\$ 2,918,491</u>	 <u>\$ -</u>	 <u>\$ 2,918,491</u>

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 4.09%, 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 (3.09%)	Current Discount Rate (4.09%)	1% Higher (5.09%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB liability	\$ 3,070,814	\$ 2,918,491	\$ 2,774,343

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-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:

	<u>1% Lower</u>	<u>Current Healthcare Rate</u>	<u>1% Higher</u>
Total OPEB liability	\$ <u>2,840,574</u>	\$ <u>2,918,491</u>	\$ <u>3,007,148</u>

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

For the year ended June 30, 2022 the District recognized OPEB expense of \$322,788. At June 30, 2022, 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	\$ 496,205	\$ -
Change of assumptions	<u>840,441</u>	<u>312,568</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>1,336,646</u>	\$ <u>312,568</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

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

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

Year Ended June 30,	Net Deferred Outflows of Resources
2023	\$ 121,103
2024	121,103
2025	121,103
2026	121,103
2027	121,103
Thereafter	<u>418,563</u>
Total	<u>\$ 1,024,078</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2022:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 265,877	\$ -	\$ 265,877
Experience	-	496,205	496,205
Assumptions	11,126	840,441	851,567
Earnings	-	-	-
Proportionate share	<u>2,685,477</u>	<u>-</u>	<u>2,685,477</u>
	<u>\$ 2,962,480</u>	<u>\$ 1,336,646</u>	<u>\$ 4,299,126</u>
OPEB liability	<u>\$ 32,228,409</u>	<u>\$ 2,918,491</u>	<u>\$ 35,146,900</u>
OPEB expense (benefit)	<u>\$ (37,000)</u>	<u>\$ 322,788</u>	<u>\$ 285,788</u>
Deferred inflows of resources:			
Assumptions	\$ 12,068,087	\$ 312,568	\$ 12,380,655
Experience	1,507,605	-	1,507,605
Investments	109	-	109
Proportionate share	<u>559,299</u>	<u>-</u>	<u>559,299</u>
	<u>\$ 14,135,100</u>	<u>\$ 312,568</u>	<u>\$ 14,447,668</u>

NOTE J - 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, 2022

NOTE K - 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 insignificant. In addition, From time to time, the District may receive revenues in excess of expenditures related to certain federal grant programs. This surplus will typically be drawn down by the District in the subsequent fiscal year. While the District believes it unlikely, the District may be required to remit surplus funds back to the granting agency.

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 2021 tax year was approximately \$40,000.

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 L - COMMITMENTS

As of June 30, 2022, the District has committed to approximately \$2,017,000 in capital projects.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE M - SUBSEQUENT EVENT

Management has evaluated subsequent events through December 15, 2022, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than described below, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

Subsequent to June 30, 2022, the Board of Education adopted a resolution providing for the issuance of General Obligation School Bonds, not to exceed \$179,000,000, for the purpose of altering, repairing and equipping school buildings.

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

Eight Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability			
Service cost	\$ 586,415	\$ 649,972	\$ 634,766
Interest on the total pension liability	3,687,073	3,566,730	3,469,607
Difference between expected and actual experience of the total pension liability	(76,905)	1,276,326	555,210
Assumption changes	-	(282,754)	-
Benefit payments and refunds	(3,600,297)	(3,436,891)	(3,218,218)
Net change in total pension liability	<u>596,286</u>	<u>1,773,383</u>	<u>1,441,365</u>
Total pension liability, beginning	<u>52,363,122</u>	<u>50,589,739</u>	<u>49,148,374</u>
Total pension liability, ending	<u><u>\$ 52,959,408</u></u>	<u><u>\$ 52,363,122</u></u>	<u><u>\$ 50,589,739</u></u>
Plan fiduciary net position			
Contributions, employer	\$ 950,563	\$ 974,531	\$ 887,330
Contributions, employee	268,203	284,507	287,383
Net investment income	8,537,777	6,416,592	7,481,785
Benefit payments, including refunds of employee contributions	(3,600,297)	(3,436,891)	(3,218,218)
Other (net transfer)	(135,841)	487,050	196,934
Net change in plan fiduciary net position	<u>6,020,405</u>	<u>4,725,789</u>	<u>5,635,214</u>
Plan fiduciary net position, beginning	<u>48,619,608</u>	<u>43,893,819</u>	<u>38,258,605</u>
Plan fiduciary net position, ending	<u><u>\$ 54,640,013</u></u>	<u><u>\$ 48,619,608</u></u>	<u><u>\$ 43,893,819</u></u>
Net pension liability (asset)	<u><u>\$ (1,680,605)</u></u>	<u><u>\$ 3,743,514</u></u>	<u><u>\$ 6,695,920</u></u>
Plan fiduciary net position as a percentage of the total pension liability	103.17 %	92.85 %	86.76 %
Covered Valuation Payroll	\$ 5,719,112	\$ 6,255,012	\$ 6,266,454
Net pension liability (asset) as a percentage of covered valuation payroll	(29.39) %	59.85 %	106.85 %

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	619,570	\$ 686,233	\$ 782,284	\$ 746,714	\$ 830,709
	3,339,906	3,346,657	3,197,627	3,037,325	2,779,385
	1,275,982	175,824	615,264	603,963	150,038
	1,182,124	(1,385,320)	(241,033)	95,189	1,726,170
	(2,982,999)	(2,777,166)	(2,433,212)	(2,047,024)	(1,736,852)
	<u>3,434,583</u>	<u>46,228</u>	<u>1,920,930</u>	<u>2,436,167</u>	<u>3,749,450</u>
	45,713,791	45,667,563	43,746,633	41,310,466	37,561,016
\$	<u><u>49,148,374</u></u>	<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>
\$	918,803	\$ 848,576	\$ 926,983	\$ 908,587	\$ 887,996
	269,112	276,271	287,160	301,130	363,996
	(2,527,731)	6,760,004	2,342,140	178,145	2,081,383
	(2,982,999)	(2,777,166)	(2,433,212)	(2,047,024)	(1,736,852)
	<u>1,399,821</u>	<u>(1,282,568)</u>	<u>427,864</u>	<u>417,073</u>	<u>87,652</u>
	(2,922,994)	3,825,117	1,550,935	(242,089)	1,684,175
	41,181,599	37,356,482	35,805,547	36,047,636	34,363,461
\$	<u><u>38,258,605</u></u>	<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>10,889,769</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>
	77.84 %	90.09 %	81.80 %	81.85 %	87.26 %
\$	5,904,907	\$ 6,084,557	\$ 6,336,280	\$ 6,619,221	\$ 6,788,974
	184.42 %	74.49 %	131.17 %	119.97 %	77.52 %

Downers Grove Grade School District No. 58
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
Eight Most Recent Fiscal Years

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2022	\$ 947,085	* \$ 950,563	\$ (3,478)	\$ 5,719,112	16.62 %
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 16.56% and covered valuation payroll of \$5,719,112.

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
Eight Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.0042291867 %	0.0042881939 %	0.0053416410 %
District's proportionate share of the net pension liability	\$ 3,299,243	\$ 3,697,077	\$ 4,332,507
State's proportionate share of the net pension liability associated with the District	<u>276,511,648</u>	<u>289,574,305</u>	<u>308,339,795</u>
Total	<u>\$ 279,810,891</u>	<u>\$ 293,271,382</u>	<u>\$ 312,672,302</u>
District's covered-employee payroll	\$ 37,921,575	\$ 36,058,524	\$ 34,080,454
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.70 %	10.25 %	12.71 %
Plan fiduciary net position as a percentage of the total pension liability	45.1 %	37.8 %	39.6 %

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0035632007 %	0.0051814405 %	0.0046950648 %	0.0066063731 %	0.0064739066 %
\$ 2,777,331	\$ 3,958,524	\$ 3,706,099	\$ 4,327,840	\$ 3,939,908
<u>190,258,816</u>	<u>241,739,723</u>	<u>255,215,128</u>	<u>188,886,330</u>	<u>187,434,288</u>
<u>\$ 193,036,147</u>	<u>\$ 245,698,247</u>	<u>\$ 258,921,227</u>	<u>\$ 193,214,170</u>	<u>\$ 191,374,196</u>
\$ 33,190,956	\$ 32,682,535	\$ 31,176,055	\$ 30,136,212	\$ 30,291,184
8.37 %	12.11 %	11.89 %	14.36 %	13.01 %
40.0 %	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
Eight Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 219,945	\$ 209,139	\$ 197,667
Contributions in relation to the contractually required contribution	<u>220,002</u>	<u>209,045</u>	<u>241,911</u>
Contribution deficiency (excess)	<u><u>\$ (57)</u></u>	<u><u>\$ 94</u></u>	<u><u>\$ (44,244)</u></u>
District's covered-employee payroll	\$ 39,683,186	\$ 37,921,575	\$ 36,058,524
Contributions as a percentage of covered-employee payroll	0.55 %	0.55 %	0.67 %

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 192,508	\$ 238,814	\$ 186,079	\$ 229,365	\$ 223,244
<u>148,048</u>	<u>213,474</u>	<u>181,826</u>	<u>231,487</u>	<u>230,986</u>
\$ <u><u>44,460</u></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>
\$ 34,080,454	\$ 33,190,956	\$ 32,682,535	\$ 31,176,055	\$ 30,136,212
0.43 %	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

Five Most Recent Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability			
Service cost	\$ 143,507	\$ 136,547	\$ 132,258
Interest on the total OPEB liability	58,179	74,282	57,235
Changes of benefit terms		-	-
Difference between expected and actual experience of the total OPEB liability	384,918	-	128,245
Changes of assumptions and other inputs	(92,285)	75,191	419,876
Benefit payments, including the implicit rate subsidy	(489,182)	(330,478)	(342,132)
Other changes		-	339,816
Net change in total OPEB liability	<u>5,137</u>	<u>(44,458)</u>	<u>735,298</u>
Total OPEB liability, beginning	<u>2,913,354</u>	<u>2,957,812</u>	<u>2,222,514</u>
Total OPEB liability, ending	<u>\$ 2,918,491</u>	<u>\$ 2,913,354</u>	<u>\$ 2,957,812</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>
Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 2,918,491</u>	<u>\$ 2,913,354</u>	<u>\$ 2,957,812</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered Valuation Payroll	N/A	\$ 32,439,096	\$ 32,439,096
Net OPEB liability as a percentage of covered valuation payroll	N/A	9.00 %	9.14 %

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

	<u>2019</u>	<u>2018</u>
\$	125,285	\$ 112,964
	71,667	71,294
	-	70,890
	-	22,584
	70,317	19,900
	(281,131)	(303,313)
	(30,816)	(65,122)
	<u>(44,678)</u>	<u>(70,803)</u>
	2,267,192	2,337,995
\$	<u><u>2,222,514</u></u>	\$ <u><u>2,267,192</u></u>
\$	-	\$ -
	-	-
	-	-
	-	-
	-	-
	<u>-</u>	<u>-</u>
	-	-
\$	<u><u>-</u></u>	\$ <u><u>-</u></u>
\$	<u><u>2,222,514</u></u>	\$ <u><u>2,267,192</u></u>
	0.00 %	0.00 %
\$	32,306,296	\$ 32,306,296
	6.90 %	7.04 %

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
Five Most Recent Fiscal Years

	<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>	
District's proportion of the net OPEB liability	0.1461250000	%	0.1424520000	%	0.1385600000	%	0.1399640000	%	0.1420350000	%
District's proportionate share of the net OPEB liability	\$ 32,228,409		\$ 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>43,697,019</u>		<u>51,595,799</u>		<u>51,930,641</u>		<u>49,514,681</u>		<u>48,403,185</u>	
Total	<u>\$ 75,925,428</u>		<u>\$ 89,681,534</u>		<u>\$ 90,280,529</u>		<u>\$ 86,389,315</u>		<u>\$ 85,260,783</u>	
District's covered payroll	\$ 37,921,575		\$ 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 payroll	84.99	%	105.62	%	112.53	%	111.10	%	112.77	%
Plan fiduciary net position as a percentage of the total OPEB liability	1.40	%	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
Five Most Recent Fiscal Years

Fiscal year ended June 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 348,878	\$ 331,738	\$ 313,540	\$ 292,080	\$ 274,533
Contributions in relation to the contractually required contribution	<u>348,947</u>	<u>331,529</u>	<u>313,312</u>	<u>291,980</u>	<u>274,467</u>
Contribution excess	<u>\$ 69</u>	<u>\$ (209)</u>	<u>\$ (228)</u>	<u>\$ (100)</u>	<u>\$ (66)</u>
District's covered-employee payroll	\$ 39,683,186	\$ 37,921,575	\$ 36,058,524	\$ 34,080,454	\$ 33,190,956
Contributions as a percentage of covered-employee payroll	0.88 %	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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 52,783,148	\$ 51,691,084	\$ (1,092,064)	\$ 54,288,170
Corporate personal property replacement taxes	850,000	2,445,095	1,595,095	1,214,122
Regular tuition from pupils or parents	1,125,000	235,726	(889,274)	96,920
Summer school tuition from pupils or parents	50,000	39,532	(10,468)	53,115
Interest income and investment losses	35,000	(60,083)	(95,083)	22,662
Sales to pupils - lunch	-	563	563	-
Sales to pupils - a la carte	16,000	-	(16,000)	-
Fees	300	-	(300)	(357)
Other district/school activity revenue	35,000	105,629	70,629	15,623
Student activity fund revenues	-	139,632	139,632	71,744
Rentals - regular textbook	739,500	928,119	188,619	374,142
Rentals - other	-	-	-	12,608
Contributions and donations from private sources	216,000	51,736	(164,264)	208,231
Impact fees from municipal or county governments	-	208,373	208,373	-
Refund of prior years' expenditures	15,000	30,056	15,056	14,047
Payment from other districts	-	79,663	79,663	23,872
Other local fees	-	563,656	563,656	(227,857)
Other	1,166,800	670,670	(496,130)	128,013
Total local sources	<u>57,031,748</u>	<u>57,129,451</u>	<u>97,703</u>	<u>56,295,055</u>
State sources				
Evidence Based Funding Formula	3,448,715	3,465,290	16,575	3,333,554
Special Education - Private Facility Tuition	800,000	596,561	(203,439)	648,921
Special Education - Orphanage - Individual	150,000	140,473	(9,527)	114,595
State Free Lunch & Breakfast	1,000	13,450	12,450	1,273
Early Childhood - Block Grant	450,000	363,964	(86,036)	363,964
Other restricted revenue from state sources	107,500	4,807	(102,693)	7,308
On-Behalf Payments to TRS from the State	30,000,000	20,084,094	(9,915,906)	-
Total state sources	<u>34,957,215</u>	<u>24,668,639</u>	<u>(10,288,576)</u>	<u>4,469,615</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			
	Original and Final Budget	Actual	Variance From Final Budget	2021 Actual
Federal sources				
National School Lunch Program	\$ 420,000	\$ 743,518	\$ 323,518	\$ -
School Breakfast Program	-	184,365	184,365	-
Summer Food Service Program	-	10,664	10,664	391,788
Title I - Low Income	400,000	261,671	(138,329)	256,578
Federal Special Education - Preschool Flow-Through	100,000	22,431	(77,569)	47,691
Federal Special Education - IDEA Flow Through	1,610,000	1,219,543	(390,457)	1,237,926
Federal Special Education - IDEA Room & Board	-	-	-	100,864
Title III - Lang. Inst. Prog. - Limited English (LIPLEP)	15,000	18,888	3,888	19,714
Title II - Teacher Quality	250,000	145,660	(104,340)	114,721
Medicaid Matching Funds - Administrative Outreach	-	79,293	79,293	65,686
Medicaid Matching Funds - Fee-For-Service Program	200,000	125,960	(74,040)	254,510
Other Restricted Grants Received from Federal Govt	<u>2,800,000</u>	<u>1,453,132</u>	<u>(1,346,868)</u>	<u>1,040,445</u>
Total federal sources	<u>5,795,000</u>	<u>4,265,125</u>	<u>(1,529,875)</u>	<u>3,529,923</u>
Total revenues	<u>97,783,963</u>	<u>86,063,215</u>	<u>(11,720,748)</u>	<u>64,294,593</u>
Expenditures				
Instruction				
Regular programs				
Salaries	20,394,370	26,083,000	(5,688,630)	24,749,485
Employee benefits	3,887,074	5,655,472	(1,768,398)	5,310,263
On-Behalf Payments to TRS from the State	30,000,000	20,084,094	9,915,906	-
Purchased services	316,531	103,558	212,973	158,503
Supplies and materials	1,407,563	1,598,438	(190,875)	1,173,507
Capital outlay	-	650,405	(650,405)	-
Other objects	4,000	2,345	1,655	3,385
Non-capitalized equipment	<u>7,150</u>	<u>28,256</u>	<u>(21,106)</u>	<u>1,351</u>
Total	<u>56,016,688</u>	<u>54,205,568</u>	<u>1,811,120</u>	<u>31,396,494</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Pre-K programs				
Salaries	\$ 8,016,788	\$ 1,160,748	\$ 6,856,040	\$ 262,605
Employee benefits	1,182,229	25,748	1,156,481	54,350
Purchased services	11,053	-	11,053	-
Supplies and materials	79,759	-	79,759	-
Non-capitalized equipment	12,000	-	12,000	-
Total	<u>9,301,829</u>	<u>1,186,496</u>	<u>8,115,333</u>	<u>316,955</u>
Special education programs				
Salaries	1,934,363	4,543,179	(2,608,816)	4,736,892
Employee benefits	749,022	699,443	49,579	756,286
Purchased services	2,300	7,734	(5,434)	2,893
Supplies and materials	81,106	148,441	(67,335)	80,721
Other objects	1,620,000	1,243,255	376,745	1,425,286
Total	<u>4,386,791</u>	<u>6,642,052</u>	<u>(2,255,261)</u>	<u>7,002,078</u>
Special education programs pre-K				
Salaries	456,200	465,331	(9,131)	418,104
Employee benefits	127,360	97,082	30,278	89,056
Purchased services	-	-	-	(1,294)
Supplies and materials	21,600	12,721	8,879	22,128
Total	<u>605,160</u>	<u>575,134</u>	<u>30,026</u>	<u>527,994</u>
Remedial and Supplemental programs K-12				
Salaries	84,250	308,529	(224,279)	247,253
Employee benefits	1,593	56,000	(54,407)	1,519
Supplies and materials	33,000	48,976	(15,976)	32,800
Total	<u>118,843</u>	<u>413,505</u>	<u>(294,662)</u>	<u>281,572</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			
	Original and Final Budget	Actual	Variance From Final Budget	2021 Actual
Interscholastic programs				
Salaries	\$ -	\$ 68,826	\$ (68,826)	\$ -
Employee benefits	-	817	(817)	-
Purchased services	7,000	5,270	1,730	-
Supplies and materials	<u>7,000</u>	<u>5,597</u>	<u>1,403</u>	<u>-</u>
Total	<u>14,000</u>	<u>80,510</u>	<u>(66,510)</u>	<u>-</u>
Summer school programs				
Salaries	70,644	113,262	(42,618)	68,616
Employee benefits	1,345	2,057	(712)	1,300
Supplies and materials	<u>200</u>	<u>1,253</u>	<u>(1,053)</u>	<u>104</u>
Total	<u>72,189</u>	<u>116,572</u>	<u>(44,383)</u>	<u>70,020</u>
Gifted programs				
Salaries	74,986	-	74,986	79,021
Employee benefits	6,858	-	6,858	6,634
Purchased services	1,549	-	1,549	-
Supplies and materials	300	1,878	(1,578)	282
Non-capitalized equipment	<u>-</u>	<u>2,962</u>	<u>(2,962)</u>	<u>-</u>
Total	<u>83,693</u>	<u>4,840</u>	<u>78,853</u>	<u>85,937</u>
Bilingual programs				
Salaries	699,733	518,717	181,016	499,573
Employee benefits	89,672	93,224	(3,552)	86,681
Purchased services	812	1,643	(831)	27
Supplies and materials	<u>1,100</u>	<u>916</u>	<u>184</u>	<u>3,428</u>
Total	<u>791,317</u>	<u>614,500</u>	<u>176,817</u>	<u>589,709</u>
Student Activity Fund Expenditures	<u>-</u>	<u>164,988</u>	<u>(164,988)</u>	<u>77,103</u>
Total instruction	<u>71,390,510</u>	<u>64,004,165</u>	<u>7,386,345</u>	<u>40,347,862</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 1,311,169	\$ 1,297,743	\$ 13,426	\$ 1,262,700
Employee benefits	247,948	308,377	(60,429)	244,673
Purchased services	-	14,818	(14,818)	10,443
Supplies and materials	<u>1,326</u>	<u>1,245</u>	<u>81</u>	<u>368</u>
Total	<u>1,560,443</u>	<u>1,622,183</u>	<u>(61,740)</u>	<u>1,518,184</u>
Guidance services				
Salaries	387,865	387,865	-	403,493
Employee benefits	81,318	67,747	13,571	78,615
Supplies and materials	<u>300</u>	<u>13</u>	<u>287</u>	<u>75</u>
Total	<u>469,483</u>	<u>455,625</u>	<u>13,858</u>	<u>482,183</u>
Health services				
Salaries	917,300	779,100	138,200	680,598
Employee benefits	62,948	63,760	(812)	60,835
Purchased services	4,874	26,594	(21,720)	3,467
Supplies and materials	<u>6,598</u>	<u>7,322</u>	<u>(724)</u>	<u>6,402</u>
Total	<u>991,720</u>	<u>876,776</u>	<u>114,944</u>	<u>751,302</u>
Psychological services				
Salaries	670,000	514,486	155,514	668,063
Employee benefits	137,691	88,787	48,904	133,113
Purchased services	<u>90,029</u>	<u>144,102</u>	<u>(54,073)</u>	<u>103,243</u>
Total	<u>897,720</u>	<u>747,375</u>	<u>150,345</u>	<u>904,419</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Speech pathology and audiology services				
Salaries	\$ 1,111,457	\$ 967,052	\$ 144,405	\$ 1,002,295
Employee benefits	178,561	151,461	27,100	172,577
Purchased services	19,500	82,721	(63,221)	84,660
Supplies and materials	<u>1,326</u>	<u>935</u>	<u>391</u>	<u>551</u>
Total	<u>1,310,844</u>	<u>1,202,169</u>	<u>108,675</u>	<u>1,260,083</u>
Total pupils	<u>5,230,210</u>	<u>4,904,128</u>	<u>326,082</u>	<u>4,916,171</u>
Instructional staff				
Improvement of instruction services				
Salaries	2,038,502	1,499,091	539,411	1,592,386
Employee benefits	366,611	331,482	35,129	337,453
Purchased services	184,613	356,305	(171,692)	166,712
Supplies and materials	12,000	29,388	(17,388)	16,062
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>284</u>
Total	<u>2,601,726</u>	<u>2,216,266</u>	<u>385,460</u>	<u>2,112,897</u>
Educational media services				
Salaries	958,445	1,004,805	(46,360)	1,014,293
Employee benefits	228,963	243,427	(14,464)	219,988
Purchased services	1,061,495	656,973	404,522	631,525
Supplies and materials	317,880	360,232	(42,352)	245,524
Capital outlay	<u>-</u>	<u>1,561,492</u>	<u>(1,561,492)</u>	<u>-</u>
Total	<u>2,566,783</u>	<u>3,826,929</u>	<u>(1,260,146)</u>	<u>2,111,330</u>
Assessment and testing				
Salaries	15,000	5,709	9,291	2,224
Employee benefits	<u>278</u>	<u>660</u>	<u>(382)</u>	<u>266</u>
Total	<u>15,278</u>	<u>6,369</u>	<u>8,909</u>	<u>2,490</u>
Total instructional staff	<u>5,183,787</u>	<u>6,049,564</u>	<u>(865,777)</u>	<u>4,226,717</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
General administration				
Board of education services				
Salaries	\$ 10,000	\$ 8,638	\$ 1,362	\$ 8,362
Employee benefits	2,055	4,230	(2,175)	1,272
Purchased services	287,113	137,057	150,056	135,539
Supplies and materials	10,100	13,871	(3,771)	16,276
Other objects	<u>20,000</u>	<u>19,550</u>	<u>450</u>	<u>15,414</u>
Total	<u>329,268</u>	<u>183,346</u>	<u>145,922</u>	<u>176,863</u>
Executive administration services				
Salaries	299,320	297,024	2,296	285,719
Employee benefits	86,622	86,295	327	82,313
Purchased services	45,270	22,692	22,578	12,209
Supplies and materials	19,000	14,460	4,540	14,326
Other objects	<u>5,500</u>	<u>12,610</u>	<u>(7,110)</u>	<u>4,430</u>
Total	<u>455,712</u>	<u>433,081</u>	<u>22,631</u>	<u>398,997</u>
Special area administrative services				
Salaries	300,000	363,235	(63,235)	283,815
Employee benefits	72,517	112,772	(40,255)	67,243
Purchased services	5,768	1,773	3,995	1,500
Supplies and materials	500	3,912	(3,412)	3,303
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,374</u>
Total	<u>378,785</u>	<u>481,692</u>	<u>(102,907)</u>	<u>357,235</u>
Tort immunity services				
Purchased services	<u>614,532</u>	<u>710,739</u>	<u>(96,207)</u>	<u>569,638</u>
Total	<u>614,532</u>	<u>710,739</u>	<u>(96,207)</u>	<u>569,638</u>
Total general administration	<u>1,778,297</u>	<u>1,808,858</u>	<u>(30,561)</u>	<u>1,502,733</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
School administration				
Office of the principal services				
Salaries	\$ 2,675,463	\$ 2,434,134	\$ 241,329	\$ 2,620,223
Employee benefits	889,816	757,962	131,854	823,114
Purchased services	98,358	50,696	47,662	30,269
Supplies and materials	12,500	3,950	8,550	3,999
Other objects	<u>2,459</u>	<u>1,729</u>	<u>730</u>	<u>2,597</u>
Total	<u>3,678,596</u>	<u>3,248,471</u>	<u>430,125</u>	<u>3,480,202</u>
Total school administration	<u>3,678,596</u>	<u>3,248,471</u>	<u>430,125</u>	<u>3,480,202</u>
Business				
Direction of business support services				
Salaries	300,325	316,737	(16,412)	303,969
Employee benefits	74,721	72,973	1,748	83,563
Purchased services	1,341	2,222	(881)	220
Other objects	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>1,950</u>
Total	<u>379,387</u>	<u>391,932</u>	<u>(12,545)</u>	<u>389,702</u>
Fiscal services				
Salaries	118,989	109,287	9,702	134,941
Employee benefits	35,086	40,591	(5,505)	48,480
Purchased services	333,981	312,617	21,364	307,922
Supplies and materials	2,000	3,672	(1,672)	1,857
Other objects	<u>1,000</u>	<u>1,020</u>	<u>(20)</u>	<u>1,170</u>
Total	<u>491,056</u>	<u>467,187</u>	<u>23,869</u>	<u>494,370</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			
	Original and Final Budget	Actual	Variance From Final Budget	2021 Actual
Food services				
Salaries	\$ 50,000	\$ -	\$ 50,000	\$ 204,325
Purchased services	316,000	560,854	(244,854)	332,324
Supplies and materials	1,900	60,805	(58,905)	1,538
Capital outlay	18,000	-	18,000	-
Non-capitalized equipment	10,000	5,105	4,895	9,564
Total	<u>395,900</u>	<u>626,764</u>	<u>(230,864)</u>	<u>547,751</u>
Total business	<u>1,266,343</u>	<u>1,485,883</u>	<u>(219,540)</u>	<u>1,431,823</u>
Central				
Direction of central support services				
Salaries	334,963	313,345	21,618	324,906
Employee benefits	166,101	181,397	(15,296)	162,691
Purchased services	3,140	3,263	(123)	1,500
Total	<u>504,204</u>	<u>498,005</u>	<u>6,199</u>	<u>489,097</u>
Information services				
Salaries	68,000	88,845	(20,845)	65,084
Employee benefits	27,143	28,473	(1,330)	26,258
Purchased services	113,431	54,125	59,306	83,267
Other objects	500	-	500	320
Total	<u>209,074</u>	<u>171,443</u>	<u>37,631</u>	<u>174,929</u>
Staff services				
Purchased services	15,000	97,100	(82,100)	137,185
Supplies and materials	9,000	11,942	(2,942)	8,186
Other objects	100	-	100	75
Total	<u>24,100</u>	<u>109,042</u>	<u>(84,942)</u>	<u>145,446</u>
Total central	<u>737,378</u>	<u>778,490</u>	<u>(41,112)</u>	<u>809,472</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			
	Original and Final Budget	Actual	Variance From Final Budget	2021 Actual
Other supporting services				
Salaries	\$ -	\$ 731	\$ (731)	\$ -
Employee benefits	148,162	139,632	8,530	143,181
Purchased services	32,000	-	32,000	384
Supplies and materials	<u>-</u>	<u>3,107</u>	<u>(3,107)</u>	<u>85</u>
Total	<u>180,162</u>	<u>143,470</u>	<u>36,692</u>	<u>143,650</u>
Total support services	<u>18,054,773</u>	<u>18,418,864</u>	<u>(364,091)</u>	<u>16,510,768</u>
Community services				
Salaries	131,368	43,136	88,232	61,378
Employee benefits	16,690	20,526	(3,836)	16,068
Purchased services	14,000	84,315	(70,315)	3,274
Supplies and materials	<u>13,000</u>	<u>5,198</u>	<u>7,802</u>	<u>13,088</u>
Total	<u>175,058</u>	<u>153,175</u>	<u>21,883</u>	<u>93,808</u>
Payments for special education programs				
Purchased services	111,238	127,246	(16,008)	107,714
Other objects	<u>3,250,000</u>	<u>2,881,770</u>	<u>368,230</u>	<u>3,056,947</u>
Total	<u>3,361,238</u>	<u>3,009,016</u>	<u>352,222</u>	<u>3,164,661</u>
Total payments to other districts and other government units	<u>3,361,238</u>	<u>3,009,016</u>	<u>352,222</u>	<u>3,164,661</u>
Total expenditures	<u>92,981,579</u>	<u>85,585,220</u>	<u>7,396,359</u>	<u>60,117,099</u>
Excess of revenues over expenditures	<u>4,802,384</u>	<u>477,995</u>	<u>(4,324,389)</u>	<u>4,177,494</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			
	Original and Final Budget	Actual	Variance From Final Budget	2021 Actual
Other financing sources (uses)				
Permanent transfer from working cash fund - abatement	\$ -	\$ -	\$ -	\$ (3,230,000)
Debt issuance	-	-	-	2,882,424
Premium on debt issuance	-	-	-	605,000
Proceeds from sale of capital assets	-	1,147,293	1,147,293	-
Lease liability issued	-	650,405	650,405	-
Transfer to debt service fund for principal on GASB 87 leases	-	(423,307)	(423,307)	(338,671)
Transfer to debt service fund for interest on GASB 87 leases	-	(6,158)	(6,158)	(9,926)
	-	1,368,233	1,368,233	(91,173)
Total other financing sources (uses)	-	1,368,233	1,368,233	(91,173)
Net change to fund balance	<u>\$ 4,802,384</u>	1,846,228	<u>\$ (2,956,156)</u>	4,086,321
Fund balance, beginning of year		<u>21,452,082</u>		<u>17,365,761</u>
Fund balance, end of year		<u>\$ 23,298,310</u>		<u>\$ 21,452,082</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, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 3,567,655	\$ 3,464,185	\$ (103,470)	\$ 4,166,363
Corporate personal property replacement taxes	200,000	200,000	-	-
Interest on investments	6,000	3,065	(2,935)	4,588
Rentals	165,000	138,433	(26,567)	148,580
Contributions and donations from private sources	275,000	153,500	(121,500)	-
Refund of prior years' expenditures	1,000	-	(1,000)	875
Other	87,000	16,217	(70,783)	85,795
Total local sources	<u>4,301,655</u>	<u>3,975,400</u>	<u>(326,255)</u>	<u>4,406,201</u>
State sources				
School Infrastructure - Maintenance Projects	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Total state sources	<u>50,000</u>	<u>100,000</u>	<u>50,000</u>	<u>-</u>
Federal sources				
Other Restricted Grants Received from Federal Gov't	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>3,529</u>
Total federal sources	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>3,529</u>
Total revenues	<u>4,366,655</u>	<u>4,075,400</u>	<u>(291,255)</u>	<u>4,409,730</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	45,000	104,845	(59,845)	27,556
Supplies and materials	30,000	-	30,000	-
Capital outlay	<u>-</u>	<u>26,081</u>	<u>(26,081)</u>	<u>-</u>
Total	<u>75,000</u>	<u>130,926</u>	<u>(55,926)</u>	<u>27,556</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, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Operation and maintenance of plant services				
Salaries	\$ 1,724,526	\$ 1,703,417	\$ 21,109	\$ 1,696,630
Employee benefits	497,760	442,750	55,010	472,455
Purchased services	1,078,600	1,309,269	(230,669)	858,376
Supplies and materials	832,048	851,807	(19,759)	933,528
Capital outlay	25,000	103,108	(78,108)	5,996
Other objects	76,000	-	76,000	-
Non-capitalized equipment	<u>78,000</u>	<u>23,315</u>	<u>54,685</u>	<u>76,879</u>
Total	<u>4,311,934</u>	<u>4,433,666</u>	<u>(121,732)</u>	<u>4,043,864</u>
Total support services	<u>4,386,934</u>	<u>4,564,592</u>	<u>(177,658)</u>	<u>4,071,420</u>
Total expenditures	<u>4,386,934</u>	<u>4,564,592</u>	<u>(177,658)</u>	<u>4,071,420</u>
Excess (deficiency) of revenues over expenditures	<u>(20,279)</u>	<u>(489,192)</u>	<u>(468,913)</u>	<u>338,310</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	3,000,000	-	(3,000,000)	-
Transfer to debt service fund for principal on GASB 87 leases	-	(101,982)	(101,982)	(41,432)
Transfer to debt service fund for interest on GASB 87 leases	<u>-</u>	<u>(11,359)</u>	<u>(11,359)</u>	<u>(3,446)</u>
Total other financing sources (uses)	<u>3,000,000</u>	<u>(113,341)</u>	<u>(3,113,341)</u>	<u>(44,878)</u>
Net change in fund balance	<u>\$ 2,979,721</u>	(602,533)	<u>\$ (3,582,254)</u>	293,432
Fund balance, beginning of year		<u>5,509,585</u>		<u>5,216,153</u>
Fund balance, end of year		<u>\$ 4,907,052</u>		<u>\$ 5,509,585</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, 2022
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 2,720,984	\$ 2,597,525	\$ (123,459)	\$ 3,274,532
Regular transportation fees from pupils or parents - in state	140,000	45,495	(94,505)	27,613
Regular transportation fees from other districts - in state	-	73,800	73,800	90,733
Interest on investments	6,000	811	(5,189)	3,168
Other	<u>2,000</u>	<u>13,391</u>	<u>11,391</u>	<u>351</u>
Total local sources	<u>2,868,984</u>	<u>2,731,022</u>	<u>(137,962)</u>	<u>3,396,397</u>
State sources				
Transportation - Regular and Vocational	22,174	67,337	45,163	24,461
Transportation - Special Education	<u>766,166</u>	<u>945,884</u>	<u>179,718</u>	<u>923,672</u>
Total state sources	<u>788,340</u>	<u>1,013,221</u>	<u>224,881</u>	<u>948,133</u>
Total revenues	<u>3,657,324</u>	<u>3,744,243</u>	<u>86,919</u>	<u>4,344,530</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>5,378,583</u>	<u>4,769,996</u>	<u>608,587</u>	<u>3,398,933</u>
Total support services	<u>5,378,583</u>	<u>4,769,996</u>	<u>608,587</u>	<u>3,398,933</u>
Total expenditures	<u>5,378,583</u>	<u>4,769,996</u>	<u>608,587</u>	<u>3,398,933</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,721,259)</u>	(1,025,753)	<u>\$ 695,506</u>	945,597
Fund balance, beginning of year		<u>3,340,060</u>		<u>2,394,463</u>
Fund balance, end of year		<u>\$ 2,314,307</u>		<u>\$ 3,340,060</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, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 972,005	\$ 932,581	\$ (39,424)	\$ 1,089,897
Social security/Medicare only levy	970,627	932,581	(38,046)	1,089,897
Corporate personal property replacement taxes	17,161	17,161	-	17,161
Interest on investments	<u>1,500</u>	<u>1,037</u>	<u>(463)</u>	<u>1,264</u>
Total local sources	<u>1,961,293</u>	<u>1,883,360</u>	<u>(77,933)</u>	<u>2,198,219</u>
Total revenues	<u>1,961,293</u>	<u>1,883,360</u>	<u>(77,933)</u>	<u>2,198,219</u>
Expenditures				
Instruction				
Regular programs	339,017	439,573	(100,556)	407,615
Pre-K programs	87,974	3,343	84,631	3,635
Special education programs	389,864	382,382	7,482	386,176
Special education programs pre-K	34,040	29,233	4,807	23,977
Remedial and supplemental programs K-12	20,266	16,966	3,300	19,621
Interscholastic programs	-	1,671	(1,671)	-
Summer school programs	1,485	5,037	(3,552)	1,432
Gifted programs	1,099	-	1,099	1,057
Bilingual programs	<u>11,131</u>	<u>11,356</u>	<u>(225)</u>	<u>10,736</u>
Total instruction	<u>884,876</u>	<u>889,561</u>	<u>(4,685)</u>	<u>854,249</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, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services	\$ 18,520	\$ 17,373	\$ 1,147	\$ 17,109
Guidance services	5,849	5,490	359	5,630
Health services	113,279	117,052	(3,773)	110,366
Psychological services	9,672	7,182	2,490	9,309
Speech pathology and audiology services	<u>14,591</u>	<u>13,358</u>	<u>1,233</u>	<u>13,882</u>
Total pupils	<u>161,911</u>	<u>160,455</u>	<u>1,456</u>	<u>156,296</u>
Instructional staff				
Improvement of instruction services	38,597	36,649	1,948	37,405
Educational media services	149,389	135,612	13,777	144,603
Assessment and testing	<u>33</u>	<u>82</u>	<u>(49)</u>	<u>32</u>
Total instructional staff	<u>188,019</u>	<u>172,343</u>	<u>15,676</u>	<u>182,040</u>
General administration				
Board of education services	2,008	2,012	(4)	1,944
Executive administration services	17,168	17,194	(26)	16,603
Special area administrative services	<u>14,661</u>	<u>11,064</u>	<u>3,597</u>	<u>14,174</u>
Total general administration	<u>33,837</u>	<u>30,270</u>	<u>3,567</u>	<u>32,721</u>
School administration				
Office of the principal services	<u>180,516</u>	<u>165,171</u>	<u>15,345</u>	<u>174,575</u>
Total school administration	<u>180,516</u>	<u>165,171</u>	<u>15,345</u>	<u>174,575</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, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Business				
Direction of business support services	\$ 16,090	\$ 19,879	\$ (3,789)	\$ 15,557
Fiscal services	32,602	25,633	6,969	31,565
Operation and maintenance of plant services	<u>404,791</u>	<u>390,121</u>	<u>14,670</u>	<u>391,896</u>
Total business	<u>453,483</u>	<u>435,633</u>	<u>17,850</u>	<u>439,018</u>
Central				
Direction of central support services	39,631	34,613	5,018	38,356
Information services	<u>15,516</u>	<u>20,694</u>	<u>(5,178)</u>	<u>15,025</u>
Total central	<u>55,147</u>	<u>55,307</u>	<u>(160)</u>	<u>53,381</u>
Total support services	<u>1,072,913</u>	<u>1,019,179</u>	<u>53,734</u>	<u>1,038,031</u>
Community services	<u>5,356</u>	<u>2,740</u>	<u>2,616</u>	<u>5,182</u>
Total expenditures	<u>1,963,145</u>	<u>1,911,480</u>	<u>51,665</u>	<u>1,897,462</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,852)</u>	(28,120)	<u>\$ (26,268)</u>	300,757
Fund balance, beginning of year		<u>1,335,748</u>		<u>1,034,991</u>
Fund balance, end of year		<u>\$ 1,307,628</u>		<u>\$ 1,335,748</u>

(Concluded)

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

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 13, 2021.
- 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, 2022:

<u>Funds</u>	<u>Variance</u>
Operations and Maintenance	\$ 177,658
Debt Service	563,246
Capital Projects	147,998

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

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

For the 2020 - 2021 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit and were consistent in 2020 and 2021. These actuarial assumptions were based on an experience study dated September 30, 2021.

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. The assumptions used for the 2020 - 2018 and 2017 - 2016 measurement years were based on an experience study dated September 30, 2018 and August 13, 2015, respectively.

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 2021 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 2021 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): 22-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 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years and one was financed over 28 years).

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2021 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, 2020
Measurement Date	June 30, 2021
Fiscal Year End	June 30, 2022

Methods and Assumptions Used to Determine the 2021 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	1.92%
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 2022 based on expected increase used to develop average costs. For fiscal years on and after 2023, trend starts at 8.00% gradually decreases to an ultimate trend of 4.25%.
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.

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

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

Change in Assumptions:

The Discount Rate was changed from 2.45% used in the Fiscal Year 2021 valuation to 1.92%, 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 3.13% used in the Fiscal Year 2020 valuation to 2.45%, 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%, 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".

SUPPLEMENTARY FINANCIAL INFORMATION

Downers Grove Grade School District No. 58

General Fund

COMBINING BALANCE SHEET

June 30, 2022

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 14,766,679	\$ 10,208,245	\$ 24,974,924
Receivables (net of allowance for uncollectibles):			
Property taxes	25,154,119	143,978	25,298,097
Replacement taxes	436,181	-	436,181
Intergovernmental	2,255,038	-	2,255,038
 Total assets	 \$ 42,612,017	 \$ 10,352,223	 \$ 52,964,240
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,317,568	\$ -	\$ 2,317,568
Salaries and wages payable	4,805,854	-	4,805,854
Payroll deductions payable	5,031	-	5,031
Claims payable	686,389	-	686,389
Unearned revenue	773,046	-	773,046
 Total liabilities	 8,587,888	 -	 8,587,888
 DEFERRED INFLOWS			
Property taxes levied for a future period	20,958,081	119,961	21,078,042
 Total deferred inflows	 20,958,081	 119,961	 21,078,042
 FUND BALANCES			
Assigned	1,780,737	-	1,780,737
Unassigned	11,285,311	10,232,262	21,517,573
 Total fund balance	 13,066,048	 10,232,262	 23,298,310
 Total liabilities, deferred inflows, and fund balance	 \$ 42,612,017	 \$ 10,352,223	 \$ 52,964,240

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, 2022

	<u>Educational Account</u>	<u>Working Cash Account</u>	<u>Total</u>
Revenues			
Property taxes	\$ 51,431,848	\$ 259,236	\$ 51,691,084
Replacement taxes	2,445,095	-	2,445,095
State aid	24,668,639	-	24,668,639
Federal aid	4,265,125	-	4,265,125
Interest income and investment losses	(67,184)	7,101	(60,083)
Other	<u>3,053,355</u>	<u>-</u>	<u>3,053,355</u>
Total revenues	<u>85,796,878</u>	<u>266,337</u>	<u>86,063,215</u>
Expenditures			
Current:			
Instruction:			
Regular programs	33,636,057	-	33,636,057
Special programs	7,630,691	-	7,630,691
Other instructional programs	2,002,918	-	2,002,918
State retirement contributions	20,084,094	-	20,084,094
Support services:			
Pupils	4,890,660	-	4,890,660
Instructional staff	4,501,540	-	4,501,540
General administration	1,808,858	-	1,808,858
School administration	3,248,471	-	3,248,471
Business	1,485,883	-	1,485,883
Central	778,490	-	778,490
Other supporting services	145,743	-	145,743
Community services	150,902	-	150,902
Nonprogrammed charges	3,009,016	-	3,009,016
Capital outlay	<u>2,211,897</u>	<u>-</u>	<u>2,211,897</u>
Total expenditures	<u>85,585,220</u>	<u>-</u>	<u>85,585,220</u>
Excess of revenues over expenditures	<u>211,658</u>	<u>266,337</u>	<u>477,995</u>
Other financing sources (uses)			
Transfers (out)	(429,465)	-	(429,465)
Lease issuance	650,405	-	650,405
Proceeds from sale of fixed assets	<u>1,147,293</u>	<u>-</u>	<u>1,147,293</u>
Total other financing sources (uses)	<u>1,368,233</u>	<u>-</u>	<u>1,368,233</u>
Net change in fund balance	1,579,891	266,337	1,846,228
Fund balance, beginning of year	<u>11,486,157</u>	<u>9,965,925</u>	<u>21,452,082</u>
Fund balance, end of year	<u>\$ 13,066,048</u>	<u>\$ 10,232,262</u>	<u>\$ 23,298,310</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 1,485,420	\$ 1,444,500	\$ (40,920)	\$ 1,603,801
Interest on investments	<u>1,500</u>	<u>253</u>	<u>(1,247)</u>	<u>610</u>
Total local sources	<u>1,486,920</u>	<u>1,444,753</u>	<u>(42,167)</u>	<u>1,604,411</u>
Federal sources				
Build America Bond Interest Reimbursement	<u>60,000</u>	<u>20,432</u>	<u>(39,568)</u>	<u>105,403</u>
Total federal sources	<u>60,000</u>	<u>20,432</u>	<u>(39,568)</u>	<u>105,403</u>
Total revenues	<u>1,546,920</u>	<u>1,465,185</u>	<u>(81,735)</u>	<u>1,709,814</u>
Expenditures				
Debt service				
Bonds and other - interest	<u>210,000</u>	<u>247,456</u>	<u>(37,456)</u>	<u>173,775</u>
Principal payments on long-term debt	<u>1,320,000</u>	<u>1,845,289</u>	<u>525,289</u>	<u>1,650,103</u>
Other debt service				
Other objects	<u>3,200</u>	<u>3,701</u>	<u>(501)</u>	<u>212,136</u>
Total debt service	<u>1,533,200</u>	<u>2,096,446</u>	<u>(563,246)</u>	<u>2,036,014</u>
Total expenditures	<u>1,533,200</u>	<u>2,096,446</u>	<u>(563,246)</u>	<u>2,036,014</u>
Excess (deficiency) of revenues over expenditures	<u>13,720</u>	<u>(631,261)</u>	<u>(644,981)</u>	<u>(326,200)</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, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Other financing sources (uses)				
Permanent transfer from working cash fund - abatement	\$ -	\$ -	\$ -	\$ 30,000
Debt issuance	-	-	-	5,017,576
Premium on debt issuance	-	-	-	131,028
Transfer to pay principal on GASB 87 leases	-	525,289	525,289	380,103
Transfer to pay interest on GASB 87 leases	-	17,517	17,517	13,372
Deposit with escrow agent	-	-	-	(4,939,667)
Total other financing sources (uses)	-	542,806	542,806	632,412
Net change in fund balance	\$ 13,720	(88,455)	\$ (102,175)	306,212
Fund balance, beginning of year		929,493		623,281
Fund balance, end of year		\$ 841,038		\$ 929,493

(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, 2022
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 1,000	\$ 580	\$ (420)	\$ 628
Contributions and donations from private sources	175,000	133,550	(41,450)	23,816
Impact fees from municipal or county governments	<u>-</u>	<u>100,758</u>	<u>100,758</u>	<u>-</u>
Total local sources	<u>176,000</u>	<u>234,888</u>	<u>58,888</u>	<u>24,444</u>
State sources				
Other restricted revenue from state sources	<u>-</u>	<u>168,011</u>	<u>168,011</u>	<u>11,782</u>
Total state sources	<u>-</u>	<u>168,011</u>	<u>168,011</u>	<u>11,782</u>
Total revenues	<u>176,000</u>	<u>402,899</u>	<u>226,899</u>	<u>36,226</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	-	93,604	(93,604)	-
Capital outlay	2,825,000	2,879,394	(54,394)	1,131,294
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,036</u>
Total support services	<u>2,825,000</u>	<u>2,972,998</u>	<u>(147,998)</u>	<u>1,146,330</u>
Total expenditures	<u>2,825,000</u>	<u>2,972,998</u>	<u>(147,998)</u>	<u>1,146,330</u>
Deficiency of revenues over expenditures	<u>(2,649,000)</u>	<u>(2,570,099)</u>	<u>78,901</u>	<u>(1,110,104)</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, 2022
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022		Variance From Final Budget	2021 Actual
	Original and Final Budget	Actual		
Other financing sources				
Permanent transfer from working cash fund - abatement	\$ -	\$ -	\$ -	\$ 3,200,000
Proceeds from sale of capital assets	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,200,000</u>
Net change in fund balance	<u>\$ (2,649,000)</u>	429,901	<u>\$ 3,078,901</u>	2,089,896
Fund balance, beginning of year		<u>2,478,517</u>		<u>388,621</u>
Fund balance, end of year		<u>\$ 2,908,418</u>		<u>\$ 2,478,517</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, 2022
 With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			2021 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
Interest on investments	\$ 12	\$ 2	\$ (10)	\$ 11
Total revenues	<u>12</u>	<u>2</u>	<u>(10)</u>	<u>11</u>
Excess of revenues over expenditures	<u>\$ 12</u>	2	<u>\$ (10)</u>	11
Fund balance, beginning of year		<u>8,542</u>		<u>8,531</u>
Fund balance, end of year		<u>\$ 8,544</u>		<u>\$ 8,542</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, 2022

	Maturity as follows			
	for the Year Ended June 30	Principal	Interest	Total
* General Obligation Bonds Series				
2010B, due December 15, 2022	2023	\$ 170,000	\$ 3,952	\$ 173,952
General Obligation	2023	-	-	-
Limited Tax Capital	2024	-	-	-
Appreciation Bonds	2025	-	-	-
Series 2018, due	2026	1,060,000	-	1,060,000
December 15, 2027	2027	1,390,000	-	1,390,000
	2028	1,050,000	-	1,050,000
Total		3,500,000	-	3,500,000
General Obligation Bonds	2023	1,180,000	45,670	1,225,670
Series 2021A, due	2024	1,360,000	37,100	1,397,100
December 15, 2028	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		5,235,000	156,520	5,391,520
General Obligation Bonds	2023	-	101,800	101,800
Series 2021B, due	2024	-	101,800	101,800
December 15, 2028	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		2,545,000	858,300	3,403,300
Total general obligation bonds payable		\$ 11,450,000	\$ 1,018,772	\$ 12,468,772

* 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.