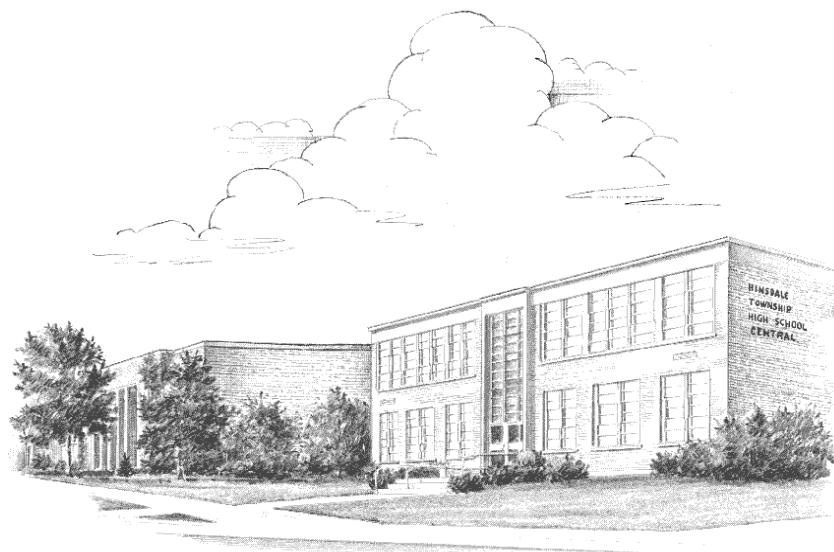


Hinsdale South High School



COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended June 30, 2018
Hinsdale, Illinois



Hinsdale Central High School

**Hinsdale Township High School District 86
Hinsdale, Illinois**

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2018

Officials Issuing Report

**Mr. Josh Stephenson
Chief Financial Officer**

**Department Issuing Report
Business Office**

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report

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A Tradition of Excellence

November 27, 2018

Citizens, President and Members of the Board of Education
Hinsdale Township High School District 86
Hinsdale, Illinois

The Comprehensive Annual Financial Report of Hinsdale Township High School District 86, Hinsdale, Illinois, for the fiscal year ended June 30, 2018 is submitted herewith. The audit was completed on November 27, 2018 and the Report was subsequently issued. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented are: (1) accurate in all material aspects; (2) presented in a manner designed to fairly set forth the financial position and results of operations of the School District as shown by the disclosure of all financial activity of its various funds; and, (3) that all disclosures necessary for maximum public understanding of the District's financial status have been incorporated in the Report.

Basis of Accounting and Reporting

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the table of contents, this transmittal letter, the District's organizational chart, and a list of principal officials. The Financial Section begins with the Independent Auditor's Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the District's financial position and operating results, the Individual Fund Statements and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the District, demographics, and the fiscal capacity of the District.

Hinsdale Township High School District 86 is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

Current Initiatives – 2018-2019

The Hinsdale Township High School District 86 Board of Education and Administration continue to build on the academic skills and techniques required to support today's high school students. By all performance metrics, District 86 does an outstanding job of educating the highest-achieving students and helping the most vulnerable students realize their full potential. This year, Administration is moving to the forefront two specific student populations whose needs have been previously unaddressed in the conventional educational model: high school students in the middle of the achievement spectrum and middle school students who do not meet high school academic readiness standards.

Administration has begun taking steps to develop programming and methodologies to personalize the learning experience and provide a greater number of pathways through high school to college and careers to the most populous but seemingly silent population. These students deserve targeted educational experiences just as the highest achieving students and struggling students are provided as a matter of course. With seven sender elementary districts representing all the diversity in District 86, students arrive on campus as freshmen with a wide range of high school readiness skills. By working with sender elementary districts, District 86 can begin to prepare

its future students to get as close to or beyond high school readiness targets by the start of their freshman year in order for District 86 graduates to meet the increased readiness standards for college and careers. The goal of this effort is to give all students the greatest opportunity for growth in the four years they spend at District 86.

The Board and Administration also recognize that there is more to educating students than academics. By broadening the traditional student-centered approach to envision an education for the whole person, District 86 has been expanding its focus on student wellness. Committees have been formed to lay the groundwork to address this important initiative, looking at social-emotional supports to alleviate the extreme burden of stress our students carry.

In January 2018, a strategic planning team comprising students, teachers, parents, community members, administrators, and Board members met to create a new strategic plan to replace the one approved in 2008. The Board of Education approved the District 86 Strategic Plan in May 2018. In 2018-19, administration will begin the work of implementing the plan, which is expected to occur over six years.

Also in January 2018, a task force comprised of community members assembled to evaluate the facilities' needs and made recommendations to the Board of Education. The Board approved in August a ballot initiative for November 2018 to fix ageing infrastructure, make all facilities fully accessible, improve safety and security, and renovate learning spaces to be on par with the quality of instruction.

Future Initiatives: 2019-2020

- Identify projects to implement the Strategic Plan
- Address remaining "B" level items from the 10 Year Life Safety Study
- Address the infrastructure items identified in the Building Envelope and Pavement Study
- Research and develop curriculum program(s) for students in the middle
- Strengthen the articulation process with sender elementary districts to increase high school readiness standards for all rising ninth graders

Reporting Entity

The District includes all funds that are controlled by, or dependent on, the Board of Education of the District as determined on a basis of financial accountability. The District does not have such financial accountability over any other entity and thus does not include any other entity as a component unit in this report. Additionally, the District is an independent entity, not includable as a component unit of any other reporting entity.

Economic Outlook

Hinsdale Township High School District 86 is located primarily in the Southeast boundary of DuPage County, with the remainder in Western Cook County. The District has an exceptionally strong tax base of over \$5.6 billion. The area is headquarters for many high-profile companies and other successful mid-sized commercial operations (see statistical section, page 102 for further information).

The District operates three sites that includes two high schools and a transition program. Central was built in 1947, South was built in 1965, and the new Transition Center site was opened in 2016. The target enrollment capacity for the District is 4,262 students. The enrollment for fiscal year 2018 was 4,333 and is projected to remain stable over the next year (see statistical section, page 108 for further information).

Accounting Systems and Budgetary Control

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are properly recorded to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. Internal control practices are also integrated into the budgetary management of the District's funds.

The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

Budget control is provided by verification of appropriation amounts prior to expenditures, as well as a monthly review of actual account totals compared to budget. Additional control is established through published policies and procedures for all aspects of accounting practices of the District, which includes the recording of receipts and disbursements of funds entrusted to the District.

To ensure sound financial management, proper accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Board of Education.

The basis of accounting and the various funds utilized by the District are fully described in Note 1 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 1.

The District has prepared financial statements following GASB 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements include the Statement of Net Assets and the Statement of Activities.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

As part of this model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the basic financial statements, providing an assessment of District finances for fiscal year 2018, with comparisons to 2017.

ASBO Certificate

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Hinsdale Township High School District 86 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This year's comprehensive annual financial report will again be submitted for the ASBO Certificate of Excellence award.

A Certificate of Excellence is awarded to those school districts that have voluntarily submitted their system's Comprehensive Annual Financial Report (CAFR) for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met the criteria for excellence in financial reporting.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The audit is done by independent certified public accountants that are selected by the District's Board of Education. This requirement has been complied with and the auditor's report has been included in this report.

Closing Statement

It is our belief that this Comprehensive Annual Financial Report will provide the District's management, local citizens, stakeholders and outside investors with a most meaningful financial presentation. We hope that all readers of this Report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2018.

Acknowledgment

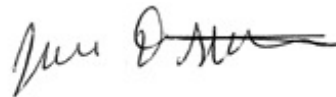
The preparation of this report on a timely basis would not be possible without the efficient and dedicated services of all the members of the Business Office who assisted in closing the District's financial records and preparing this report.

We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible, progressive manner.

Respectfully submitted,



Dr. Bruce Law
Superintendent of Schools



Mr. Josh Stephenson
Chief Financial Officer

Hinsdale Township High School District 86

DuPage and Cook Counties

5500 S Grant Street

Hinsdale, IL 60521



Principal Officers and Officials

Year Ended June 30, 2018

BOARD OF EDUCATION

Bill Carpenter, President, Term Expires: April 2019

Kevin Camden, Vice President, Term Expires: April 2021

Kathleen Hirsman, Secretary, Term Expires: April 2019

Keith Chval, Member, Term Expires: April 2021

Robin Gonzales, Member, Term Expires: April 2021

Jennifer Planson, Member, Term Expires: April 2019

Nancy Pollak, Member, Term Expires: April 2021

ADMINISTRATIVE STAFF

Dr. Bruce Law, Superintendent

Pamela Bylsma, Assistant Superintendent for Academics

Tammy Prentiss, Assistant Superintendent for Student Services

Josh Stephenson, Chief Financial Officer and Treasurer

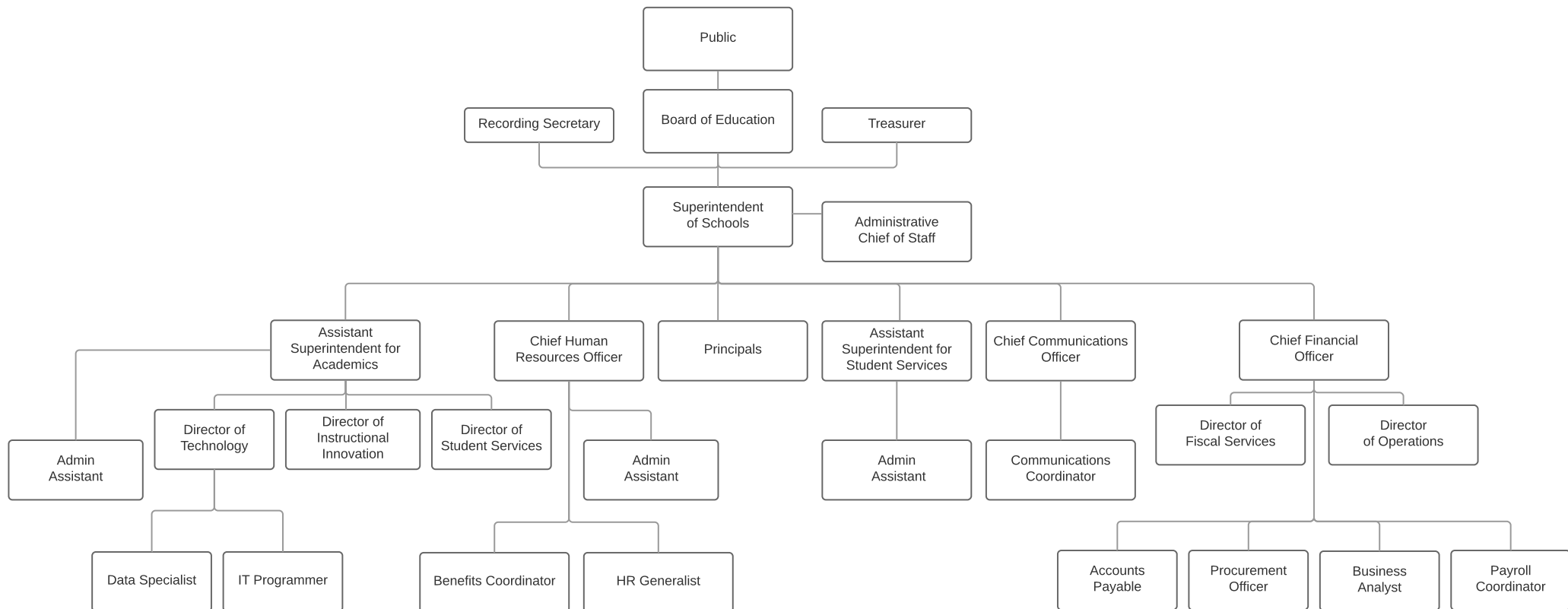
Domenico Maniscalco, Chief Human Resources Officer

Karen Warner, Chief Communications Officer

OFFICIAL ISSUING REPORT

Josh Stephenson, Chief Financial Officer and Treasurer

HINSDALE DISTRICT 86: DISTRICT OFFICE ORG CHART





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Hinsdale Township High School District 86

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

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



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

John D. Musso, CAE
Executive Director



Independent Auditor's Report

Board of Education
Hinsdale Township High School District 86
Hinsdale, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hinsdale Township High School District 86, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Hinsdale Township High School District 86's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Hinsdale Township High School District 86's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hinsdale Township High School District 86, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$67,848,801 as of July 1, 2017 as disclosed in note 12. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hinsdale Township High School District 86's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018 on our consideration of Hinsdale Township High School District 86's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hinsdale Township High School District 86's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein Hall CPAs
Aurora, Illinois
November 27, 2018

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Management's Discussion and Analysis
For the Year Ended June 30, 2018

The discussion and analysis of Hinsdale Township High School District 86 (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2018. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position decreased by \$69.1 from 2017. This was primarily due to the recognition of \$67.9 of OPEB liability as the result of implementing GASB Statement No. 75 on Other Post-Employment Benefits. This new standard requires the recognition of the Net Other Post-Employment Benefits liability at the beginning of the year. More information is available in note 12 to the financial statements.
- General revenues (consisting of property taxes, personal property replacement taxes, state-aid formula grants, investment income and other miscellaneous income) accounted for \$84.5 in revenue or 74% of all revenues. Program specific revenues in the form of charges for services, fees and grants accounted for \$29.8 or 26% of total revenues of \$114.4.
- The District had \$115.5 in expenses related to governmental activities. However, only \$29.8 of these expenses were offset by program specific charges and grants.
- Due to the current market conditions, interest income increased from 2017. It remains a small portion of overall revenues.

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 also contains 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 position presents information on all of the District's assets, deferred outflows, deferred inflows and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year being reported. All changes in net position are reported 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.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Management's Discussion and Analysis
For the Year Ended June 30, 2018

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities, that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

A fund is a grouping of related accounts 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 two categories: governmental funds and fiduciary funds (the District maintains no proprietary 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 fund 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 five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund (consisting of the Educational Accounts, Working Cash Accounts, Operations & Maintenance Accounts and Tort Immunity & Judgment Accounts), Transportation Fund, IMRF/Social Security Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds.

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements. The District's fiduciary funds are comprised of student activity accounts.

Notes to the financial statements

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

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

District-Wide Financial Analysis

Net position: The District's combined net position was lower on June 30, 2018 than June 30, 2017 by \$69.1.

Table 1		
Condensed Statement of Net Position		
(in millions of dollars)		
	2017	2018
Assets and deferred outflows:		
Current and other assets	\$ 103.1	\$ 107.4
Capital assets	41.4	39.5
Total assets	144.5	146.9
Deferred Outflows	4.2	7.6
Liabilities, Deferred Inflows and Net Position:		
Liabilities		
Current liabilities	6.4	6.9
Long-term debt outstanding	39.5	95.8
Total liabilities	45.9	102.7
Deferred Inflows	80.2	98.3
Net position		
Net investment in capital assets	16.8	16.7
Restricted	10.1	8.4
Unrestricted	(4.3)	(71.6)
Total net position	\$ 22.6	\$ (46.5)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Expenses in the governmental activities of the District of \$115.5 were exceeded by revenues by \$1.2.

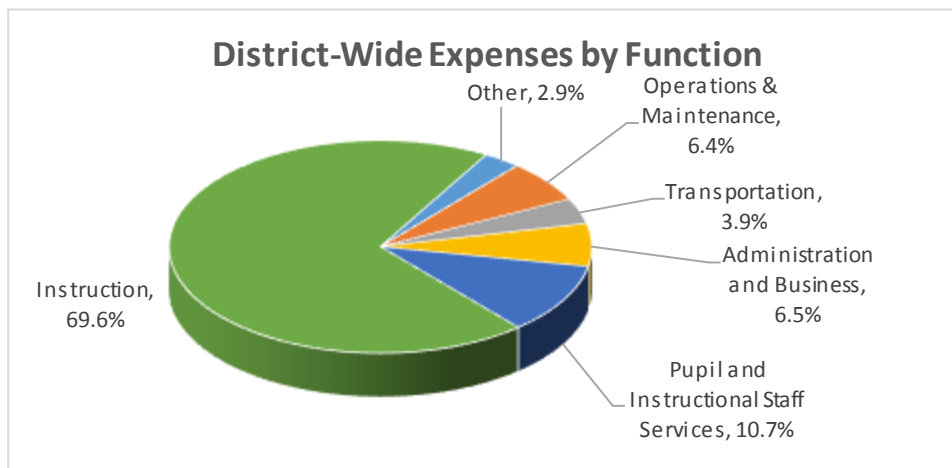
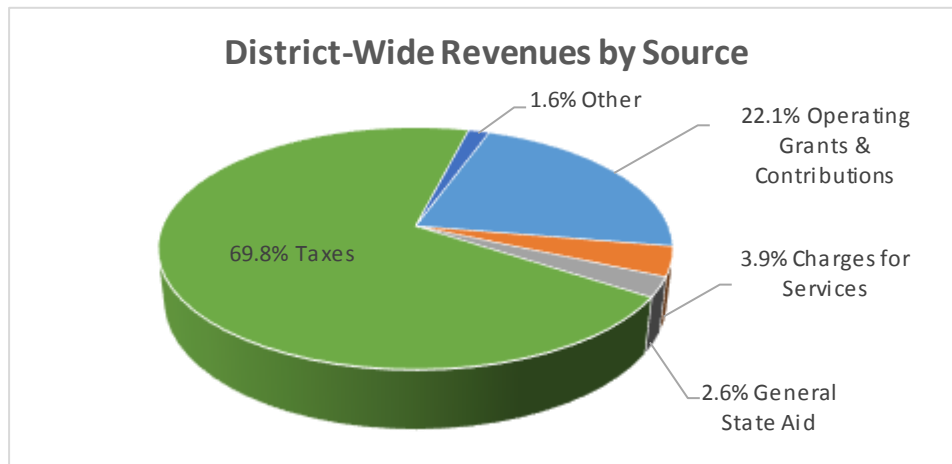
Table 2		
Changes in Net Position		
(in millions of dollars)		
	2017	2018
Revenues		
Program Revenues		
Charges for services	\$ 4.5	\$ 4.5
Operating grants & contributions	23.2	25.3
Capital grants & contributions	-	-
General revenues:		
Taxes	78.3	79.8
General state aid/Evidence based funding	1.3	2.9
Other	1.5	1.8
Total revenues	108.8	114.3
Expenses		
Instruction	77.0	80.4
Pupil & Instructional Staff Services	11.8	12.4
Administration & Business	7.7	7.5
Transportation	3.8	4.5
Operations & Maintenance	5.1	7.4
Other	5.4	3.3
Total expenses	110.8	115.5
Increase (decrease) in net position	(2.0)	(1.2)
Net position, beginning, as originally stated	24.6	22.6
Prior period adjustment	-	(67.9)
Net position, beginning, as restated	24.6	(45.3)
Net position, ending	\$ 22.6	\$ (46.5)

Taxes accounted for the largest portion of the District's revenues, contributing 69.8%. The increase in tax revenue is due to an increase in the consumer price index and new construction that occurred within the District's boundaries. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$115.5, mostly related to instruction and care for the students and the operations and maintenance of District-owned facilities.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Management's Discussion and Analysis
For the Year Ended June 30, 2018

DISTRICT-WIDE REVENUES BY SOURCE



Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$17.8 to \$16.8 from 2017 to 2018.

The financial performance of the District, as it related to the total government funds as a whole, reflects a decrease in financial position.

The General Fund (consisting of the Educational Accounts, Operations and Maintenance Accounts, Working Cash Accounts, and Tort Immunity & Judgment Accounts) and Debt Service Fund remained unchanged from the prior year due to stable revenues and expenditures.

The Transportation Fund decreased approximately \$1.0 due to increasing costs from Special Education and homeless student transportation.

The Municipal Retirement/Social Security Fund was unchanged year-over-year.

The Capital Projects Fund had a slight increase due to investment income.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Management's Discussion and Analysis
For the Year Ended June 30, 2018

General Fund Budgetary Highlights

Overall, the 2018 budget was in line with the District's expectations despite the wavering economic conditions of the state. The following variances ignore the on-behalf payment made by the state, which is recorded as a revenue and expense on the District financial reports that offsets. Revenues in the General Fund were \$0.2 million over budget due to higher than anticipated state revenues. Expenditures in the General Fund were \$0.5 million over budget primarily driven by unbudgeted expenses related to self-insurance fund expenditures and medical claims.

Capital Asset and Debt Administration*Capital assets*

By the end of 2018, the District had compiled a total investment of \$95.2 (\$39.5 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. The reason for the overall increase was the addition of a new construction in process. Total depreciation expense for the year was \$1.9. More detailed information about capital assets can be found in Note 3 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	2017	2018
Land	\$ 2.6	\$ 2.6
Land Improvements	4.9	4.7
Building improvements	29.8	28.0
Equipment	4.1	4.2
Total	<u>\$ 41.4</u>	<u>\$ 39.5</u>

Long-term debt

Bonded Debt and other long-term liabilities decreased by \$4.2. At the end of fiscal 2018, the District had a debt margin of \$349.8. More detailed information on long-term debt can be found in Note 4 of the basic financial statements. The increase is primarily due to the recognition of OPEB liability as a result of implementing GASB 75.

Table 4			
Outstanding Long-Term Debt			
(in millions of dollars)			
	2017	2018	Increase (Decrease)
General Obligation bonds	\$ 23.1	\$ 21.7	-6.1%
Other	76.9	74.1	-3.6%
Total	<u>\$ 100.0</u>	<u>\$ 95.8</u>	<u>-4.2%</u>

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Management's Discussion and Analysis
For the Year Ended June 30, 2018

Factors Affecting the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect operations in the future:

In 2017, the District was required to update its 10 year Life Safety Study. The report identified projects as an "A", "B", or "C" item depending on the urgency. The projects given the highest priority were completed during the summer of 2018. The remaining projects will be addressed in the future, contingent on a source of funds.

Along with the Life Safety Study, the District completed a Building Envelope Study, which assessed the condition of the roofs and masonry, and a paving assessment. All items that were identified in the preceding three reports with the exception of items already completed were included in the District Master Facilities Plan.

The District's architect in conjunction with faculty, staff, students and community members developed the Master Facilities Plan. The projects from the Master Facilities Plan were vetted and prioritized by a Community Task Force and the Board of Education. A final list of projects was advanced by the Board to be included on a referendum ballot question in the November 2018 election.

The District has a large number of significant needs relating to infrastructure, safety, security, and accessibility. If the referendum does not pass in November, the District will have to determine a path forward to address these needs.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Josh Stephenson, Chief Financial Officer
Hinsdale Township High School District 86
5500 S. Grant Street
Hinsdale, Illinois 60521

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets	
Cash and investments	\$ 66,363,819
Receivables	
Property taxes	35,517,713
Due from other governments	3,298,512
Other	268,154
Prepaid expenses	36,794
Net pension asset	1,963,725
Capital assets	
Land	2,597,925
Other capital assets, net of depreciation	36,885,657
 Total Assets	 146,932,299
Deferred Outflows	
Deferred outflows related to pensions	3,277,416
Deferred outflows related to OPEB	3,951,865
Deferred outflows related to bond refunding	405,953
 Total deferred outflows	 7,635,234
Liabilities	
Accounts payable	2,926,549
Accrued salaries and related expenses	3,984,988
Noncurrent liabilities	
Due within one year	2,031,858
Due in more than one year	93,772,914
 Total Liabilities	 102,716,309
Deferred Inflows	
Deferred inflows related to pensions	5,709,294
Deferred inflows related to OPEB	10,817,964
Property taxes levied for subsequent year	81,789,342
 Total deferred inflows	 98,316,600
Net Position	
Net investment in capital assets	16,658,657
Restricted for	
Operations and maintenance	7,936,278
Tort immunity	523,223
Unrestricted	(71,583,534)
 Total Net Position	 \$ (46,465,376)

See accompanying notes to basic financial statements

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Statement of Activities

For the Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities					
Instructional services					
Regular programs	\$ 35,423,390	\$ 1,756,369	\$ 590,097	\$ -	\$(33,076,924)
Special programs	14,367,926	2,280,925	1,606,723	-	(10,480,278)
Tuition, learning disabilities	8,694,211	-	-	-	(8,694,211)
State retirement contributions	21,909,635	-	21,909,635	-	-
Support services					
Pupils	9,276,236	-	-	-	(9,276,236)
Instructional staff	3,102,862	-	83,335	-	(3,019,527)
General administration	3,254,455	-	-	-	(3,254,455)
School administration	2,171,082	-	-	-	(2,171,082)
Business	2,093,849	-	15,309	-	(2,078,540)
Operation and maintenance					
of facilities	7,443,761	234,717	2,392	-	(7,206,652)
Transportation	4,529,735	260,283	1,083,674	-	(3,185,778)
Central	2,622,303	-	-	-	(2,622,303)
Community service	85,055	-	-	-	(85,055)
Interest and fees	591,553	-	-	-	(591,553)
Total governmental activities	\$115,566,053	\$ 4,532,294	\$25,291,165	\$ -	(85,742,594)
General revenues					
Property taxes levied for					
General purposes					72,896,547
Transportation					2,153,811
Retirement					2,324,710
Debt service					1,431,827
Personal property replacement taxes					1,033,145
Federal and state aid not restricted to specific purposes					2,901,625
Investment income					1,028,692
Miscellaneous					788,355
Total general revenues					84,558,712
Change in net position					(1,183,882)
Net position - beginning, as originally stated					22,567,307
Prior period adjustment					(67,848,801)
Net position - beginning, as restated					(45,281,494)
Net position - ending					\$(46,465,376)

See accompanying notes to basic financial statements

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Balance Sheet

Governmental Funds

June 30, 2018

	<u>General</u>	<u>Transportation</u>
Assets		
Assets		
Cash and investments	\$ 61,564,766	\$ 1,281,623
Receivables		
Property taxes	32,436,465	1,220,091
Due from other governments	3,027,188	271,324
Other	203,817	64,337
Prepaid expenditures	36,794	-
Total Assets	<u>\$ 97,269,030</u>	<u>\$ 2,837,375</u>
Liabilities, Deferred Inflows and Fund Balances		
Liabilities		
Accounts payable	\$ 910,849	\$ 2,015,700
Accrued salaries and related expenditures	3,814,251	-
Total Liabilities	<u>4,725,100</u>	<u>2,015,700</u>
Deferred Inflows		
Property taxes levied for subsequent year	<u>74,735,316</u>	<u>2,787,461</u>
Fund Balances		
Restricted for		
Operations and Maintenance	7,936,278	-
Tort Immunity	523,223	-
Assigned for self insurance	1,818,221	-
Unassigned	7,530,892	(1,965,786)
Total Fund Balances (Deficits)	<u>17,808,614</u>	<u>(1,965,786)</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 97,269,030</u>	<u>\$ 2,837,375</u>

See accompanying notes to basic financial statements

Municipal Retirement/ Social Security	Debt Service	Capital Projects	Total Governmental Funds
\$ 1,545,153	\$ 1,906,526	\$ 65,751	\$ 66,363,819
1,022,288	838,869	-	35,517,713
-	-	-	3,298,512
-	-	-	268,154
-	-	-	36,794
<u>\$ 2,567,441</u>	<u>\$ 2,745,395</u>	<u>\$ 65,751</u>	<u>\$ 105,484,992</u>
\$ -	\$ -	\$ -	\$ 2,926,549
170,737	-	-	3,984,988
<u>170,737</u>	<u>-</u>	<u>-</u>	<u>6,911,537</u>
<u>2,351,923</u>	<u>1,914,642</u>	<u>-</u>	<u>81,789,342</u>
-	-	-	7,936,278
-	-	-	523,223
-	-	-	1,818,221
44,781	830,753	65,751	6,506,391
<u>44,781</u>	<u>830,753</u>	<u>65,751</u>	<u>16,784,113</u>
<u>\$ 2,567,441</u>	<u>\$ 2,745,395</u>	<u>\$ 65,751</u>	<u>\$ 105,484,992</u>

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2018

Total fund balances - governmental funds **\$ 16,784,113**

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$95,206,935 and the accumulated depreciation is \$55,723,353. 39,483,582

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of

Bonds and capital leases payable	\$	(23,164,640)	
Net pension asset - IMRF		1,963,725	
Net pension liability - TRS		(5,037,491)	
Net OPEB liability - THIS		(52,998,697)	
Net OPEB liability - District plan		(14,397,212)	
Unamortized bond premium		(66,238)	
Compensated absences		(140,494)	
			(93,841,047)

Deferred inflows and outflows of resources related to pensions, OPEB, and bonds are not reported in governmental funds.

Deferred outflows related to refunding costs		405,953	
Deferred outflows related to pensions and OPEB		7,229,281	
Deferred inflows related to pensions and OPEB		(16,527,258)	

Net position of governmental activities **\$ (46,465,376)**

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2018

	General	Transportation
Revenues		
Local sources		
Property taxes	\$ 72,896,547	\$ 2,153,811
Replacement taxes	983,145	-
Investment Income	1,369,350	5,131
Other local sources	4,701,299	260,283
Total local sources	79,950,341	2,419,225
State sources	25,379,884	1,083,674
Federal sources	1,696,176	-
Total Revenues	107,026,401	3,502,899
Expenditures		
Current operating		
Instruction	75,151,641	-
Supporting services	26,462,693	4,505,316
Community service	84,886	-
Non-programmed charges	2,456,884	-
Capital outlay	1,857,669	-
Debt service		
Principal	-	-
Interest	-	-
Other	-	-
Total Expenditures	106,013,773	4,505,316
Excess (deficiency) of revenues over expenditures	1,012,628	(1,002,417)
Other Financing Sources (Uses)		
Sale of equipment	3,967	-
Transfers in	-	-
Transfers out	(1,015,165)	-
Total other financing sources (uses)	(1,011,198)	-
Net change in fund balances	1,430	(1,002,417)
Fund balances (deficits) at beginning of year	17,807,184	(963,369)
Fund Balances (Deficits) at End of Year	\$ 17,808,614	\$ (1,965,786)

See accompanying notes to basic financial statements

Municipal Retirement/ Social Security	Debt Service	Capital Projects	Total Governmental Funds
<hr/>			
\$ 2,324,710	\$ 1,431,827	\$ -	\$ 78,806,895
50,000	-	-	1,033,145
20,923	24,601	810	1,420,815
-	-	-	4,961,582
<hr/>			
2,395,633	1,456,428	810	86,222,437
<hr/>			
-	-	-	26,463,558
-	-	-	1,696,176
<hr/>			
2,395,633	1,456,428	810	114,382,171
<hr/>			
1,217,753	-	-	76,369,394
1,188,058	-	-	32,156,067
-	-	-	84,886
-	-	-	2,456,884
-	-	-	1,857,669
-	1,848,047	-	1,848,047
-	585,142	-	585,142
-	1,464	-	1,464
<hr/>			
2,405,811	2,434,653	-	115,359,553
<hr/>			
(10,178)	(978,225)	810	(977,382)
<hr/>			
-	-	-	3,967
-	1,015,165	-	1,015,165
<hr/>			
-	1,015,165	-	3,967
<hr/>			
(10,178)	36,940	810	(973,415)
<hr/>			
54,959	793,813	64,941	17,757,528
<hr/>			
\$ 44,781	\$ 830,753	\$ 65,751	\$ 16,784,113
<hr/>			

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Net change in fund balances - total governmental funds **\$ (973,415)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 473,288	
Depreciation expense	<u>(2,441,944)</u>	
		(1,968,656)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These items consist of

Change in net pension liability - TRS	\$ 888,544	
Change in net pension liability - IMRF	4,063,089	
Change in OPEB liability	(364,104)	
Change in deferred inflow/outflows related to pensions and OPEB	(4,421,965)	
Change in other post employment benefits	(247,137)	
Change in compensated absences	<u>(3,338)</u>	
		(84,911)

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas this amount is deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Repayment of bond and loan principal	\$ 1,848,047	
Premium on bonds amortization	28,882	
Deferred amount on refunding amortization	<u>(33,829)</u>	
		<u>1,843,100</u>

Change in net position of governmental activities **\$ (1,183,882)**

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86
Statement of Fiduciary Assets and Liabilities - Agency Fund
June 30, 2018

Assets

Cash	\$ 1,501,239
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Liabilities

Due to student groups	1,389,407
Due to flex benefit plan	111,832

Total liabilities	\$ 1,501,239
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See accompanying notes to basic financial statements.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hinsdale Township High School District 86 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District.

a. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are considered "governmental activities," that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities."

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 the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead.

Governmental Fund Financial Statements

The governmental fund financial statements are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

b. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both “measurable and available.” “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. For state categorical grants-in-aid for which qualifying expenditures have been made, the District considers revenues available if collected within 180 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt is recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

c. Major Governmental Funds

General Fund – the general operating fund of the District. It accounts for all financial resources except those accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District’s operations. Revenues consist largely of local property taxes and state government aid.

Educational Account - These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid, student registration fees, and lunch receipts from the District food service program.

Operations and Maintenance Account - These accounts are used for expenditures made for operation, repair, and maintenance of District property. Revenue consists primarily of local property taxes.

Tort Immunity Account - This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

Working Cash Account - This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund’s Educational Account, upon Board approval.

Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Transportation Fund – accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Debt Service Fund – accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Project Fund – accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Capital Projects Fund – accounts for construction projects and renovations financed through serial bond issues.

d. Other Fund Types

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

Agency Funds – include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts accounts for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until earned.

e. All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

g. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

h. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. Prepaid expenditures are accounted for using the consumption method, that is they are recognized as an expenditure as they are used.

i. Deferred Inflows/Unearned Revenue

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

j. Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2017 levy resolution was approved during the December 18, 2017 board meeting. 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 in any year is liable for taxes of that year.

The 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 PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor 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.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A portion of property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based in the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

A portion of 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 2017 property tax levy, less amounts received prior to June 30, is recognized as a receivable in fiscal 2018, net of estimated uncollectible amounts approximating 1%. The District has determined that the first and second installment of the 2017 levy is to be used to finance operations in fiscal 2019 and has deferred the corresponding receivable and related collections.

k. Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

l. Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, machinery, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than 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.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

	Years
Buildings	40
Land improvements	20
Furniture, equipment and vehicles	5-20

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

m. Compensated Absences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Full-time, twelve month support staff employees are eligible for paid vacation time based on the number of fully completed years of full-time employment with the District as of July 1 according to the following schedule: 1-5 completed years (10 days), 6-10 completed years (15 days), and 11 completed years or more (20 days). In order to be eligible to earn paid vacation, the employee must work at least 1,600 hours during the year preceding July 1. During the first year of employment, the employee must work at least 120 hours during the preceding month to be eligible to earn vacation days.

Vacation pay shall be paid at the rate of the employee's regular hourly rate of pay in effect for the employee's regular job classification. An employee who provides at least two weeks advance written notice of his/her termination of employment with the District shall be paid for any earned but unused vacation at the time of termination. Upon retirement, resignation, or termination, a maximum of thirty days of accrued vacation days will be paid out. The District's entire liability for unpaid vacation is reported on the government-wide financial statements.

All full-time certified employees receive fourteen sick days per year, in accordance with the agreement between the Board of Education and the Hinsdale High School Teachers Association. The District does not reimburse certified employees covered under this agreement for unused sick days remaining upon termination of employment. 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.

n. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. 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, as well as bond issuance costs, during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

o. Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

Restricted net position – Consists of net position with constraints placed on its use wither by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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.

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable – includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, prepaid items, permanent scholarships).

Restricted – includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

Committed – includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constrained imposed require the same formal action of the Board of Education that originally created the commitment.

Assigned – includes general fund amounts constrained for a specific purpose by the Board of Education or by an Official that has been delegated authority to assign amounts. The Board of Education has declared that the Superintendent or the Superintendent’s designee may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund balances reported on the fund financial statements at June 30, 2018 are as follows:

The restricted fund balance in the General Fund is comprised of \$7,936,278 for operations and maintenance and \$523,223 for tort immunity. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section. The assigned balance in the General Fund is comprised of \$1,818,221 for self-insurance claims.

p. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

q. Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

2. DEPOSITS AND INVESTMENTS

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At year end, the District's cash and investments comprised of the following:

	Government-Wide	Fiduciary	Total
Cash and investments	\$ 66,363,819	\$ 1,501,239	\$ 67,865,058
Total	\$ 66,363,819	\$ 1,501,239	\$ 67,865,058

For disclosure purposes, this amount is segregated into the following components: 1) deposits with financial institutions, which include amounts held in demand accounts, savings accounts and non-negotiable certificates of deposit; 2) external investment pools and 3) other investments, which consist of all investments other than non-negotiable certificates of deposits and external investment pools.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

2. DEPOSITS AND INVESTMENTS (Continued)

	Cash and Investments
Deposits with financial institutions	\$ 49,204,453
Other investments	18,660,605
Total	<u>\$ 67,865,058</u>

The Illinois Funds is investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in Illinois Funds has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of Illinois Funds is determined as of the close of business on each Illinois banking day. Illinois Funds invests in high-quality short-term debt instruments (U.S. Treasuries, U.S. agencies, and commercial paper), and shares may be redeemed on demand. There were no known restrictions on redemption of the District's investments as of June 30, 2018.

The District has the following recurring fair value measurements as of June 30, 2018:

- Government and municipal bonds of \$18,187,604 are valued by a pricing service based on recent market transactions (Level 2 inputs)
- IMET of \$473,001 are valued using a matrix pricing model (Level 2 inputs).

At year end, the District had the following investments:

Investment Type	Fair Value	Maturity	% of Portfolio	Credit Rating
IMET	\$ 473,001	1 Year	3%	AAA
Government bonds	2,500,000	1-5 Years	13%	A- to AAA
Municipal bonds	<u>15,687,604</u>	1-5 Years	<u>84%</u>	A- to AAA
Total	<u>\$ 18,660,605</u>		<u>100.00%</u>	

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 formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states the objectives of the District's investment activities to be meeting the school district's need for safety, liquidity, rate of return, and diversification, and its general performance.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District has no investment policy that would further limit its investment choices.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

2. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to 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. As of June 30, 2018, the bank balance of the District's deposits with financial institutions totaled \$50,019,882, of which all was collateralized or insured.

Custodial Credit Risk – Investments. 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 all investments be secured by private insurance or collateral.

The Illinois Metropolitan Investment Fund (IMET) is an investment pool created under the Illinois Municipal Code. The fair value of the District's investment in IMET has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the investments are determined as of the close of business on each Illinois banking day. There were no known restrictions on redemption of the District's investments as of June 30, 2018.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

3. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,597,925	\$ -	\$ -	\$ 2,597,925
Total capital assets not being depreciated	<u>2,597,925</u>	<u>-</u>	<u>-</u>	<u>2,597,925</u>
Capital assets being depreciated:				
Land improvements	9,284,498	-	-	9,284,498
Building	70,062,921	-	-	70,062,921
Equipment	12,788,303	473,288	-	13,261,591
Total capital assets being depreciated	<u>92,135,722</u>	<u>473,288</u>	<u>-</u>	<u>92,609,010</u>
Less Accumulated Depreciation for:				
Land improvements	4,396,462	201,495	-	4,597,957
Building	40,240,112	1,844,247	-	42,084,359
Equipment	8,644,835	396,202	-	9,041,037
Total accumulated depreciation	<u>53,281,409</u>	<u>2,441,944</u>	<u>-</u>	<u>55,723,353</u>
Net capital assets being depreciated	<u>38,854,313</u>	<u>(1,968,656)</u>	<u>-</u>	<u>36,885,657</u>
Net governmental activities capital assets	<u>\$41,452,238</u>	<u>\$ (1,968,656)</u>	<u>\$ -</u>	<u>\$ 39,483,582</u>

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

3. CAPITAL ASSETS (Continued)

Depreciation expense was recognized in the operating activities of the District as follows:

Governmental Activities	Depreciation
Regular programs	\$ 976,778
Special programs	219,775
Other instructional programs	122,097
Pupils	170,936
Instructional staff	73,258
General administration	97,678
School administration	24,419
Business	24,419
Operations and maintenance	219,775
Transportation	24,419
Central	488,390
Total depreciation expenses - governmental activities	<u>\$ 2,441,944</u>

4. LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One year
General Obligation bonds	\$ 23,050,000	\$ -	\$ 1,370,000	\$ 21,680,000	\$ 1,405,000
Unamortized premium	95,120	-	28,882	66,238	-
Total bonds payable	23,145,120	-	1,398,882	21,746,238	1,405,000
Net pension liability(asset) - IMRF	2,099,364	-	4,063,089	(1,963,725)	-
Net pension liability - TRS	5,926,035	-	888,544	5,037,491	-
Net OPEB liability - THIS	52,634,593	364,104	-	52,998,697	-
Net OPEB liability - District plan	14,150,075	247,137	-	14,397,212	-
Capital leases	1,962,687	-	478,047	1,484,640	486,364
Compensated absences	137,156	140,494	137,156	140,494	140,494
Total long-term liabilities - governmental activities	<u>\$ 100,055,030</u>	<u>\$ 751,735</u>	<u>\$ 6,965,718</u>	<u>\$ 93,841,047</u>	<u>\$ 2,031,858</u>

The obligations for the compensated absences, net pension liability and net OPEB liability will be repaid from the General Fund.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

4. LONG TERM LIABILITIES (Continued)

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:

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2008 Limited School Bonds dated November 1, 2008 are due in annual installments through January 15, 2019	4% - 4.25%	\$ 3,980,000	\$ 300,000
Series 2012 Limited School Bonds dated February 16, 2012 are due in annual installments through January 15, 2030	2% - 5%	15,395,000	2,845,000
Series 2015 Limited School Bonds dated December 15, 2015 are due in annual installments through January 15, 2027	0.61% - 3.14%	4,800,000	4,020,000
Series 2016 Limited School Refunding Bonds dated July 20, 2016 are due in annual installments through December 30, 2029	2.01%	<u>14,700,000</u>	<u>14,515,000</u>
Total		<u><u>\$38,875,000</u></u>	<u><u>\$21,680,000</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	Principal	Interest	Total
2019	\$ 1,405,000	\$ 506,938	\$ 1,911,938
2020	1,465,000	474,638	1,939,638
2021	1,780,000	421,974	2,201,974
2022	1,865,000	352,116	2,217,116
2023	1,950,000	312,052	2,262,052
2024-2028	9,835,000	895,655	10,730,655
2029-2030	<u>3,380,000</u>	<u>68,242</u>	<u>3,448,242</u>
Total	<u><u>\$21,680,000</u></u>	<u><u>\$3,031,615</u></u>	<u><u>\$24,711,615</u></u>

In previous years, the District issued bonds; the proceeds of which were used to advance refund previous issues. At June 30, 2018 \$12,730,000 of defeased bonds remained outstanding.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$372,433,563, providing a debt margin of \$349,843,170. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2018, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

4. LONG TERM LIABILITIES (Continued)

Capital leases – In previous years, the District entered into two capital lease agreements as lessee for financing the acquisition of copiers and computer equipment valued at \$1,962,687. The equipment has a five-year useful life. These lease agreements qualify as capital leases for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception dates.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

	Governmental Activities
2019	\$ 512,217
2020	512,217
2021	512,217
Total minimum lease payments	1,536,651
Less: amount representing interest	(52,011)
Present value of minimum lease payments	<u>\$ 1,484,640</u>

5. RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from workers' compensation risks, the District participates in the following public entity risk pool: School Employees Loss Fund (SELF). The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss, other than medical and dental coverage. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is self-insured for medical and dental coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$150,000 per employee or 125% of the average claim value in the aggregate, as provided by stop-loss provisions incorporated in the plan.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

5. RISK MANAGEMENT (Continued)

At June 30, 2018, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$638,451. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2018 and June 30, 2017, changes in the liability reported in the General (Educational) Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable End of Year
Fiscal Year 2018	\$ 699,000	\$ 8,000,000	\$ 8,060,549	\$ 638,451
Fiscal Year 2017	727,000	7,409,347	7,437,347	699,000

6. EMPLOYEE RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

a. Teachers' Retirement System of the State of Illinois (TRS)

Plan Description

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

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

Benefits Provided

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

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0% 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 District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$21,343,412 in pension contributions from the State of Illinois.

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2018 were \$278,313, and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District 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.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

For the year ended June 30, 2018, the employer pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$140,573 were paid from the federal and special trust funds that required employer contributions of \$14,198. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Employer 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 retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the employer made no payments to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$124,993 to TRS for employer contributions due on salary increases in excess of 6% and made no payments for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 5,037,491
State's proportionate share of the net pension liability associated with the District	346,034,963
Total	<u>\$ 351,072,454</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.00659%, which was a decrease of 0.00092% from its proportion measured as of June 30, 2016.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

For the year ended June 30, 2018, the District recognized pension expense of \$21,343,412 and revenue of \$21,343,412 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 54,713	\$ 2,325
Changes in assumptions	336,216	144,754
Net difference between projected and actual earnings on pension plan investments	3,456	-
Changes in proportion and differences between District contributions and proportionate share of contributions	62,104	1,247,925
Total deferred amounts to be recognized in pension expense in future periods	456,489	1,395,004
District contributions subsequent to the measurement date	417,504	-
Total	<u>\$ 873,993</u>	<u>\$ 1,395,004</u>

\$417,504 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ (437,356)
2019	(131,181)
2020	(160,191)
2021	(188,490)
2022	(21,297)
Thereafter	-
Total	<u>\$ (938,515)</u>

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)*Actuarial Assumptions*

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	14.4%	6.94%
Global equity excluding U.S.	3.6%	8.09%
Aggregate bonds	14.4%	7.46%
U.S. TIPS	3.6%	10.15%
NCREIF	10.7%	2.44%
Opportunistic real estate	5.3%	1.70%
ARS	15.0%	5.44%
Risk parity	11.0%	4.28%
Diversified inflation strategy	8.0%	4.16%
Private equity	14.0%	10.63%
	<u>100.0%</u>	

Discount rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Sensitivity of the employer'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%, 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%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 6,189,216	\$ 5,037,491	\$ 4,094,133

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

b. Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefits	244
Inactive employees entitled to but not yet receiving benefits	241
Active employees	<u>224</u>
Total	<u><u>709</u></u>

Contributions

As set by statute, Regular plan members are required to contribute 4.50% 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 actual contribution rates for calendar year 2017 and 2018 were 8.39% and 8.65%, respectively, of covered payroll. The District contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Total pension liability	\$ 44,104,126
Plan fiduciary net position	<u>46,067,851</u>
Net pension liability (asset)	<u><u>\$ (1,963,725)</u></u>

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Wage growth	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table (for non-disabled retirees), RP-2014 Disabled Retirees Mortality Table (for disabled retirees), and RP-2014 Employee Mortality Table (for active employees), with adjustments to match current IMRF experience.
Other Information:	
Notes	There were no benefit changes during the year.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	37.0%	6.85%
International equities	18.0%	6.75%
Fixed income	28.0%	3.00%
Real estate	9.0%	5.75%
Alternatives	7.0%	2.65-7.35%
Cash	1.0%	2.25%
	<u>100.0%</u>	

Single Discount Rate

The Single Discount Rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 42,567,808	\$ 40,468,444	\$ 2,099,364
Changes for the year:			
Service Cost	963,538	-	963,538
Interest on the Total Pension Liability	3,150,935	-	3,150,935
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	867,068	-	867,068
Changes of Assumptions	(1,370,997)	-	(1,370,997)
Contributions - Employer	-	817,257	(817,257)
Contributions - Employees	-	441,577	(441,577)
Net Investment Income	-	7,246,120	(7,246,120)
Benefit Payments, including Refunds of Employee Contributions	(2,074,226)	(2,074,226)	-
Other (Net Transfer)	-	(831,321)	831,321
Net Changes	1,536,318	5,599,407	(4,063,089)
Balances at December 31, 2017	\$ 44,104,126	\$ 46,067,851	\$ (1,963,725)

Sensitivity 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	<u>\$ 3,129,922</u>	<u>\$ (1,963,725)</u>	<u>\$ (6,224,495)</u>

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

For the year ended June 30, 2017, the District recognized pension expense of \$1,195,583. At June 30, 2017, 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
Difference between expected and actual experience	\$ 689,047	\$ -
Changes in assumptions	-	896,100
Net difference between projected and actual earnings on pension plan investments	<u>1,264,836</u>	<u>3,418,190</u>
Total deferred amounts to be recognized in pension expense in future periods	1,953,883	4,314,290
Contributions subsequent to the measurement date	<u>449,540</u>	<u>-</u>
Total	<u>\$ 2,403,423</u>	<u>\$ 4,314,290</u>

\$449,540 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (259,541)
2019	(437,763)
2020	(808,557)
2021	(854,546)
2022	-
Thereafter	<u>-</u>
Total	<u>\$ (2,360,407)</u>

7. OTHER POST-EMPLOYMENT BENEFITS

a. Teacher Health Insurance Security (THIS)

Plan Description

The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services"; prior reports are available under "Healthcare and Family Services".

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 were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to 0.88% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

On-behalf contributions to THIS. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$566,223, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.88% during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$422,268 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability. 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	\$	52,998,697
State's proportionate share of the net OPEB liability associated with the District		69,600,458
Total	\$	<u>122,599,155</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.204237%, which was an increase of 0.011689% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the District recognized OPEB expense of \$4,360,228.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

At June 30, 2018, 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
Difference between expected and actual experience	\$ -	\$ 30,019
Changes in assumptions	-	6,310,194
Net difference between projected and actual earnings on OPEB plan investments	-	583
Changes in proportion and differences between District contributions and proportionate share of contributions	2,739,337	-
Total deferred amounts to be recognized in OPEB expense in future periods	2,739,337	6,340,796
District contributions subsequent to the measurement date	422,268	-
Total	<u>\$ 3,161,605</u>	<u>\$ 6,340,796</u>

\$422,268 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. 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 Ending June 30	Net Deferred Outflows of Resources
2018	\$ (553,276)
2019	(553,276)
2020	(553,276)
2021	(553,276)
2022	(553,130)
2023	(553,130)
Thereafter	(282,095)
Total	<u>\$ (3,601,459)</u>

Actuarial Valuation Method

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)*Actuarial Assumptions*

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

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption,
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Discount rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$3.564 billion from 2016 to 2017.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the employer's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate

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

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability	\$ 63,598,158	\$ 52,998,697	\$ 44,517,448

The following presents the District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 42,775,377	\$ 52,998,697	\$ 67,672,544

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

b. Retirees' Health Plan*Plan Description*

The District administers a single-employer defined benefit healthcare plan, the "retiree Healthcare Benefit Program: or "the Plan". The plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law and through negotiations between the District and the unions representing District employees, which are renegotiated each bargaining period. As of June 30, 2018, all retirees are eligible for benefits pre and post-Medicare. The Plan does not issue a stand-alone financial report.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy

All plan funding is done on a pay-as-you go basis. Eligibility – Teachers hired prior to January 1, 2011 are eligible at the earliest of: 1. Age 55 with 20 years of service; 2. Age 60 with 10 years of service; or 3. Age 62 with 5 years of service. Teachers hired after January 1, 2011 are eligible at the earliest of: 1. Age 57 with 20 years of service; or 2. Age 62 with 10 years of service. Non-Teachers (Certified and Support Staff) are eligible at age 55 with 10 years of service. Surviving spouses of support staff are eligible to remain on the District's plan until age 65. Retired teachers are eligible for the Teachers' Retirement Insurance Program (TRIP) with the State of Illinois. Retirees are responsible for the portion of premium rates not covered by the District's health plan and are responsible for the full premium rate. For retired teachers, the District contributes the full premium to TRIP for the first two years after retirement. After two years, the teachers are responsible for the premium rates.

For fiscal year June 30, 2018, the District contributed \$948,395 to the Plan, total retiree contributions were not determined.

Employees Covered by Benefit Terms

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

Retirees currently receiving benefits	117
Active employees	627
Total	<u>744</u>

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine the total OPEB liability at June 30, 2018:

Actuarial cost method	Entry Age Normal
Asset valuation method	N/A
Inflation	2.50%
Salary increases	4.0%, including inflation
Investment rate of return	N/A
Retirement age	Based on KPERS Local (with 100% retirement at age 65) and KPF actuarial valuation report for FYE December 31, 2014 (no change since FYE 2012)
Mortality	SOA RPH-2017 Total Dataset Headcount-weighted Mortality fully generational using Scale MP-2017
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00%, and gradually decreases to an ultimate trend of 5.00%.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)*Discount Rate*

The District does not have a dedicated Trust to pay the benefits of the Plan. Per GASB 75, this discount rate is a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate used is 3.79%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of March 20, 2017.

Changes in Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2017	\$ 14,150,075	\$ -	\$ 14,150,075
Changes for the year:			
Service Cost	1,007,704	-	1,007,704
Interest on Total OPEB Liability	496,495	-	496,495
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions and Other Inputs	166,394	-	166,394
Contributions - Employer	-	-	-
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(1,211,341)	-	(1,211,341)
Other Changes	(212,115)	-	(212,115)
Net Changes	247,137	-	247,137
Balances at June 30, 2018	\$ 14,397,212	\$ -	\$ 14,397,212

Sensitivity of the employer's share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate

The following presents the District's net OPEB liability calculated using the discount rate of 3.79%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate (3.79%)	1% Increase
Net OPEB liability	\$ 15,308,489	\$ 14,397,212	\$ 13,545,930

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

7. OTHER POST-EMPLOYMENT BENEFITS (Continued)

The following presents the District's net OPEB liability calculated using the healthcare cost trend rate, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
Net OPEB liability	<u>\$ 13,147,523</u>	<u>\$ 14,397,212</u>	<u>\$ 15,854,802</u>

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.00% in 2027 for Medicare coverage.

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$948,395. At June 30, 2018, 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
Difference between expected and actual experience	\$ 289,260	\$ 3,221,863
Changes in assumptions	501,000	1,255,305
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ 790,260</u>	<u>\$ 4,477,168</u>

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

Year Ending June 30	Net Deferred Inflows of Resources
2019	\$ (555,805)
2020	(555,805)
2021	(555,805)
2022	(555,805)
2023	(555,805)
Thereafter	<u>(907,883)</u>
Total	<u>\$ (3,686,908)</u>

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Financial Statements

June 30, 2018

8. STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowance, if any, would be immaterial.

9. INTERFUND TRANSFERS

The General Fund (Operations and Maintenance Account) transferred \$1,015,165 to the Debt Service Funds to fund capital lease and certain bond issues.

10. CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

11. DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2018:

Transportation Fund	\$ 1,965,786
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12. CHANGE IN ACCOUNTING PRINCIPLE

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$67,848,801 as of July 1, 2017.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Schedule of Changes in the Employer's Net Pension Liability
And Related Ratios
Illinois Municipal Retirement Fund
Last Four Calendar Years

	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 963,538	\$ 930,584	\$ 925,097	\$ 910,170
Interest	3,150,935	2,975,161	2,870,473	2,554,976
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	867,068	483,284	(427,779)	918,285
Changes of Assumptions	(1,370,997)	(48,014)	-	1,665,638
Benefit Payments, Including Refunds of Member Contributions	(2,074,226)	(2,059,371)	(1,886,291)	(1,711,332)
Net Change in Total Pension Liability	1,536,318	2,281,644	1,481,500	4,337,737
Total Pension Liability - Beginning	42,567,808	40,286,164	38,804,664	34,466,927
Total Pension Liability - Ending	\$ 44,104,126	\$ 42,567,808	\$ 40,286,164	\$ 38,804,664
Plan Fiduciary Net Position				
Contributions - Employer	\$ 817,257	\$ 1,002,461	\$ 3,936,715	\$ 1,412,348
Contributions - Member	441,577	452,289	373,764	364,314
Net Investment Income	7,246,120	2,627,564	183,729	2,029,043
Benefit Payments, Including Refunds of Member Contributions	(2,074,226)	(2,059,371)	(1,886,291)	(1,711,332)
Other	(831,321)	85,649	218,144	209,076
Net Change in Plan Fiduciary Net Position	5,599,407	2,108,592	2,826,061	2,303,449
Plan Net Position - Beginning	40,468,444	38,359,852	35,533,791	33,230,342
Plan Net Position - Ending	\$ 46,067,851	\$ 40,468,444	\$ 38,359,852	\$ 35,533,791
Employer's Net Pension Liability (Asset)	\$ (1,963,725)	\$ 2,099,364	\$ 1,926,312	\$ 3,270,873
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.45%	95.07%	95.22%	91.57%
Covered-Employee Payroll	\$ 9,740,849	\$ 8,523,549	\$ 8,170,206	\$ 8,023,013
Employer's Net Pension Liability (Asset) as a Percentage of Covered - Employee Payroll	-20.16%	24.63%	23.58%	40.77%

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Schedule of Employer Contributions

Illinois Municipal Retirement Fund

Last Four Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 859,132	\$ 859,132	\$ -	\$ 10,117,570	8.49%
2017	904,648	904,648	-	9,203,924	9.83%
2016	937,940	937,940	-	8,170,206	11.48%
2015	910,588	910,588	-	8,058,301	11.30%

Notes to Schedule

Valuation date Actuarially determined contribution rates are calculated as of December 31 of 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 contribution rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	27 years
Benefit Payments, Including Refunds of Member Contributions	5-year smoothed market; 20% corridor
Wage growth	3.50%
Inflation	
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2017 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Information prior to fiscal year 2015 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Schedule of the District's Proportionate Share of the
 Net Pension Liability
 Teachers' Retirement System
 Last Four Fiscal Years

	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.00659%	0.00751%	0.00851%	0.00826%
District's proportionate share of the net pension liability	\$ 5,037,491	\$ 5,926,035	\$ 5,577,352	\$ 5,030,188
State's proportionate share of the net pension liability associated with the District	346,034,963	365,936,262	274,573,116	267,900,899
Total	\$ 351,072,454	\$ 371,862,297	\$ 280,150,468	\$ 272,931,087
District's covered-employee payroll	47,985,029	44,589,844	44,046,865	46,735,351
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	10.50%	13.29%	12.66%	10.76%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%

* The amounts presented have a measurement date of the previous fiscal year end.

The District implemented GASB Statement No. 68 in fiscal year 2015.
 Information prior to fiscal year 2015 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Schedule of Employer Contributions

Teachers' Retirement System

Last Four Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 417,504	\$ 417,504		47,985,029	0.87%
2017	289,885	289,885	-	44,589,844	0.65%
2016	309,653	309,653	-	44,046,865	0.70%
2015	294,008	294,008	-	46,735,351	0.63%

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Schedule of the District's Proportionate Share of the Net OPEB Liability

Teachers' Health Insurance Security Fund

June 30, 2018

	<u>2018*</u>
District's proportion of the net OPEB liability	0.204237%
District's proportionate share of the net OPEB liability	\$ 52,998,697
State's proportionate share of the net OPEB liability associated with the District	<u>69,600,458</u>
	<u>\$ 122,599,155</u>
District's covered-employee payroll	\$ 46,871,132
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	113.07%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

* The amounts presented have a measurement date of the previous fiscal year end.

The District implemented GASB Statement No. 75 in fiscal year 2018.

Information prior to fiscal year 2018 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Schedule of Employer Contributions

Teachers' Health Insurance Security Fund

Year Ended June 30, 2018

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 422,268	\$ 422,268	\$ -	\$ 47,985,029	0.88%

The District implemented GASB Statement No. 75 in fiscal year 2018.
Information prior to fiscal year 2018 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86
Schedule of Changes in the Employer's Net OPEB Liability
and Related Ratios
Other Postemployment Benefit Plan
Year Ended June 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 972,687
Interest	531,512
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(439,873)
Changes of Assumptions	(115,931)
Benefit Payments, Including Refunds of Member Contributions	<u>(701,258)</u>
Net Change in Total Pension Liability	247,137
Total Pension Liability - Beginning	<u>14,150,075</u>
Total Pension Liability - Ending	<u><u>\$ 14,397,212</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ -
Contributions - Member	-
Net Investment Income	-
Benefit Payments, Including Refunds of Member Contributions	-
Administrative Expense	<u>-</u>
Net Change in Plan Fiduciary Net Position	-
Plan Net Position - Beginning	<u>-</u>
Plan Net Position - Ending	<u><u>\$ -</u></u>
Employer's Net OPEB Liability	<u><u>\$ 14,397,212</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%
Covered-Employee Payroll	\$ 48,341,684
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	29.78%

The District implemented GASB Statement No. 75 in fiscal year 2018.
Information prior to fiscal year 2018 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Schedule of Employer Contributions

Other Postemployment Benefit Plan

Year Ended June 30, 2018

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	948,395	948,395	-	\$ 48,341,684	1.96%

The District implemented GASB Statement No. 75 in fiscal year 2018.
Information prior to fiscal year 2018 is not available.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - General and Major Special Revenue Funds

For the Year Ended June 30, 2018

	General		
	Original and Final Budget	Actual	Variance over/under
Revenues			
Local sources	\$ 80,213,189	\$ 79,950,341	\$ (262,848)
State sources	21,811,245	25,379,884	3,568,639
Federal sources	1,492,388	1,696,176	203,788
Total Revenues	103,516,822	107,026,401	3,509,579
Expenditures			
Current operating			
Instruction	71,166,361	75,151,641	(3,985,280)
Support services	27,766,332	26,462,693	1,303,639
Community service	84,000	84,886	(886)
Non-programmed charges	2,555,211	2,456,884	98,327
Capital outlay	520,780	1,857,669	(1,336,889)
Total Expenditures	102,092,684	106,013,773	(3,921,089)
Excess (deficiency) of revenues over expenditures	1,424,138	1,012,628	411,510
Other Financing Sources (Uses)			
Sale of non capitalized assets	12,500	3,967	(8,533)
Transfers out	(1,015,165)	(1,015,165)	-
Total other financing sources (uses)	(1,002,665)	(1,011,198)	(8,533)
Net changes in fund balance	\$ 421,473	1,430	\$ 402,977
Fund Balances (deficits) at beginning of year		17,807,184	
Fund Balances (Deficit) at End of Year		\$ 17,808,614	

Transportation			Municipal Retirement/Social Security		
Original and Final Budget	Actual	Variance over/under	Original and Final Budget	Actual	Variance over/under
\$ 2,322,575	\$ 2,419,225	\$ 96,650	\$ 2,383,106	\$ 2,395,633	\$ 12,527
1,210,200	1,083,674	(126,526)	-	-	-
-	-	-	-	-	-
3,532,775	3,502,899	(29,876)	2,383,106	2,395,633	12,527
-	-	-	1,262,313	1,217,753	44,560
4,074,175	4,505,316	(431,141)	1,009,375	1,188,058	(178,683)
-	-	-	-	-	-
-	-	-	-	-	-
4,074,175	4,505,316	(431,141)	2,271,688	2,405,811	(134,123)
(541,400)	(1,002,417)	461,017	111,418	(10,178)	121,596
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (541,400)</u>	<u>(1,002,417)</u>	<u>\$ 461,017</u>	<u>\$ 111,418</u>	<u>(10,178)</u>	<u>\$ 121,596</u>
	(963,369)			54,959	
	<u>\$ (1,965,786)</u>			<u>\$ 44,781</u>	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86

Notes to Required Supplementary Information

June 30, 2018

Budgetary Data

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on September 29, 2017.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act, expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.
8. For the year ended June 30, 2018, expenditures exceeded authorized budget amounts in the following funds:

	Budget	Actual	Excess
General Fund - Educational Account	\$ 93,149,593	\$ 97,149,086	\$ (3,999,493)
Debt Service Fund	2,137,865	2,434,653	(296,788)
Transportation Fund	4,074,175	4,505,316	(431,141)
Municipal Retirement/Social Security Fund	2,271,688	2,405,811	(134,123)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Combining Balance Sheet by Account

General Fund

June 30, 2018

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
Assets					
Cash and investments	\$ 42,971,701	\$ 12,166,926	\$ 5,552,229	\$ 873,910	\$ 61,564,766
Receivables					
Property taxes	29,043,126	3,119,286	7,407	266,646	32,436,465
Due from other governments	1,027,188	-	2,000,000	-	3,027,188
Other	170,223	33,594	-	-	203,817
Prepaid expenditures	36,794	-	-	-	36,794
Total Assets	\$ 73,249,032	\$ 15,319,806	\$ 7,559,636	\$ 1,140,556	\$ 97,269,030
Liabilities, Deferred Inflows and Fund Balances					
Liabilities					
Accounts payable	\$ 709,825	\$ 201,024	\$ -	\$ -	\$ 910,849
Accrued salaries and related benefits	3,789,092	25,159	-	-	3,814,251
Total Liabilities	4,498,917	226,183	-	-	4,725,100
Deferred Inflows					
Property taxes levied for subsequent year	66,931,894	7,157,345	28,744	617,333	74,735,316
Fund balances					
Restricted	-	7,936,278	-	523,223	8,459,501
Assigned for self insurance	1,818,221	-	-	-	1,818,221
Unassigned	-	-	7,530,892	-	7,530,892
Total Fund Balances	1,818,221	7,936,278	7,530,892	523,223	17,808,614
Total Liabilities and Fund Balances	\$ 73,249,032	\$ 15,319,806	\$ 7,559,636	\$ 1,140,556	\$ 97,269,030

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86
Combining Schedule of Revenues, Expenditures and Changes
In Fund Balance By Account
General Fund
Year Ended June 30, 2018

	Educational	Operations and Maintenance	Working Cash	Tort	Total General
REVENUES					
Local sources					
Property taxes	\$ 65,544,820	\$ 6,615,363	\$ -	\$ 736,364	\$ 72,896,547
Replacement taxes	983,145	-	-	-	983,145
Investment income	689,594	185,310	484,066	10,380	1,369,350
Other local sources	4,463,909	237,390	-	-	4,701,299
Total local sources	71,681,468	7,038,063	484,066	746,744	79,950,341
State sources	25,379,884	-	-	-	25,379,884
Federal sources	1,696,176	-	-	-	1,696,176
Total revenues	98,757,528	7,038,063	484,066	746,744	107,026,401
EXPENDITURES					
Current operating					
Instruction	75,151,641	-	-	-	75,151,641
Support services	18,920,370	6,953,455	-	588,868	26,462,693
Community service	84,886	-	-	-	84,886
Non-programmed charges	2,456,884	-	-	-	2,456,884
Capital outlay	535,305	1,322,364	-	-	1,857,669
Total Expenditures	97,149,086	8,275,819	-	588,868	106,013,773
Excess (deficiency) of revenues over expenditures	1,608,442	(1,237,756)	484,066	157,876	1,012,628
OTHER FINANCING SOURCES (USES)					
Sale of equipment	3,967	-	-	-	3,967
Transfers out	(491,901)	(523,264)	-	-	(1,015,165)
Total other financing sources (uses)	(487,934)	(523,264)	-	-	(1,011,198)
Net changes in fund balance	1,120,508	(1,761,020)	484,066	157,876	1,430
Fund balances at beginning of year	697,713	9,697,298	7,046,826	365,347	17,807,184
FUND BALANCES AT END OF YEAR	\$ 1,818,221	\$ 7,936,278	\$ 7,530,892	\$ 523,223	\$ 17,808,614

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Revenues			
Local sources			
General levy	\$ 63,682,224	\$ 63,604,074	\$ (78,150)
Special education levy	1,939,457	1,940,746	1,289
Corporate personal property replacement taxes	1,021,552	983,145	(38,407)
Summer school - tuition (in state)	231,000	95,817	(135,183)
Special education - tuition from other LEAs (in state)	2,430,026	2,280,925	(149,101)
Investment Income	460,449	689,594	229,145
Admissions - athletic	49,000	26,581	(22,419)
Admissions - other	57,000	54,142	(2,858)
Fees	1,286,804	1,058,696	(228,108)
Sales - book store	15,000	-	(15,000)
Rentals	-	13,756	13,756
Sales - regular textbooks	135,000	-	(135,000)
Other - textbooks	-	126,077	126,077
Refund of prior years' expenditures	35,000	30,383	(4,617)
Driver's education fees	122,500	386,720	264,220
Proceeds from vendor contracts	201,700	300,415	98,715
Other	514,411	90,397	(424,014)
Total local sources	72,181,123	71,681,468	(499,655)
State sources			
Evidence based funding formula	2,685,500	2,793,087	107,587
Special education - private facility tuition	355,000	385,403	30,403
Special education - orphanage - individual	45,000	103,757	58,757
Special education - orphanage - summer	-	16,949	16,949
CTE - Technical education - tech prep	33,651	33,494	(157)
Bilingual education - downstate - TPI	24,394	4,728	(19,666)
Driver education	80,600	58,695	(21,905)
Other restricted revenue from state sources	87,100	74,136	(12,964)
On behalf payment to TRS from the state	18,500,000	21,909,635	3,409,635
Total state sources	\$ 21,811,245	\$ 25,379,884	\$ 3,568,639

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Federal sources			
Special milk program	\$ 21,000	\$ 15,309	\$ (5,691)
Title I - Low income	325,144	422,557	97,413
Federal - special education - IDEA - flow-through	910,803	1,008,425	97,622
Federal - special education - IDEA - room & board	22,000	-	(22,000)
Vocational education - Perkins	40,524	39,524	(1,000)
Emergency Immigrant Education	12,481	-	(12,481)
Title III - English language acquisition	-	18,488	18,488
Title II - Teacher Quality	88,936	83,335	(5,601)
Medicaid matching funds - administrative outreach	27,000	72,708	45,708
Medicaid matching funds - fee-for-service program	-	33,209	33,209
Other restricted revenue from federal sources	44,500	2,621	(41,879)
Total federal sources	1,492,388	1,696,176	203,788
Total revenues	95,484,756	98,757,528	3,272,772
Expenditures			
Instruction			
Regular programs			
Salaries	27,462,173	27,459,639	(2,534)
Employee benefits	4,985,338	5,176,129	190,791
On-behalf payments to TRS from state	18,500,000	21,909,635	3,409,635
Purchased services	318,073	232,684	(85,389)
Supplies and materials	712,431	737,732	25,301
Capital outlay	19,999	36,477	16,478
Other objects	121,778	112,812	(8,966)
Non-capitalized equipment	66,965	52,388	(14,577)
Total	52,186,757	55,717,496	3,530,739
Special education programs			
Salaries	7,913,627	8,302,526	388,899
Employee benefits	2,018,881	2,141,834	122,953
Purchased services	118,039	200,842	82,803
Supplies and materials	158,082	51,370	(106,712)
Capital outlay	12,200	-	(12,200)
Other objects	500	136	(364)
Non-capitalized equipment	7,100	-	(7,100)
Total	\$ 10,228,429	\$ 10,696,708	\$ 468,279

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Remedial and supplemental programs K-12			
Salaries	\$ 473,171	\$ 202,563	\$ (270,608)
Employee benefits	141,599	123,424	(18,175)
Purchased services	83,502	96,436	12,934
Supplies and materials	26,335	67,715	41,380
Capital outlay	-	3,560	3,560
Total	724,607	493,698	(230,909)
CTE programs			
Salaries	2,285,114	2,286,152	1,038
Employee benefits	411,327	423,091	11,764
Purchased services	12,045	9,382	(2,663)
Supplies and materials	102,544	92,739	(9,805)
Capital outlay	32,020	29,428	(2,592)
Other objects	690	525	(165)
Non-capitalized equipment	550	544	(6)
Total	2,844,290	2,841,861	(2,429)
Interscholastic programs			
Salaries	2,827,235	2,870,746	43,511
Employee benefits	80,896	109,919	29,023
Purchased services	318,125	342,187	24,062
Supplies and materials	176,200	161,604	(14,596)
Capital outlay	95,600	95,857	257
Other objects	111,000	136,834	25,834
Total	3,609,056	3,717,147	108,091
Summer school programs			
Salaries	232,786	171,573	(61,213)
Employee benefits	-	2,427	2,427
Supplies and materials	3,000	332	(2,668)
Total	235,786	174,332	(61,454)
Driver's education programs			
Salaries	12,951	11,721	(1,230)
Employee benefits	-	83	83
Purchased services	9,980	1,042	(8,938)
Supplies and materials	6,600	6,007	(593)
Other objects	160	-	(160)
Total	\$ 29,691	\$ 18,853	\$ (10,838)

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Bilingual			
Salaries	\$ 64,787	\$ 64,787	\$ -
Employee benefits	49,906	53,074	3,168
Supplies and materials	871	665	(206)
Non-capitalized equipment	2,000	1,102	(898)
Total	117,564	119,628	2,064
Special education programs K-12 - private tuition			
Other objects	1,350,000	1,537,240	187,240
Total	1,350,000	1,537,240	187,240
Total instruction	71,326,180	75,316,963	3,990,783
Support Services			
Pupils			
Attendance and social work services			
Salaries	2,169,555	2,333,523	163,968
Employee benefits	491,271	589,446	98,175
Purchased services	16,200	11,948	(4,252)
Supplies and materials	27,297	15,939	(11,358)
Capital outlay	12,000	9,656	(2,344)
Other	1,575	1,750	175
Non-capitalized equipment	5,450	-	(5,450)
Total	2,723,348	2,962,262	238,914
Guidance Services			
Salaries	2,952,713	2,925,561	(27,152)
Employee benefits	590,982	655,139	64,157
Purchased services	43,270	30,343	(12,927)
Supplies and materials	411,235	372,074	(39,161)
Other objects	3,210	2,589	(621)
Non-capitalized equipment	1,950	1,680	(270)
Total	4,003,360	3,987,386	(15,974)
Health services			
Salaries	308,027	309,472	1,445
Employee benefits	84,806	90,427	5,621
Purchased services	80,800	6,250	(74,550)
Supplies and materials	20,800	8,897	(11,903)
Capital outlay	2,000	31,266	29,266
Other objects	350	-	(350)
Non-capitalized equipment	12,579	12,250	(329)
Total	\$ 509,362	\$ 458,562	\$ (50,800)

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Psychological services			
Salaries	\$ 487,199	\$ 477,199	\$ (10,000)
Employee benefits	153,032	139,659	(13,373)
Purchased services	80,000	136,381	56,381
Supplies and materials	5,000	6,001	1,001
Total	725,231	759,240	34,009
Speech pathology/audio services			
Salaries	404,570	392,387	(12,183)
Employee benefits	75,221	77,857	2,636
Purchased services	11,000	2,591	(8,409)
Supplies and materials	5,000	1,036	(3,964)
Capital outlay	5,700	5,265	(435)
Total	501,491	479,136	(22,355)
Other support services			
Salaries	149,367	149,367	-
Employee benefits	19,458	41,418	21,960
Total	168,825	190,785	21,960
Total pupil	8,631,617	8,837,371	205,754
Instructional Staff			
Improvement of instructional services			
Salaries	1,237,677	1,161,155	(76,522)
Employee benefits	67,087	107,246	40,159
Purchased services	364,608	305,665	(58,943)
Supplies and materials	15,303	22,030	6,727
Capital outlay	39,524	34,047	(5,477)
Other objects	2,500	2,248	(252)
Total	1,726,699	1,632,391	(94,308)
Educational media services			
Salaries	856,708	879,958	23,250
Employee benefits	229,118	237,155	8,037
Purchased services	7,720	17,568	9,848
Supplies and materials	125,615	120,838	(4,777)
Other objects	976	971	(5)
Non-capitalized equipment	1,923	1,904	(19)
Total	1,222,060	1,258,394	36,334
Assessment and testing			
Salaries	44,075	24,804	(19,271)
Purchased services	21,000	37,085	16,085
Other objects	-	1,701	1,701
Total	65,075	63,590	(1,485)
Total instructional staff	\$ 3,013,834	\$ 2,954,375	\$ (59,459)

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
General administration			
Board of education services			
Salaries	\$ 13,000	\$ -	\$ (13,000)
Purchased services	1,381,967	1,323,636	(58,331)
Supplies and materials	1,400	9,733	8,333
Other objects	18,545	18,938	393
Total	1,414,912	1,352,307	(62,605)
Executive administration services			
Salaries	770,816	811,243	40,427
Employee benefits	106,691	61,792	(44,899)
Purchased services	29,800	232,792	202,992
Supplies and materials	15,158	14,841	(317)
Other objects	2,385	1,993	(392)
Total	924,850	1,122,661	197,811
Total general administration	2,339,762	2,474,968	135,206
School administration			
Office of the principal services			
Salaries	1,380,618	1,366,022	(14,596)
Employee benefits	328,168	342,608	14,440
Purchased services	359,128	193,259	(165,869)
Supplies and materials	161,452	120,538	(40,914)
Capital outlay	11,658	11,658	-
Other objects	19,195	18,296	(899)
Non-capitalized equipment	-	12,460	12,460
Total	2,260,219	2,064,841	(195,378)
Total school administration	2,260,219	2,064,841	(195,378)
Business			
Direction of business support services			
Salaries	150,000	150,669	669
Employee benefits	-	18,354	18,354
Total	\$ 150,000	\$ 169,023	\$ 19,023

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Fiscal services			
Salaries	\$ 479,114	\$ 490,826	\$ 11,712
Employee benefits	98,094	109,250	11,156
Purchased services	158,475	88,524	(69,951)
Supplies and materials	7,800	9,895	2,095
Capital outlay	0	0	-
Other objects	35,020	83,332	48,312
Non-capitalized equipment	5,000	4,286	(714)
Total	783,503	786,113	2,610
Food services			
Purchased services	22,000	19,145	(2,855)
Supplies and materials	-	3,433	3,433
Total	22,000	22,578	578
Total business	955,503	977,714	22,211
Central			
Planning, research and development, and evaluation			
Purchased services	21,675	13,450	(8,225)
Total	21,675	13,450	(8,225)
Information services			
Salaries	111,123	115,813	4,690
Employee benefits	37,782	19,023	(18,759)
Purchased services	51,602	29,962	(21,640)
Supplies and materials	1,230	3,163	1,933
Other objects	870	563	(307)
Non-capitalized equipment	320	67	(253)
Total	202,927	168,591	(34,336)
Data processing services			
Salaries	735,558	775,265	39,707
Employee benefits	147,728	199,650	51,922
Purchased services	551,100	544,727	(6,373)
Supplies and materials	3,200	1,310	(1,890)
Capital outlay	290,079	278,091	(11,988)
Total	1,727,665	1,799,043	71,378
Total central	1,952,267	1,981,084	28,817
Other supporting services			
Other objects	31,000	-	(31,000)
Total	31,000	-	(31,000)
Total support services	\$ 19,184,202	\$ 19,290,353	\$ 106,151

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Community Services			
Salaries	\$ -	\$ 12,799	\$ 12,799
Employee benefits	-	1,245	1,245
Purchased services	10,000	5,868	(4,132)
Supplies and materials	20,000	10,647	(9,353)
Other objects	44,000	54,327	10,327
Non-capitalized equipment	10,000	-	(10,000)
Total community services	84,000	84,886	886
Payments to other districts and governmental units			
Payments for special programs			
Other objects	8,273	-	(8,273)
Total	8,273	-	(8,273)
Other payments to in-state governmental units			
Other objects	7,212	4,276	(2,936)
Total	7,212	4,276	(2,936)
Payments for special education programs - tuition			
Other objects	2,273,474	2,167,994	(105,480)
Total	2,273,474	2,167,994	(105,480)
Payments for CTE programs - tuition			
Other objects	266,252	284,614	18,362
Total	266,252	284,614	18,362
Total payments to other districts and governmental units	2,555,211	2,456,884	(98,327)
Total expenditures	93,149,593	97,149,086	3,999,493
Excess of revenues over expenditures	2,335,163	1,608,442	(726,721)
Other Financing Sources (Uses)			
Sale of non capitalized assets	12,500	3,967	(8,533)
Transfers out	-	(491,901)	(491,901)
Total other financing sources (uses)	12,500	(487,934)	(500,434)
Net changes in fund balance	<u>\$ 2,347,663</u>	1,120,508	<u>\$ (1,227,155)</u>
Fund balance at beginning of year		697,713	
Fund balance at end of year		<u>\$ 1,818,221</u>	

(Concluded)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Operations And Maintenance Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Revenues			
Local sources			
General levy	\$ 6,562,548	\$ 6,615,363	\$ 52,815
Investment Income	55,000	185,310	130,310
Rentals	161,712	222,935	61,223
Contributions and donations from private sources	5,632	2,392	(3,240)
Refund of prior years' expenditures	-	281	281
Other	45,000	11,782	(33,218)
Total local sources	6,829,892	7,038,063	208,171
Total revenues	6,829,892	7,038,063	208,171
Expenditures			
Support Services			
Business			
Facilities acquisition and construction service			
Purchased services	284,299	372,224	87,925
Capital outlay	1,157,585	1,088,425	(69,160)
Total	1,441,884	1,460,649	18,765
Operation and maintenance of plant services			
Salaries	2,349,469	2,390,811	41,342
Employee benefits	817,685	879,335	61,650
Purchased services	2,350,907	2,173,849	(177,058)
Supplies and materials	1,127,892	1,129,332	1,440
Capital outlay	230,549	233,939	3,390
Other objects	11,100	4,272	(6,828)
Non-capitalized equipment	17,560	3,632	(13,928)
Total	6,905,162	6,815,170	(89,992)
Total business	8,347,046	8,275,819	(71,227)
Total support services	8,347,046	8,275,819	(71,227)
Total expenditures	8,347,046	8,275,819	(71,227)
Excess (deficiency) of revenues over expenditures	\$ (1,517,154)	\$ (1,237,756)	\$ 279,398

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Operations And Maintenance Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Other Financing Uses			
Transfers out	\$ (1,015,165)	\$ (523,264)	\$ 491,901
Total other financing uses	(1,015,165)	(523,264)	491,901
Net changes in fund balance	<u>\$ (2,532,319)</u>	(1,761,020)	<u>\$ 771,299</u>
Fund balance at beginning of year		<u>9,697,298</u>	
Fund balance at end of year		<u>\$ 7,936,278</u>	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Working Cash Account

Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Revenues			
Local sources			
General levy	\$ 402,729	\$ 392,123	\$ (10,606)
Investment income	61,300	91,943	30,643
Total local sources	464,029	484,066	20,037
Total revenues	464,029	484,066	20,037
Net change in fund balance	<u>\$ 464,029</u>	484,066	<u>\$ 20,037</u>
Fund balance at beginning of year		<u>7,046,826</u>	
Fund balance at end of year		<u>\$ 7,530,892</u>	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Tort Immunity Account

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Revenues			
Local sources			
Tort immunity levy	\$ 736,570	\$ 736,364	\$ (206)
Investment income	1,575	10,380	8,805
Total local sources	738,145	746,744	8,599
Total revenues	738,145	746,744	8,599
Expenditures			
Support services			
General administration			
Workers compensation			
Purchased services	174,279	174,279	-
Total	174,279	174,279	-
Unemployment insurance payments			
Purchased services	28,500	17,727	(10,773)
Total	28,500	17,727	(10,773)
Insurance payments (regular or self insurance)			
Purchased services	393,266	374,262	(19,004)
Total	393,266	374,262	(19,004)
Risk management and claims services			
Purchased services	-	22,600	22,600
Total	-	22,600	22,600
Total general administration	596,045	588,868	(7,177)
Total expenditures	\$ 596,045	\$ 588,868	\$ (7,177)
Net change in fund balance	\$ 142,100	157,876	\$ 15,776
Fund balance at beginning of year		365,347	
Fund balance at end of year		\$ 523,223	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Transportation Fund

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Revenues			
Local Sources			
General levy	\$ 2,156,718	\$ 2,153,811	\$ (2,907)
Investment income	657	5,131	4,474
Other local revenues	165,200	260,283	95,083
Total local sources	2,322,575	2,419,225	96,650
State sources			
Transportation - regular/vocational	95,200	90,392	(4,808)
Transportation - special education	1,115,000	993,282	(121,718)
Total state sources	1,210,200	1,083,674	(126,526)
Total revenues	3,532,775	3,502,899	(29,876)
Expenditures			
Support services			
Business			
Pupil transportation services			
Purchased services	4,066,175	4,498,123	431,948
Supplies and materials	8,000	7,193	(807)
Total support services	4,074,175	4,505,316	431,141
Total expenditures	4,074,175	4,505,316	431,141
Net change in fund balance	<u>\$ (541,400)</u>	(1,002,417)	<u>\$ (461,017)</u>
Fund deficit at beginning of year		<u>(963,369)</u>	
Fund deficit at end of year		<u>\$ (1,965,786)</u>	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Municipal Retirement/Social Security Fund

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Revenues			
Local sources			
General levy	\$ 2,331,587	\$ 2,324,710	\$ (6,877)
Corporate personal property replacement taxes	50,000	50,000	-
Investment income	1,519	20,923	19,404
Total local sources	2,383,106	2,395,633	12,527
Total revenues	2,383,106	2,395,633	12,527
Expenditures			
Instruction			
Regular programs	735,272	553,839	(181,433)
Special education programs	422,539	486,611	64,072
Remedial and supplemental programs K-12	34,938	14,250	(20,688)
CTE programs	38,692	38,715	23
Interscholastic programs	19,478	109,502	90,024
Summer school programs	-	3,267	3,267
Bilingual	10,482	10,778	296
Driver's ed programs	912	791	(121)
Total instruction	1,262,313	1,217,753	(44,560)
Support services			
Pupils			
Attendance and social work services	77,451	89,800	12,349
Guidance service	79,058	89,421	10,363
Psychology	8,924	10,538	1,614
Speech pathology	5,866	5,881	15
Other support service	24,168	31,838	7,670
Health services	34,400	40,451	6,051
Total pupils	229,867	267,929	38,062
Instructional staff			
Improvement of instruction services	17,667	20,846	3,179
Educational media services	43,160	52,486	9,326
Assessment and training	-	1,897	1,897
Total instructional staff	\$ 60,827	\$ 75,229	\$ 14,402

(Continued)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Municipal Retirement/Social Security Fund

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
General administration			
Executive administration	\$ 77,703	\$ 92,941	\$ 15,238
Total general administration	77,703	92,941	15,238
School administration			
Office of the principal services	75,603	81,822	6,219
Total school administration	75,603	81,822	6,219
Business			
Direction of business support services	22,856	20,078	(2,778)
Fiscal services	59,845	88,244	28,399
Operations and maintenance of plant services	347,460	408,816	61,356
Total business	430,161	517,138	86,977
Central			
Information services	17,980	20,010	2,030
Data processing services	117,234	132,820	15,586
Total central	135,214	152,830	17,616
Community services			
Community services	-	169	169
Total community services	-	169	169
Total support services	1,009,375	1,188,058	178,683
Total expenditures	2,271,688	2,405,811	134,123
Net changes in fund balance	<u>\$ 111,418</u>	<u>(10,178)</u>	<u>\$ (121,596)</u>
Fund balance at beginning of year		<u>54,959</u>	
Fund balance at end of year		<u>\$ 44,781</u>	

(Concluded)

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Debt Service Fund

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
Revenues			
Local sources			
General levy	\$ 1,430,747	\$ 1,431,827	\$ 1,080
Investment income	4,350	24,601	20,251
Total local sources	1,435,097	1,456,428	21,331
Total revenues	1,435,097	1,456,428	21,331
Expenditures			
Debt service			
Interest on long term debt	259,773	585,142	325,369
Principal payments on long term debt	1,877,217	1,848,047	(29,170)
Total	2,136,990	2,433,189	296,199
Other debt service			
Other	875	1,464	589
Total other debt service	875	1,464	589
Total debt service	2,137,865	2,434,653	296,788
Total expenditures	2,137,865	2,434,653	296,788
Deficiency of revenues over expenditures	(702,768)	(978,225)	(275,457)
Other Financing Sources			
Transfers in	1,527,382	1,015,165	(512,217)
Total other financing sources	1,527,382	1,015,165	(512,217)
Net changes in fund balance	<u>\$ 824,614</u>	36,940	<u>\$ (787,674)</u>
Fund balance at beginning of year		<u>793,813</u>	
Fund balance at end of year		<u>\$ 830,753</u>	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Capital Projects Fund

For the Year Ended June 30, 2018

	Original and Final Budget	2018 Actual	Variance over/under
<hr/>			
Revenues			
Local sources			
Investments Income	\$ 205	\$ 810	\$ 605
Total local sources	205	810	605
Total revenues	205	810	605
<hr/>			
Net changes in fund balance	<u>\$ 205</u>	810	<u>\$ 605</u>
Fund balance at beginning of year		<u>64,941</u>	
Fund balance at end of year		<u>\$ 65,751</u>	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Statement of Changes in Assets and Liabilities

Agency Fund - Activity Funds

Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	\$ 1,398,685	\$ 2,632,329	\$ 2,529,775	\$ 1,501,239
Liabilities				
Student groups	1,302,524	2,382,086	2,295,203	1,389,407
Flex benefit plan	96,161	250,243	234,572	111,832
Due to organizations	\$ 1,398,685	\$ 2,632,329	\$ 2,529,775	\$ 1,501,239

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Operating Cost and Tuition Charge

Years Ended June 30, 2018 and 2017

	2018	2017
Operating Cost Per Pupil		
Average Daily Attendance (ADA)	4,115	4,094
Operating Costs		
Educational Fund	\$ 75,239,451	\$ 75,385,287
Operations and Maintenance Fund	8,275,819	9,079,955
Debt Service Fund	2,434,653	2,491,225
Transportation Fund	4,505,316	3,821,845
Municipal Retirement/Social Security Fund	2,405,811	2,358,270
Tort Fund	588,868	616,683
Subtotal	93,449,918	93,753,265
Less revenues/expenditures not applicable to operating expense of regular program		
Tuition paid	1,537,240	1,271,142
Summer school	177,599	77,197
Capital outlay	1,857,669	4,766,746
Non capitalized equipment	90,313	99,526
Bond and other debt principal retired	1,848,047	1,500,000
Community services	85,055	43,559
Payments to other districts & governmental units	2,456,884	2,485,348
Subtotal	8,052,807	10,243,518
Regular operating costs	\$ 85,397,111	\$ 83,509,747
Operating Cost Per Pupil - based on ADA	\$ 20,757	\$ 20,397
Tuition Charge		
Operating Costs	\$ 85,397,111	\$ 83,509,747
Less offsetting revenues from specific programs	4,959,199	5,973,386
Net operating expenditures	80,437,912	77,536,361
Depreciation allowance	2,450,975	2,509,748
Total allowance for tuition computation	\$ 82,888,887	\$ 80,046,109
Tuition Charge Per Pupil - based on ADA	\$ 20,145	\$ 19,551

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

November 1, 2008 Limited Tax School Bonds

As of June 30, 2018

Year Ended June 30	Principal	Interest	Total
2019	<u>300,000</u>	<u>12,000</u>	<u>312,000</u>
Total	<u>\$ 300,000</u>	<u>\$ 12,000</u>	<u>\$ 312,000</u>
Paying Agent	Cole Taylor Bank		
Principal payment date	January 15		
Interest payment dates	January 15 and July 15		
Interest rates	4% - 4.25%		

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

February 16, 2012 Limited Tax School Bonds

As of June 30, 2018

Year Ended June 30	Principal	Interest	Total
2019	700,000	99,950	799,950
2020	1,050,000	85,950	1,135,950
2021	1,080,000	43,950	1,123,950
2022	15,000	750	15,750
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 2,845,000</u>	<u>\$ 230,600</u>	<u>\$ 3,075,600</u>

Paying Agent Amalgamated Bank of Chicago

Principal payment date January 15

Interest payment dates January 15 and July 15

Interest rates 2%-5%

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

December 15, 2015 Limited School Bonds

As of June 30, 2018

Year Ended June 30	Principal	Interest	Total
2019	400,000	103,288	503,288
2020	410,000	97,088	507,088
2021	415,000	89,338	504,338
2022	395,000	80,168	475,168
2023	460,000	70,450	530,450
2024	445,000	58,050	503,050
2025	460,000	45,500	505,500
2026	475,000	31,976	506,976
2027	560,000	17,584	577,584
	<hr/>	<hr/>	<hr/>
Total	\$ 4,020,000	\$ 593,442	\$ 4,613,442

Paying Agent Amalgamated Bank of Chicago

Principal payment date January 15

Interest payment dates January 15 and July 15

Interest rates 4%-4.25%

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

July 20, 2016 Limited Tax School Refunding Bonds

As of June 30, 2018

Year Ended June 30	Principal	Interest	Total
2019	5,000	291,701	296,701
2020	5,000	291,601	296,601
2021	285,000	288,686	573,686
2022	1,455,000	271,199	1,726,199
2023	1,490,000	241,602	1,731,602
2024	1,520,000	211,352	1,731,352
2025	1,545,000	180,548	1,725,548
2026	1,580,000	149,142	1,729,142
2027	1,610,000	117,083	1,727,083
2028	1,640,000	84,420	1,724,420
2029	1,675,000	51,104	1,726,104
2030	1,705,000	17,135	1,722,135
Total	<u>\$ 14,515,000</u>	<u>\$ 2,195,573</u>	<u>\$ 16,710,573</u>

Paying Agent Amalgamated Bank of Chicago

Principal payment date January 15

Interest payment dates January 15 and July 15

Interest rate 2.01%

STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Net Position By Component

Last Ten Fiscal Years

	2018	2017	2016	2015
Governmental activities				
Net Investment In Capital Assets	\$ 16,658,657	\$ 16,784,213	\$ 20,566,754	\$ 18,546,379
Restricted	8,459,501	10,062,645	11,712,919	9,962,221
Unrestricted	(71,583,534)	(4,279,551)	(7,666,079)	(2,575,630)
Total governmental activities				
Net Position	\$ (46,465,376)	\$ 22,567,307	\$ 24,613,594	\$ 25,932,970

Source of Information: Annual Financial Statements

2014	2013	2012	2011	2010	2009
\$ 40,306,248	\$ 39,527,899	\$ 37,290,387	\$ 41,101,096	\$ 39,420,996	\$ 39,548,318
16,025,961	14,192,755	12,562,801	11,441,069	3,144,468	2,992,939
37,902,388	39,465,506	40,996,676	43,250,178	55,250,435	53,015,563
<hr/>					
\$ 94,234,597	\$ 93,186,160	\$ 90,849,864	\$ 95,792,343	\$ 97,815,899	\$ 95,556,820

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Changes in Net Position

Last Ten Fiscal Years

	2018	2017	2016
Expenses			
Instruction			
Regular programs	\$ 35,423,390	\$ 36,272,782	\$ 37,524,537
Special programs	14,367,926	13,802,048	12,686,660
Other instructional programs	8,694,211	8,364,780	9,278,559
State retirement contributions	21,909,635	18,579,214	16,522,220
Support services			
Pupils	9,276,236	8,794,201	8,803,029
Instructional staff	3,102,862	3,034,770	2,395,398
General administration	3,254,455	3,543,647	2,333,436
School administration	2,171,082	2,381,880	2,422,440
Business	2,093,849	1,694,433	2,587,854
Transportation	4,529,735	3,846,843	3,684,339
Operations and maintenance	7,443,761	5,126,492	6,085,879
Central	2,622,303	4,361,273	2,653,164
Other supporting services	-	-	-
Community services	85,055	122,717	37,354
Payments to other Districts excluding special ed	-	-	-
Interest and fees	591,553	906,823	637,465
Total expenses	115,566,053	110,831,903	107,652,334
Program revenues			
Governmental activities			
Charges for services			
Instruction	4,037,294	4,042,955	5,713,707
Support services	495,000	438,539	508,753
Operating grants and contributions			
Instruction	24,106,455	21,914,295	19,643,263
Support services	1,184,710	1,262,568	1,380,360
Capital grants and contributions:			
Support services	-	-	-
Total governmental activities program revenues	29,823,459	27,658,357	27,246,083
Net expense	(85,742,594)	(83,173,546)	(80,406,251)
Governmental activities			
General revenues			
Taxes			
Real estate taxes, levied for general purposes	72,896,547	71,749,818	70,384,668
Real estate taxes, levied for specific purposes	4,478,521	4,761,378	3,911,510
Real estate taxes, levied for debt service	1,431,827	1,730,974	1,725,633
Personal property replacement taxes	1,033,145	1,234,712	1,111,519
Federal and state aid	2,901,625	1,346,567	1,228,788
Investment earnings	1,028,692	626,986	379,241
Miscellaneous	788,355	(323,176)	345,516
Total governmental activities general revenues	84,558,712	81,127,259	79,086,875
Reappraised net capital assets		-	-
Change in net position	\$ (1,183,882)	\$ (2,046,287)	\$ (1,319,376)

Source of Information: Annual Financial Statements

	2015	2014	2013	2012	2011	2010	2009
\$	36,608,459	\$ 35,787,132	\$ 34,208,538	\$ 33,380,436	\$ 34,637,249	\$ 32,068,979	\$ 31,178,827
	18,359,429	17,827,764	13,969,380	14,236,316	10,498,470	10,257,483	12,002,181
	3,177,571	3,292,690	7,081,793	6,862,750	6,927,142	6,703,928	6,373,356
	14,946,207	15,784,187	12,238,718	10,724,680	9,656,723	9,487,830	6,767,807
	7,508,219	7,306,174	6,083,406	6,056,903	6,005,892	5,790,277	5,542,823
	2,603,092	2,561,571	2,523,876	2,467,926	2,457,496	2,455,514	2,194,476
	2,918,944	2,277,820	1,991,247	1,907,783	2,084,211	2,080,966	1,898,278
	2,720,867	2,422,197	2,499,564	2,492,571	2,526,265	2,318,084	2,388,443
	2,580,559	2,084,501	657,453	650,883	598,741	545,952	523,134
	3,702,046	3,140,015	2,537,137	2,746,643	2,430,173	2,622,130	2,457,257
	4,867,669	5,541,033	7,563,221	7,393,140	8,616,645	7,404,494	6,839,011
	3,084,855	2,565,722	2,145,230	2,847,759	1,577,187	2,041,441	2,608,264
	7,452	-	-	3,100	-	2,625	-
	-	5,980	9,550	-	1,180	4,200	-
	-	423,731	221,289	259,066	3,911,636	3,504,907	245,722
	687,012	320,101	824,846	615,379	410,611	396,961	452,650
	103,772,381	101,340,618	94,555,248	92,645,335	92,339,621	87,685,771	81,472,229
	5,333,380	4,683,392	4,469,964	4,408,603	5,628,370	5,239,278	5,322,091
	416,705	394,965	276,861	304,742	257,022	222,305	194,088
	17,979,858	18,473,615	14,966,724	13,668,698	12,816,064	12,583,200	9,347,146
	1,128,710	881,603	1,155,121	946,038	1,171,892	1,134,149	1,031,494
	-	-	50,000	-	-	-	746,480
	24,858,653	24,433,575	20,918,670	19,328,081	19,873,348	19,178,932	16,641,299
	(78,913,728)	(76,907,043)	(73,636,578)	(73,317,254)	(72,466,273)	(68,506,839)	(64,830,930)
	69,520,738	69,595,652	57,251,732	55,555,688	52,869,625	53,148,033	51,979,998
	3,681,857	3,681,025	13,838,054	13,668,500	13,091,038	13,218,077	12,342,889
	1,983,863	2,193,496	2,379,601	2,114,987	2,021,133	2,343,147	1,990,542
	1,015,573	1,129,786	1,116,809	1,093,041	1,188,181	916,227	1,132,554
	1,179,191	1,174,142	1,063,464	1,118,033	1,133,467	904,536	823,881
	198,561	77,550	112,920	112,283	117,519	211,983	1,218,156
	132,606	103,829	210,294	328,599	21,754	23,915	50,509
	77,712,389	77,955,480	75,972,874	73,991,131	70,442,717	70,765,918	69,538,529
	(22,438,106)	-	-	(5,616,356)	-	-	-
\$	(23,639,445)	\$ 1,048,437	\$ 2,336,296	\$ (4,942,479)	\$ (2,023,556)	\$ 2,259,079	\$ 4,707,599

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2018	2017	2016	2015
General Fund				
Nonspendable	\$ -	\$ -	\$ 220,897	\$ -
Restricted	8,459,501	10,062,645	10,660,868	9,375,723
Assigned	1,818,221	3,149,076	3,878,526	2,937,037
Unassigned	7,530,892	4,595,463	4,440,708	6,967,407
Total general fund	<u>\$ 17,808,614</u>	<u>\$ 17,807,184</u>	<u>\$ 19,200,999</u>	<u>\$ 19,280,167</u>
All Other Governmental Funds				
Restricted, reported in				
Capital projects funds	\$ 65,751	\$ 64,941	\$ 119,026	\$ 58,014
Debt service funds	830,753	793,813	933,025	528,484
Special revenue funds	44,781	54,959	-	-
Unassigned	(1,965,786)	(963,369)	(1,000,838)	(613,168)
Total all other governmental funds	<u>\$ (1,024,501)</u>	<u>\$ (49,656)</u>	<u>\$ 51,213</u>	<u>\$ (26,670)</u>

Source of Information: Annual Financial Statements

Note: In 2011 the District implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The implementation required consolidation of certain funds into the General Fund. Additionally, new fund balance classifications were implemented.

2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ 103,823		
12,300,412	597,655	652,230	527,086		
5,257,911	5,873,486	5,031,313	4,780,999		
37,076,880	36,924,747	37,646,283	39,440,596		
\$ 54,635,203	\$ 43,395,888	\$ 43,329,826	\$ 44,852,504		

\$ 57,816	\$ 57,745	\$ -	\$ 57,646
1,632,075	1,779,462	1,800,734	1,427,735
2,035,658	12,190,374	10,507,794	9,583,198
-	-	14,298,682	-
\$ 3,725,549	\$ 14,027,581	\$ 26,607,210	\$ 11,068,579

General Fund			
Reserved	\$ 1,069,094	\$ 955,690	
Unreserved	39,282,463	39,618,661	
Total general fund	\$ 40,351,557	\$ 40,574,351	
All Other Governmental Funds			
Reserved	\$ -	\$ -	
Unreserved, reported in			
Capital projects funds	1,528,308	4,000,421	
Debt service funds	1,714,474	1,692,263	
Special revenue funds	16,383,914	14,556,631	
Total all other governmental funds	\$ 19,626,696	\$ 20,249,315	

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Governmental Funds Revenues

Last Ten Fiscal Years

	2018	2017	2016	2015
Local sources				
Property Taxes	\$ 78,806,895	\$ 78,242,170	\$ 76,021,811	\$ 75,186,458
Replacement taxes	1,033,145	1,234,712	1,111,519	1,015,573
Earnings on investment	1,420,815	31,159	379,241	198,561
Other local sources	4,961,582	4,794,202	6,673,424	5,973,068
Total local sources	86,222,437	84,302,243	84,185,995	82,373,660
State Sources				
General state aid	-	1,260,475	1,129,130	1,077,809
Evidence based funding formula	2,793,087	-	-	-
Other state aid	23,670,471	22,065,818	19,768,449	17,845,979
Total state sources	26,463,558	23,326,293	20,897,579	18,923,788
Federal sources	1,696,176	1,157,080	1,249,384	1,273,594
Total	\$ 114,382,171	\$ 108,785,616	\$ 106,332,958	\$ 102,571,042

Source of Information: Annual Financial Statements

2014	2013	2012	2011	2010	2009
\$ 75,470,173	\$ 73,469,387	\$ 71,339,175	\$ 67,981,796	\$ 68,709,257	\$ 66,313,429
1,129,786	1,116,809	1,093,041	1,188,181	916,227	1,132,554
77,550	112,920	112,283	117,519	211,983	1,218,156
5,284,133	4,957,119	5,179,363	5,907,146	5,485,498	6,175,749
81,961,642	79,656,235	77,723,862	75,194,642	75,322,965	74,839,888
1,094,513	1,063,464	1,409,383	1,769,560	904,536	823,881
-	-	-	-	-	-
18,241,032	15,657,221	13,133,877	12,022,511	11,598,077	9,376,683
19,335,545	16,720,685	14,543,260	13,792,071	12,502,613	10,200,564
1,091,866	1,175,001	1,139,695	1,443,574	1,429,998	921,496
\$ 102,389,053	\$ 97,551,921	\$ 93,406,817	\$ 90,430,287	\$ 89,255,576	\$ 85,961,948

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

	2018	2017	2016	2015
Current				
Instruction				
Regular Programs	\$ 34,361,700	\$ 33,703,802	\$ 38,091,188	\$ 34,930,831
Special Programs	11,691,267	11,091,718	9,772,888	12,110,860
Other Instructional Programs	8,406,792	8,239,790	9,159,003	5,895,392
State Retirement Contributions	21,909,635	18,579,214	16,522,220	14,946,207
Total Instruction	76,369,394	71,614,524	73,545,299	67,883,290
Supporting Services				
Pupils	9,105,300	8,619,215	8,635,650	7,330,215
Instructional Staff	3,029,604	2,959,776	2,323,664	2,526,804
General Administration	3,156,777	3,443,655	2,237,791	2,817,227
School Administration	2,146,663	2,356,882	2,398,529	2,695,438
Business	2,955,501	1,669,435	2,563,943	847,059
Transportation	4,505,316	3,821,845	3,660,428	3,473,183
Operations And Maintenance	5,122,992	4,935,965	5,895,573	6,349,545
Central	2,133,914	3,861,314	2,174,939	1,850,474
Other Supporting Services	-	-	-	-
Total Supporting Services	32,156,067	31,668,087	29,890,517	27,889,945
Community services	84,886	122,717	37,354	7,452
Payments to other districts	2,456,884	2,485,348	2,698,571	3,050,425
Total Current	111,067,231	105,890,676	106,171,741	98,831,112
Other				
Debt Service				
Principal	1,848,047	1,500,000	980,000	1,386,550
Interest	586,606	991,225	843,840	894,737
Capital Outlay	1,857,669	4,005,312	3,163,557	2,843,998
Total Other	4,292,322	6,496,537	4,987,397	5,125,285
Total	\$ 115,359,553	\$ 112,387,213	\$ 111,159,138	\$ 103,956,397
Debt services as a percentage of noncapital expenditure	2.15%	2.30%	1.69%	2.26%

Source of Information: Annual Financial Statements

	2014		2013		2012		2011		2010		2009
\$	34,244,591	\$	32,097,924	\$	31,783,434	\$	32,646,033	\$	30,139,199	\$	29,653,209
	10,180,297		10,129,337		10,267,577		10,169,280		9,953,894		8,916,569
	7,269,431		6,923,282		6,697,867		6,737,473		6,539,435		6,253,839
	15,784,187		12,238,718		10,724,680		9,656,723		9,487,830		6,767,807
	67,478,506		61,389,261		59,473,558		59,209,509		56,120,358		51,591,424
	7,079,717		5,879,065		5,866,553		5,752,027		5,552,028		5,365,326
	2,453,833		2,442,079		2,388,627		2,343,535		2,354,633		2,117,547
	2,154,695		1,881,941		1,790,510		1,936,129		1,930,468		1,809,474
	2,328,548		2,482,072		2,460,542		2,468,698		2,313,802		2,418,939
	1,108,281		621,011		628,682		560,330		510,849		500,822
	2,862,983		2,509,259		2,720,472		2,393,885		2,588,200		2,350,131
	6,422,099		7,116,704		6,957,328		7,587,825		7,032,763		6,618,761
	1,714,824		1,585,218		1,782,761		1,659,536		1,588,077		2,154,829
	-		-		3,100		-		2,625		-
	26,124,980		24,517,349		24,598,575		24,701,965		23,873,445		23,335,829
	5,980		9,550		-		1,180		4,200		-
	3,138,783		3,699,072		3,989,398		3,911,636		3,504,907		3,103,237
	96,748,249		89,615,232		88,061,531		87,824,290		83,502,910		78,030,490
	1,704,817		1,960,221		1,761,459		2,383,214		2,250,164		1,686,132
	959,857		965,497		578,236		444,520		559,327		480,894
	2,042,073		17,915,283		7,156,434		4,463,416		3,792,295		4,424,010
	4,706,747		20,841,001		9,496,129		7,291,150		6,601,786		6,591,036
\$	101,454,996	\$	110,456,233	\$	97,557,660	\$	95,115,440	\$	90,104,696	\$	84,621,526
	2.68%		3.16%		2.59%		3.13%		3.26%		2.70%

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Other Financing Sources, Uses, and Net Changes in Fund Balance

Last Ten Fiscal Years

	2018	2017	2016	2015
Excess of revenues over (under) expenditures	<u>\$ (977,382)</u>	<u>\$ (3,601,597)</u>	<u>\$ (4,826,180)</u>	<u>\$ (1,385,335)</u>
Other Financing Sources (Uses)				
Principal On Bonds Sold	-	14,700,000	4,800,000	-
Premium On Bonds Sold	-	-	-	-
Accrued Interest On Bonds Sold	-	-	-	-
Payments To Escrow Agent	-	(14,590,229)	-	-
Sale Of Capital Assets	3,967	34,455	24,895	-
Capital Lease Value	-	1,962,687	-	-
Total	<u>3,967</u>	<u>2,106,913</u>	<u>4,824,895</u>	<u>-</u>
Net change in fund balances	<u><u>\$ (973,415)</u></u>	<u><u>\$ (1,494,684)</u></u>	<u><u>\$ (1,285)</u></u>	<u><u>\$ (1,385,335)</u></u>

Source of Information: Annual Financial Statements

2014	2013	2012	2011	2010	2009
\$ 934,057	\$ (12,904,312)	\$ (4,150,843)	\$ (4,685,153)	\$ (849,120)	\$ 1,340,422
-	-	15,395,000	-	-	3,980,000
-	-	2,771,056	-	-	80,587
-	-	-	-	-	13,905
-	-	-	-	-	-
3,226	10,956	740	37,433	3,707	5,803
-	379,789	-	590,550	-	362,529
3,226	390,745	18,166,796	627,983	3,707	4,442,824
\$ 937,283	\$ (12,513,567)	\$ 14,015,953	\$ (4,057,170)	\$ (845,413)	\$ 5,783,246

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Equalized Assessed Valuation and
Estimated Actual Value of Taxable Property
Last Ten Fiscal Tax Years

Tax Year	Cook County	DuPage County	Percentage Increase/ (Decrease) Over Previous Year	Total DuPage County Direct Tax Rate	Actual Estimated Value*
2017	\$ 302,932,447	\$ 5,397,587,865	5.64%	1.4380	\$ 16,192,763,595
2016	221,723,243	5,093,284,040	6.60%	1.4731	15,279,852,120
2015	227,811,700	4,756,995,245	4.84%	1.5592	14,270,985,735
2014	224,841,440	4,526,671,784	-0.15%	1.5921	13,580,015,352
2013	237,739,100	4,533,399,886	-4.66%	1.5681	13,600,199,658
2012	254,192,457	4,749,999,545	-8.17%	1.4984	14,249,998,635
2011	322,647,761	5,126,872,731	-7.31%	1.3362	15,380,618,193
2010	326,387,396	5,553,152,167	-5.72%	1.2011	16,659,456,501
2009	309,213,610	5,927,070,147	0.81%	1.0948	17,781,210,441
2008	255,034,723	5,931,114,116	6.67%	1.0804	17,793,342,348

Tax Levy Year	Dupage County				
	Residential	Farm	Commercial	Industrial	Railroad
2017	\$ 4,735,759,092	\$ 108,747	\$ 542,352,191	\$ 117,659,150	\$ 1,708,685
2016	4,462,469,741	108,259	513,468,297	115,702,970	1,534,773
2015	4,161,681,395	73,895	484,903,634	108,983,128	1,353,193
2014	3,953,445,411	72,472	470,798,148	101,058,580	1,297,173
2013	3,967,314,276	72,238	464,444,660	100,288,120	1,280,592
2012	4,155,601,672	71,249	489,922,596	103,225,020	1,179,008
2011	4,492,888,703	64,770	522,906,666	109,921,590	1,091,002
2010	4,900,000,910	63,969	539,823,471	112,349,200	914,617
2009	5,221,982,275	59,800	584,404,907	119,785,560	837,605
2008	5,214,805,612	59,089	602,018,526	113,536,660	694,229

* Equalized Assessed Valuation is one-third of the Actual Estimated Value.

Source of information: DuPage County Levy,
Rate and Extension Reports for the years 2008 to 2017

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Property Tax Rates Direct and Overlapping

Governments

Last Ten Fiscal Tax Years

Taxing District	2017	2016	2015
DuPage County	\$ 0.1749	\$ 0.1848	\$ 0.1971
DuPage County Forest Preserve District	0.1306	0.1514	0.1622
DuPage Airport Authority	0.0166	0.0176	0.0188
Downers Grove Township	0.0331	0.0350	0.0368
Downers Grove Township Road District	0.0512	0.0524	0.0550
Grade School District 181	2.5456	2.5828	2.7350
Community College 502	0.2431	0.2626	0.2786
Village of Hinsdale & Library	0.5104	0.5310	0.5626
Total overlapping rate	3.7055	3.8176	4.0461
Hinsdale Township High School District No. 86	1.4380	1.4952	1.5727
Total rate	\$ 5.1435	\$ 5.3128	\$ 5.6188

Source of information: DuPage County Levy,
Rate and Extension Tax Reports for the years 2008 to 2017

	2014		2013		2012		2011		2010		2009		2008
\$	0.2057	\$	0.2040	\$	0.1929	\$	0.1773	\$	0.1659	\$	0.1554	\$	0.1557
	0.1691		0.1657		0.1542		0.1414		0.1321		0.1217		0.1206
	0.0196		0.0178		0.0168		0.0169		0.0158		0.0148		0.0160
	0.0378		0.0368		0.0343		0.0307		0.0281		0.0256		0.0254
	0.0564		0.0549		0.0512		0.0459		0.0420		0.0382		0.0379
	2.8455		2.8094		2.6965		2.3877		2.1353		1.9023		1.8306
	0.2975		0.2956		0.2681		0.2495		0.2349		0.2127		0.1858
	0.5858		0.5711		0.5457		0.4928		0.4538		0.4024		0.3888
	4.2174		4.1553		3.9597		3.5422		3.2079		2.8731		2.7608
	1.6227		1.5681		1.4984		1.3362		1.2011		1.0948		1.0804
\$	5.8401	\$	5.7234	\$	5.4581	\$	4.8784	\$	4.4090	\$	3.9679	\$	3.8412

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Principal Property Tax Payers in the District

Current Year and Nine Years Ago

Name	Type of Business	Equalized Assessed Valuation	Percentage Of District's Total Equalized Assessed Valuation
<u>Year Ended June 30, 2018</u>			
McDonalds Corporation	Headquarter-Fast Food Chain	\$24,295,340	0.46 %
TGM Willowbrook Inc.	Apartments	22,195,241	0.42
ASVRF Real Estate Corp.	Commercial Property	17,697,930	0.33
Ag Oak Brook Ex Park Vent	Commercial Property	15,967,790	0.30
USB Realty Investors LLC	Shopping center	13,785,960	0.26
Adventus US Realty 4 LP	Commercial Property	12,773,480	0.24
Harlem Irving Companies	Commercial Property	12,308,710	0.23
Three Galleria Tower	Apartments	11,461,682	0.22
OB I LLC	Commercial Property	10,209,460	0.19
Case Corp	Commercial Property	10,118,190	0.19
Total		<u>\$ 150,813,783</u>	<u>2.84 %</u>
<u>Year Ended June 30, 2009</u>			
McDonalds Corporation	Headquarter-Fast Food Chain	\$ 29,282,860	0.50 %
National Tax Search	Office buildings/Restaurant	19,146,920	0.33
SFERS Real Estate Corp.	Office buildings	18,337,300	0.32
Hinsdale Management Co.	Office buildings	17,561,790	0.30
Kensington Road Apartments	Office Center	13,467,500	0.23
Ipers Willowbrook Inc.	Apartments	19,868,980	0.34
Credit Management, LP	Shopping Center	11,998,180	0.21
OB I, LLC	Office Buildings and Hotel	11,716,020	0.20
Equity Office Properties	Office Building	9,542,020	0.16
Prime Group Realty Trust	Commercial Properties	9,311,810	0.16
		<u>\$ 160,233,380</u>	<u>2.75 %</u>

*The figures above are totals of numerous parcels with Cook and DuPage Counties' 2017 equalized assessed valuations greater than \$300,000 as recorded in the DuPage County Assessor's office and \$100,000 in Cook County Assessor's office. They were compiled from a meticulous page by page search of a listing of such records. It is possible however, that certain parcels may have been overlooked.

Source: Cook and DuPage Counties, York and Downers Grove Township Assessor's Offices

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Property Tax Rates, Extensions, And Collections

Last Ten Fiscal Years

	2017	2016	2015	2014
Educational	1.1407	1.2025	1.2200	1.2377
Tort immunity	0.0108	0.0139	0.0145	0.0149
Special education	0.0352	0.0366	0.0383	0.0395
Operations and maintenance	0.1263	0.1229	0.1681	0.2101
Debt Service	0.0339	0.0270	0.0353	0.0371
Transportation	0.0494	0.0407	0.0426	0.0385
Working cash	0.0003	0.0076	0.0000	0.0000
Municipal retirement	0.0146	0.0168	0.0255	0.0190
Social Security	0.0268	0.0272	0.0284	0.0259
Total rates extended	1.4380	1.4952	1.5727	1.6227
Property tax extensions				
Educational	\$ 65,405,852	\$ 64,486,983	\$ 60,814,645	\$ 58,809,479
Tort Immunity	619,016	744,101	722,797	707,975
Special Education	2,017,536	1,961,238	1,909,181	1,876,848
Operations and maintenance	7,241,397	6,590,609	8,414,354	9,982,929
Debt Service	1,947,427	1,435,052	1,759,637	1,762,811
Transportation	2,832,431	2,184,468	2,103,589	1,829,333
Working cash	17,195	409,256	-	-
Municipal Retirement	836,819	903,551	1,271,126	902,788
Social Security	1,536,413	1,456,312	1,400,731	1,230,642
Total levies extended	\$ 82,454,086	\$ 80,171,570	\$ 78,396,060	\$ 77,102,805
Collected in first year of levy	46,111,834	40,434,063	39,452,276	37,807,539
Collected in subsequent years	-	38,742,716	38,159,823	38,225,974
Total collections	\$ 46,111,834	\$ 79,176,779	\$ 77,612,099	\$ 76,033,513
Percentage collected in first year	55.92%	50.43%	50.32%	49.04%
Percentage collected	55.92%	98.76%	99.00%	98.61%

Note: The District's ability to increase property tax levels is limited by the Property Tax Extension Limitation Act passed by the Illinois legislature in 1994. The legislation limits the levy increase to the lesser of the increase in consumer price index or five percent of existing property values.

Tax rates are expressed in dollars per one hundred of assessed valuation

Source of information: DuPage County Levy, Rate, and Extension Reports for 2008-2017.

2013	2012	2011	2010	2009	2008
1.1953	1.1358	1.0040	0.9176	0.8269	0.8166
0.0145	0.0136	0.0110	0.0104	0.0096	0.0097
0.0381	0.0361	0.1770	0.1557	0.1459	0.1498
0.2023	0.1922	0.0325	0.0228	0.0195	0.0184
0.0411	0.0473	0.0334	0.0341	0.0279	0.0233
0.0371	0.0354	0.0174	0.0166	0.0151	0.0134
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0203	0.0194	0.0449	0.0301	0.0373	0.0372
0.0194	0.0186	0.0160	0.0138	0.0126	0.0120
1.5681	1.4984	1.3362	1.2011	1.0948	1.0804
\$ 57,520,570	\$ 57,064,710	\$ 54,344,336	\$ 53,905,491	\$ 51,789,063	\$ 51,319,179
696,238	683,083	595,559	611,053	603,378	609,705
1,830,946	1,814,097	1,759,683	1,339,455	1,224,750	9,441,391
9,724,825	9,659,774	9,585,540	9,149,133	9,161,485	1,158,973
1,980,287	2,381,412	2,435,119	1,771,889	2,341,978	1,467,032
1,783,307	1,778,643	1,808,584	2,003,454	1,751,247	842,627
-	-	-	-	-	-
975,598	974,415	941,917	975,183	947,960	2,343,747
932,493	934,237	866,440	810,511	790,741	754,751
\$ 75,444,264	\$ 75,290,371	\$ 72,337,178	\$ 70,566,169	\$ 68,610,602	\$ 67,937,405
36,735,667	36,024,189	35,688,360	34,612,137	32,380,476	31,605,639
38,506,461	38,952,481	36,421,398	35,760,269	36,047,346	36,142,010
\$ 75,242,128	\$ 74,976,670	\$ 72,109,758	\$ 70,372,406	\$ 68,427,822	\$ 67,747,649
48.69%	47.85%	49.34%	49.05%	47.19%	46.52%
99.73%	99.58%	99.69%	99.73%	99.73%	99.72%

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Ratio of Outstanding Debt By Type

Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt	Debt Certificates	Capital Leases	Total	Percentage of Estimated Actual Taxable Value of Property	General Debt Per Capita
2018	\$ 21,746,238	\$ -	\$ 1,484,640	23,230,878	0.14%	307
2017	23,145,120	-	1,962,687	25,107,807	0.16%	332
2016	24,179,969	-	-	24,179,969	0.18%	319
2015	20,486,344	80,000	-	20,566,344	0.13%	183
2014	21,769,069	265,000	126,550	22,160,619	0.13%	256
2013	23,376,794	445,000	251,368	24,073,162	0.14%	279
2012	25,031,056	615,000	196,800	25,842,856	0.14%	300
2011	8,275,000	775,000	388,259	9,438,259	0.05%	122
2010	10,180,000	930,000	120,923	11,230,923	0.06%	145
2009	12,000,000	1,080,000	401,087	13,481,087	0.07%	174

Source of information: Annual Financial Statements

Note: Population estimates were based on official U.S. Census, Local, City, Village and School data.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Computation of Direct and Overlapping Debt

June 30, 2018

Taxing Authority	2017 Total Equalized Assessed Valuation	Outstanding Bonds	Applicable to District	
			Percent	Amount
Hinsdale Township High School District Number 86	\$ 5,700,520,312	\$21,680,000	100.000%	\$21,680,000
DuPage County	38,247,977,262	31,845,000 (2)	14.123%	4,497,469
DuPage County Forest Preserve	38,247,977,262	111,711,749 (3)	14.123%	15,777,050
Cook County	150,817,077,698	3,085,186,750	0.201%	6,201,225
Cook County Forest Preserve	150,817,077,698	150,960,000	0.201%	303,430
Metropolitan Water Reclamation District	147,945,823,261	2,480,560,091 (1)	0.205%	5,085,148
Municipalities				
Village of Clarendon Hills	566,649,956	0 (2)	93.402%	0
City of Darien	859,404,539	6,600,000	59.507%	3,927,462
Village of Hinsdale	1,916,260,875	1,490,000 (2)	99.896%	1,488,450
Village of Lemont	677,095,810	0 (2)	0.066%	0
Village of Westmont	839,446,499	0 (2)	21.166%	0
Village of Willowbrook	438,994,073	0 (2)	100.000%	0
Special Service Areas				
Clarendon Hills #13	1,283,970	7,000	100.000%	7,000
Clarendon Hills #15	12,528,670	0 (2)	100.000%	0
Hinsdale #13	66,131,542	865,000	100.000%	865,000
Willowbrook #1	10,475,080	2,435,000	100.000%	2,435,000
Park Districts				
Burr Ridge Park District	772,516,910	3,285,000	100.000%	3,285,000
Clarendon Hills Park District	566,085,216	1,032,000	93.395%	963,836
Darien Park District	851,330,759	1,805,790 (2)	60.071%	1,084,756
Oak Brook Park District	1,535,720,226	2,553,552	60.074%	1,534,021
Oakbrook Terrace Park District	300,582,758	781,000	4.331%	33,825
Westmont Park District	857,159,869	857,100 (2)	20.406%	174,900
Miscellaneous Districts				
Darien-Woodridge Fire District	1,125,972,858	0 (2)	15.449%	0
School Districts				
#53	900,014,963	525,000	100.000%	525,000
#60	609,457,059	12,370,000	77.162%	9,544,939
#61	482,281,425	4,230,000	54.038%	2,285,807
#62	732,676,158	5,260,000	100.000%	5,260,000
#63	333,558,161	3,662,313 (2)(96.516%	3,534,718
#181	2,714,254,023	90,610,000 (2)	100.000%	90,610,000
College of DuPage #502	43,277,237,219	151,525,000 (2)	13.187%	19,981,602
Total Direct and Overlapping General Obligation Bonded Debt				<u>\$201,085,638</u>

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Excludes outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation. Also excludes installment contracts, loans, notes and debt certificates.

(3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

Source: Offices of the Cook and DuPage County Clerks, Cook County Comptroller and Treasurer of Metropolitan Water Reclamation District of Greater Chicago

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Legal Debt Margin Information

Last Ten Fiscal Years

	2018	2017	2016	2015
Legal debt limit (6.9% of equalized assessed valuation)	<u>\$ 372,433,563</u>	<u>\$ 367,383,372</u>	<u>\$ 343,951,679</u>	<u>\$ 327,854,412</u>
General Bonded debt outstanding General obligation bonds/debt certificates	21,759,640	23,050,000	22,220,000	18,400,000
Less: Amounts set aside to repay general debt	<u>(830,753)</u>	<u>793,813</u>	<u>933,025</u>	<u>528,484</u>
Total net debt applicable to debt limit	<u>22,590,393</u>	<u>22,256,187</u>	<u>21,286,975</u>	<u>17,871,516</u>
Legal debt margin	<u>\$ 349,843,170</u>	<u>\$ 345,127,185</u>	<u>\$ 322,664,704</u>	<u>\$ 309,982,896</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>93.93%</u>	<u>93.94%</u>	<u>93.81%</u>	<u>94.55%</u>

Legal Debt Margin calculation for fiscal year June 30, 2018

Assessed valuation of taxable properties for the tax year 2017	<u>\$ 5,397,587,865</u>
Rate	<u>6.9%</u>
Bonded debt limit	<u>372,433,563</u>
Debt subject to limitation: General obligation bonds payable	<u>21,759,640</u>
Total debt subject to limitation	<u>21,759,640</u>
Less Debt Service Fund balance	<u>830,753</u>
Net Debt outstanding subject to limitation	<u>22,590,393</u>
Legal bonded debt margin at June 30, 2018	<u>\$ 349,843,170</u>

Source of Information: Annual Financial Statements

2014	2013	2012	2011	2010	2009
\$ 329,954,232	\$ 346,067,193	\$ 376,813,181	\$ 406,469,532	\$ 431,132,579	\$ 430,582,613
19,660,000	21,240,000	22,875,000	9,050,000	11,110,000	13,080,000
1,632,074	1,779,462	1,800,734	1,427,735	1,714,474	1,692,263
18,027,926	19,460,538	21,074,266	7,622,265	9,395,526	11,387,737
\$ 311,926,306	\$ 326,606,655	\$ 355,738,915	\$ 398,847,267	\$ 421,737,053	\$ 419,194,876
94.54%	94.38%	94.41%	98.12%	97.82%	97.36%

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Demographic And Economic Statistics - Population

June 30, 2018

Name of Entity	1990	2000	2010	% Change
County				
Cook County	5,105,067	5,376,741	5,194,675	-3.50%
DuPage County	781,666	904,161	916,924	1.39%
Municipalities				
Village of Burr Ridge	7,669	10,408	10,559	1.43%
Village of Clarendon Hills	6,994	7,610	8,427	9.70%
Village of Hinsdale	16,029	17,349	16,816	-3.17%
Village of Oak Brook	9,178	8,702	7,883	-10.39%
Village of Westmont	21,228	24,554	24,685	0.53%
Village of Willowbrook	8,598	8,967	8,540	-5.00%
Miscellaneous				
City of Darien	18,341	22,860	22,086	-3.50%
State of Illinois	11,430,602	12,419,293	12,830,632	3.21%

Source of information: U.S. Census Bureau

Note: Personal income data was not available for the District.

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86
Demographic and Economic Statistics - Median Household Income
June 30 , 2018

	VILLAGE OF BURR RIDGE		VILLAGE OF CLARENDON HILLS		CITY OF DARIEN	
	Number	Percent	Number	Percent	Number	Percent
Total:	4,395		3,045		8,947	
Less than \$10,000	165	3.75%	54	1.77%	441	4.93%
\$10,000 to \$14,999	90	2.05%	66	2.17%	247	2.76%
\$15,000 to \$19,999	63	1.43%	127	4.17%	204	2.28%
\$20,000 to \$24,999	68	1.55%	106	3.48%	299	3.34%
\$25,000 to \$29,999	69	1.57%	102	3.35%	171	1.91%
\$30,000 to \$34,999	34	0.77%	144	4.73%	299	3.34%
\$35,000 to \$39,999	56	1.27%	44	1.44%	248	2.77%
\$40,000 to \$44,999	133	3.03%	13	0.43%	363	4.06%
\$45,000 to \$49,999	175	3.98%	51	1.67%	304	3.40%
\$50,000 to \$59,999	89	2.03%	122	4.01%	589	6.58%
\$60,000 to \$74,999	452	10.28%	335	11.00%	926	10.35%
\$75,000 to \$99,999	263	5.98%	260	8.54%	1,318	14.73%
\$100,000 to \$124,999	515	11.72%	308	10.11%	1,024	11.45%
\$125,000 to \$149,999	309	7.03%	151	4.96%	589	6.58%
\$150,000 to \$199,999	455	10.35%	380	12.48%	921	10.29%
\$200,000 or more	1,459	33.20%	782	25.68%	1,004	11.22%
	VILLAGE OF HINSDALE		VILLAGE OF OAK BROOK		VILLAGE OF WESTMONT	
	Number	Percent	Number	Percent	Number	Percent
Total:	5,571		3,024		10,853	
Less than \$10,000	164	2.94%	65	2.15%	866	7.98%
\$10,000 to \$14,999	74	1.33%	125	4.13%	590	5.44%
\$15,000 to \$19,999	68	1.22%	26	0.86%	543	5.00%
\$20,000 to \$24,999	145	2.60%	51	1.69%	581	5.35%
\$25,000 to \$29,999	94	1.69%	67	2.22%	516	4.75%
\$30,000 to \$34,999	70	1.26%	42	1.39%	480	4.42%
\$35,000 to \$39,999	38	0.68%	72	2.38%	601	5.54%
\$40,000 to \$44,999	160	2.87%	125	4.13%	412	3.80%
\$45,000 to \$49,999	120	2.15%	61	2.02%	373	3.44%
\$50,000 to \$59,999	200	3.59%	119	3.94%	649	5.98%
\$60,000 to \$74,999	320	5.74%	133	4.40%	1,170	10.78%
\$75,000 to \$99,999	381	6.84%	201	6.65%	1,284	11.83%
\$100,000 to \$124,999	300	5.39%	244	8.07%	891	8.21%
\$125,000 to \$149,999	359	6.44%	217	7.18%	472	4.35%
\$150,000 to \$199,999	546	9.80%	372	12.30%	532	4.90%
\$200,000 or more	2,532	45.45%	1,104	36.51%	893	8.23%
	VILLAGE OF WILLOWBROOK		COUNTY OF COOK		COUNTY OF DUPAGE	
	Number	Percent	Number	Percent	Number	Percent
Total:	3,945		1,951,606		338,987	
Less than \$10,000	160	4.06%	166,238	8.52%	12,998	3.83%
\$10,000 to \$14,999	36	0.91%	93,497	4.79%	7,932	2.34%
\$15,000 to \$19,999	187	4.74%	98,127	5.03%	10,153	3.00%
\$20,000 to \$24,999	121	3.07%	98,213	5.03%	10,756	3.17%
\$25,000 to \$29,999	187	4.74%	88,228	4.52%	10,811	3.19%
\$30,000 to \$34,999	138	3.50%	89,442	4.58%	12,159	3.59%
\$35,000 to \$39,999	149	3.78%	82,856	4.25%	11,684	3.45%
\$40,000 to \$44,999	218	5.53%	84,143	4.31%	13,064	3.85%
\$45,000 to \$49,999	175	4.44%	70,300	3.60%	11,374	3.36%
\$50,000 to \$59,999	430	10.90%	141,648	7.26%	22,735	6.71%
\$60,000 to \$74,999	576	14.60%	183,464	9.40%	32,719	9.65%
\$75,000 to \$99,999	415	10.52%	233,500	11.96%	46,329	13.67%
\$100,000 to \$124,999	289	7.33%	166,097	8.51%	38,986	11.50%
\$125,000 to \$149,999	166	4.21%	103,099	5.28%	25,543	7.54%
\$150,000 to \$199,999	270	6.84%	116,722	5.98%	32,608	9.62%
\$200,000 or more	428	10.85%	136,032	6.97%	39,136	11.54%
	STATE OF ILLINOIS					
	Number	Percent				
Total:	4,802,124					
Less than \$10,000	341,280	7.11%				
\$10,000 to \$14,999	212,171	4.42%				
\$15,000 to \$19,999	229,808	4.79%				
\$20,000 to \$24,999	233,284	4.86%				
\$25,000 to \$29,999	215,853	4.49%				
\$30,000 to \$34,999	223,873	4.66%				
\$35,000 to \$39,999	209,353	4.36%				
\$40,000 to \$44,999	211,444	4.40%				
\$45,000 to \$49,999	184,289	3.84%				
\$50,000 to \$59,999	363,985	7.58%				
\$60,000 to \$74,999	478,067	9.96%				
\$75,000 to \$99,999	612,265	12.75%				
\$100,000 to \$124,999	431,201	8.98%				
\$125,000 to \$149,999	267,312	5.57%				
\$150,000 to \$199,999	289,346	6.03%				
\$200,000 or more	298,593	6.22%				

HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2016 INFLATION-ADJUSTED DOLLARS)
2012-2016 American Community Survey 5-Year Estimates

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Principal Employers

Current Year And Nine Years Ago

Firm	Type of Business	Approximate Employment	Percentage of Total Employment
<u>Year Ended June 30, 2018</u>			
Argonne Research Laboratory	Laboratory	3,200	10.30% %
McDonalds Corporation	Headquarters - fast food chain	2,000	6.44%
Adventist Hinsdale Hospital	Hospital	1,560	5.02%
A.M. Castle & Co. HQ	Metal distribution	950	3.06%
Ace Hardware Corp.	Wholesale hardware co-op	900	2.90%
Novipax, LLC	Manufacturer	900	2.90%
C.N.H America, LLC	Product development and engineering	800	2.57%
Advocate Health Care	Healthcare services	800	2.57%
Nordstrom	Department store	700	2.25%
Hinsdale Township HS Dist. 86	Public high school district	630	2.03%
Citgo Petroleum	Oil and gas supplier	500	1.61%
Crowe Horwath, LLP	Public accounting firm	500	1.61%
Continental Electrical Construction	Construction company	450	1.45%
Inland Real Estate Corporation	Real estate corporation	445	1.43%
RML Specialty Hospital	Hospital	392	1.26%
Total		14,727	47.40% %
<u>Year Ended June 30, 2009</u>			
McDonalds Corporation	Headquarters - fast food chain	2,200	N/A
Adventist Hinsdale Hospital	Hospital	2,225	N/A
Ace Hardware Corp	Wholesale hardware co-op	1,000	N/A
Inland Group	Real estate investment services	1,097	N/A
Nordstrom	Department store	700	N/A
Hinsdale Township HS Dist. 86	Public high school district	603	N/A
TCF National Bank of Illinois	Bank headquarters	3,500	N/A
Advocate Home Health Care	Home health care	1,200	N/A
Planetechs, LLC	Corporate headquarters	1,000	N/A
Sanford Corp.	Corporate headquarters & art materials	600	N/A
Crowe, Chizek & Co., LLP	Accounting services	550	N/A
		14,675	

**The 2017 estimated total employment in High School District 86 was approximately 30,072.

*** Includes companies and institutions located in the communities in which the District is located but not necessarily within the boundaries of the District.

Sources:

2017 Illinois Manufacturers Directory
 2017 Illinois Services Directory
 Reference USA.com
 Phone Canvass of Employer
 Official Website of Employer
 Phone Canvass of employers.
 2008 Illinois Manufactures' News and 2008 Illinois Services Directories
 2008 Harris Illinois Industrial Directory
 Illinois Department of Employment Security

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Demographic and Economic Statistics-Average Unemployment Rates

Last Ten Years

	VILLAGE OF BURR RIDGE	VILLAGE OF CLARENDON HILLS	CITY OF DARIEN	VILLAGE OF HINDSDALE	VILLAGE OF OAK BROOK
2008 - Average	1.8	1.7	3.9	4.0	5.8
2009 - Average	3.1	2.9	6.6	6.7	9.7
2010 - Average	3.1	2.9	6.6	6.7	9.6
2011 - Average	2.4	3.4	6.1	6.4	9.2
2012 - Average	2.1	3.1	5.5	5.8	8.4
2013 - Average	7.8	6.7	7.5	7.3	6.6
2014 - Average	6.1	5.0	6.0	5.5	5.4
2015 - Average	4.1	4.1	4.6	4.7	4.9
2016 - Average	4.2	4.3	4.8	4.8	4.6
2017- Average	3.4	3.6	4.1	3.7	3.9

Source of information: State of Illinois Department of Employment Security

VILLAGE OF WESTMONT	VILLAGE OF WILLOWBOOK	COUNTY OF DUPAGE	COUNTY OF COOK	STATE OF ILLINOIS
5.1	4.5	5.0	6.5	6.4
8.5	7.6	8.4	10.3	10.0
8.5	7.5	8.3	10.5	10.4
8.1	7.2	10.4	10.3	9.7
7.4	6.5	7.3	9.3	8.9
7.7	7.2	5.6	9.6	7.4
5.8	5.5	5.8	7.5	7.1
4.7	4.2	4.7	6.2	5.9
4.6	5.2	4.8	6.1	5.9
4.0	4.0	4.1	5.2	5.0

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

Operating Statistics

Last Ten Fiscal Years

Fiscal Year	(1) Expenditure	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Record
2018	\$ 80,437,912	4,333	\$ 20,145	3.04%	374	11.6	94.00%
2017	80,046,109	4,317	19,551	6.00%	376	11.5	94.00%
2016	81,252,207	4,412	18,444	5.94%	369	12.0	93.80%
2015	77,300,936	4,440	17,410	2.83%	371	12.0	93.30%
2014	75,966,601	4,487	16,930	-30.03%	377	11.9	93.40%
2013	110,456,233	4,565	24,196	12.30%	372	12.3	94.30%
2012	97,557,660	4,528	21,545	2.57%	373	12.1	94.20%
2011	95,115,440	4,528	21,006	6.77%	364	12.4	94.20%
2010	90,104,696	4,580	19,674	4.85%	361	12.7	93.89%
2009	84,621,526	4,510	18,763	10.42%	359	12.6	94.04%

Source of information: District records.

(1) Total allowance for per capita tuition computation

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

School Building Information

Last Ten Fiscal Years

	2018	2017	2016
Hinsdale Central High School (1947)			
Buildings (square feet) ^d	478,425	478,425	478,425
Available capacity (students)	2,515	2,515	2,515
Enrollment (students housed)	2,786	2,765	2,806
Hinsdale South High School (1965)			
Buildings (square feet) ^d	468,458	468,458	468,458
Available capacity (students)	1,705	1,705	1,705
Enrollment (students housed)	1,483	1,507	1,578
Hinsdale Twp HSD 86 Adult Opportunities Program ^c			
Buildings (square feet) ^{d,e}	8,700	8,700	N/A
Available capacity (students) ^f	42	42	N/A
Enrollment (students housed)	64	45	28

^a Student capacity was updated by the District during the 2017-18 school year. The District completed and published its initial Student Capacity and Space Utilization Report. Target capacity is 80% of the target enrollment cap identified in the report.

^b Enrollment numbers have been updated to reflect the fall housing report that is compiled by the Illinois State Board of Education. The report can be found at:
<https://www.isbe.net/Pages/Fall-Enrollment-Counts.aspx>.

^c The Adult Opportunities Program (aka Transition Center) was assigned its own RCDTS number for the 2014-15 school year.

^d The Transition Center renovation was completed in the summer of 2016. The space was opened for students in the fall of 2016. Prior to that, the program met in leased space.

^e Buildings (square feet) was recalculated during the Student Capacity Report process in 2017-18.

^f Capacity is determined by educational needs of the students. Not all students enrolled in the Adult Opportunities Program attend the Transition Center building. The District leases additional space to meet program needs.

Source of information: District building and enrollment records

2015	2014	2013	2012	2011	2010	2009
478,425	478,425	478,425	478,425	478,425	478,425	478,425
2,515	2,515	2,515	2,515	2,515	2,515	2,515
2,778	2,777	2,830	2,780	2,721	2,755	2,686
468,458	468,458	468,458	468,458	468,458	468,458	468,458
1,705	1,705	1,705	1,705	1,705	1,705	1,705
1,632	1,710	1,735	1,748	1,807	1,825	1,824
N/A						
N/A						
30						

HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86

School District Employees by Function

Last Nine Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Teachers	332	334	328	330	336	336	338	329	326
Counselors	20	20	20	21	21	24	23	23	23
Social Workers	11	12	11	9	9	5	5	5	5
Librarians	5	5	6	7	7	7	7	7	7
Psychologists	5	5	4	4	4	0	0	0	0
Administration	25	26	25	22	16	16	16	16	16
Aides/Student Safety	117	107	104	106	89	93	98	94	100
Buildings & Grounds	31	29	34	35	38	40	39	40	39
Information Technology	10	7	9	9	10	10	10	10	10
Support Staff	71	70	69	70	70	70	69	65	64
	<hr/>								
Total	627	615	610	613	600	601	605	589	590

Note: Data prior to fiscal year 2010 is not available. Employee data has been updated to reflect full-time equivalents.

Source of information: District records - full time equivalents.