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Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2010

Elk Grove Township Schools
Arlington Heights, Illinois

Prepared by the Business Services Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

ARLINGTON HEIGHTS, ILLINOIS

For the Fiscal Year Ended June 30, 2010

Officials Issuing Report

Dr. Daniel Schweers, Superintendent of Schools
Mrs. Ruth S. Gloede, Assistant Superintendent for Business Services

Department Issuing Report

Business Office

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2010

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INTRODUCTORY SECTION

Community Consolidated School District 59
Principal Officers and Advisors

Board of Education

Thomas Dowd	President
Sharon Roberts	Vice President
Brian Gilligan	Secretary
Brian Kiel	Member
Mardell Schumacher	Member
Barbara Somogyi	Member
Robert Weber	Member

Township Board of School Trustees

Russell Nowak	President
Chuck Serchuk	Member
Arthur Nidwiardowski	Member

Township School Treasurer

Dennis Saviano, C.P.A.	Treasurer
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District Administrators

Dr. Daniel R. Schweers, Ph.D.	Superintendent
Dr. Nancy Wagner	Assistant Superintendent for Instruction
Tom Luedloff	Assistant Superintendent for Human Resources
Ruth Gloede	Assistant Superintendent for Business Services

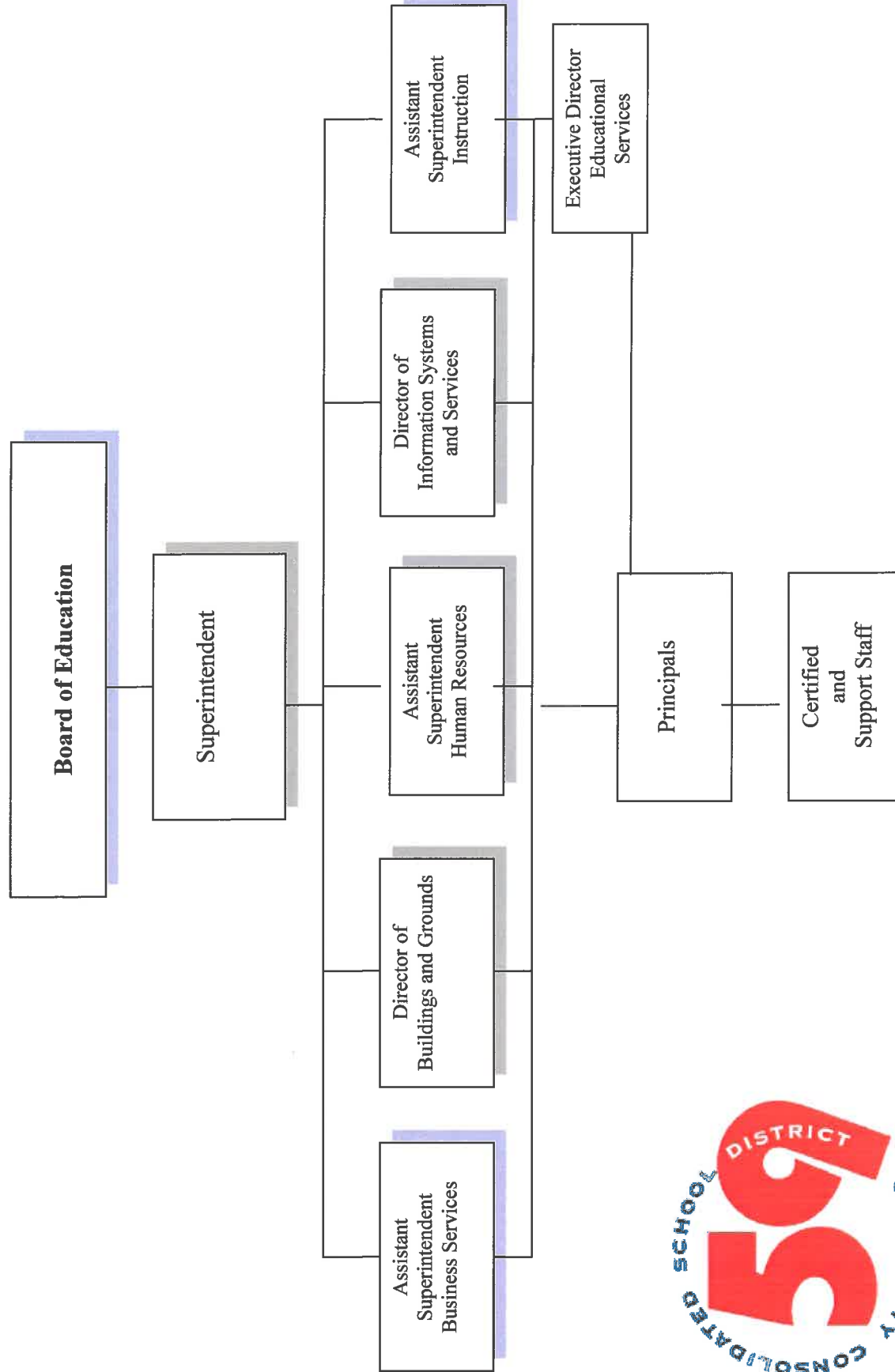
Official Issuing Report

Ruth Gloede	Assistant Superintendent for Business Services
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Department Issuing Report

Business Services

Community Consolidated School District 59 Organizational Chart





**Community Consolidated School District 59
Elk Grove Township Schools
2123 S. Arlington Heights Road
Arlington Heights, IL 60005**

October 12, 2010

President and Members of the Board of Education
Community Consolidated School District 59
2123 South Arlington Heights Road
Arlington Heights, Illinois 60005

The Comprehensive Annual Financial Report of Community Consolidated School District 59 (District) for the fiscal year ended June 30, 2010 is submitted herewith. The audit fieldwork was completed on September 14, 2010 and the report was subsequently issued. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosure, rests with the District. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the 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 this transmittal letter, the District's organizational chart, a list of principal officials, and the ASBO Certificate of Excellence. The Financial Section includes the Management's Discussion and Analysis (MD&A), basic financial statements including government-wide financial statements, governmental funds and other supplemental information. Also included is the auditor's report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of federal awards, findings, recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations are filed separately.

This report includes all funds of the District. The District reports on the full accrual basis of accounting for its government-wide financial statements and modified accrual for its fund financial statements. These bases are applied to the District's budget and accounting records. The Notes to Basic Financial Statements expand upon these bases as well as the District's accounting policies and procedures. All District funds are included in this report and have been audited by Crowe Chizek and Company LLC.

Generally Accepted Accounting Principles (GAAP) require the District to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the MD&A. This letter of transmittal directs the reader to the MD&A for a comprehensive view of the District's financial condition. The District's MD&A can be found immediately following the Independent Auditor's Report.

GENERAL DISTRICT INFORMATION

The District is a consolidated elementary (K-8) school district in Elk Grove Township, Illinois, which operates as a single district. Students who attend the District's school reside in four suburban communities: Elk Grove Village, Des Plaines, Arlington Heights, and Mount Prospect. During the 2009/10 school year, 6,033 K-8 students attended the District's eleven elementary (Grades K-5) and three junior high (Grades 6-8) schools. The 2009/10 enrollment represents a 2.5% increase over the previous year. Enrollment projections show minimal fluctuations, with an estimated enrollment of 6,200 in 2012/13.

Since the 2008/09 school year, District 59 has been without one ethnic or racial group that comprised 50% or more of the entire student population. Instead, the largest racial/ethnic group is White at 43%, and this proportion represents a five percentage point decrease from the prior school year. The second largest group is the Hispanic population that increased by two points to 36%. The Asian and Black populations were relatively unchanged at 11% and 3%, respectively, but the Multi-racial/ethnic group increased by two points to 6%. The Native American/Alaskan population remained as the smallest ethnic group with 10 students and comprises less than 1% of the entire population.

The District provides a comprehensive educational program leading to skills that enable a child to function efficiently and effectively in our society. Kindergarten through eighth grade educational programming includes the seven core areas established by the State Board of Education: English/Language Arts, Mathematics, Science, Social Science, Physical Development and Health, Fine Arts and Foreign Language. Supplementing the core areas are a full range of support services including: math and reading support; psychological, social work, health and speech therapy services; English-language and bilingual instruction for non-English speaking students; and gifted education. In addition, instructional programming enhancements include band, orchestra, choral music, visual arts, dance, theatre, physical education, life skills, and industrial technology.

To meet the needs of students requiring special education services, the District provides both inclusive and self-contained programming. Additional instructional placements and support as well as diagnostic services are provided through the District's membership in the Northwest Suburban Special Education Organization (NSSEO), an eight-district member special education cooperative.

The District 59 pre-school program serves approximately 178 three and four year old students in its blended special education, at-risk, and typically-developing classrooms during the 2009/10 school year.

The governing body consists of a seven member Board of Education elected from within the District's boundaries, and a three member Board of Trustees elected by the registered voters of Elk Grove Township. The District's boundaries consist of approximately 80% of Elk Grove Township.

A very favorable location adjacent to O'Hare International Airport, convenient transportation, and strong commercial and industrial development has led to a growing equalized assessed valuation (EAV). The District 59's 2008 EAV totals more than \$3.9 billion and is comprised of only 33% residential property values and 67% commercial and industrial property values, which is the most recent information that is available. As a result, the aggregate tax rate for District 59 (1.945%) remains the lowest among all northwest suburban school districts.

In April 2003, the District was successful in passing a referendum authorizing a \$5 million debt service extension base (DSEB). In July 2003, the District proceeded to issue \$38,515,000 in limited bonds for funding purposes by refunding the District's outstanding Series 1996, 1998, and 1999 bond issues. The District is authorized to issue from time to time additional limited bonds payable from the DSEB, as permitted by law and did so in October 2009 in the amount of \$7.7 million. Standard & Poor's rated the bonds AAA. These bonds constitute the only series of outstanding limited bonds of the District which are payable from the DSEB.

With original construction of the schools beginning in the 1950's, through the years all facilities have been fully renovated and improved, resulting in state-of-the-art facilities in excellent condition. Regular, on-going maintenance and improvements are the hallmarks of District 59's buildings. In addition to its fourteen schools, the District's facilities also include the District's Board of Education/Administrative Center, with an attached supply warehouse and maintenance facility, and a freestanding 4,800 square foot storage facility.

REPORTING ENTITY

The District defines its reporting entity by applying the criteria set forth in GASB 14 to potential component units. Briefly, a component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. These criteria are discussed in more detail in Note 1 to the financial statements. Using these criteria, management has determined that the District has no component units, nor is it a component unit of any other organization including the Elk Grove Township School Treasurer.

STRATEGIC DIRECTIONS

The mission of the District is *Quality Student Learning*. Community Consolidated School District 59 strives for high student achievement, believing that all students are unique individuals with their own needs and attitudes. To improve high student achievement and life-long learning, the Board of Education has embraced continuous improvement in a safe and nurturing environment that promotes "keeping learning first."

Strategic planning sets the course for improvement by focusing and aligning daily work with district aims and goals.

- Our aim: Safe Nurturing Learning Environment
 - Our goal: All staff and students will be provided a safe, nurturing and positive environment.
- Our aim: High Student Achievement
 - Our goal: All students will meet established benchmarks and/or meet the Illinois Learning Standards and English Language Proficiency Standards; with a focus on reading, math and science.
 - Our goal: Increase the percentage of students who exceed the Illinois Learning Standards.
 - Our goal: All students will demonstrate at least one year's worth of academic growth in exchange for one year of instruction.
 - Our goal: Decrease the percentage of students who did not meet standards nor their growth targets.
- Our aim: Lifelong Learning
 - Our goal: All staff and students will demonstrate competency in the use of technology and software.
- Our aim: Efficient and Effective Use of Resources
 - Our goal: To preserve the District's financial integrity.
- Our aim: Stakeholder Participation
 - Our goal: All parents will support their child's learning.

FINANCIAL REPORTING

This is the twenty-seventh year that the financial statements have been prepared in accordance with the standards as set forth by the Government Accounting Standards Board (GASB). The Association of School Business Officials International (ASBO) has also adopted these standards. The presentation allows the reader to obtain an overview of the District's financial operations by viewing the combined statements in the front section of the report. Detailed presentations of these combined statements are available throughout the remainder of the report.

Independent Audit. As required by Illinois state law, an annual audit of the financial records, books of account, and the transactions of all budgeted funds of the District has been made by an independent auditor. The auditors' opinion, as prepared by Crowe Horwath LLP, Certified Public Accountants, is included within the financial section of this report.

Certificate of Excellence. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to Community Consolidated School District No. 59 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008, the 26th consecutive year for receipt of the award.

In order to be awarded this Certificate, the District must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

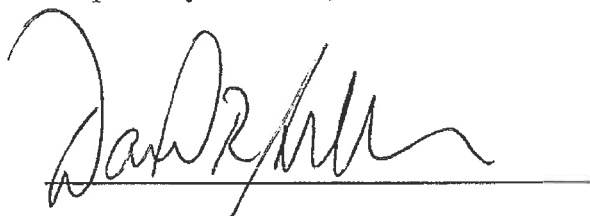
Certificates of Excellence are valid for a period of one year only. We believe our current report continues to conform to the Certificate requirements, and we are submitting it to ASBO.

Closing Comment. The purpose of the Comprehensive Annual Financial Report is to provide the Board of Education, Board of Trustees, Township Treasurer, District Administration, and other interested parties a meaningful report of the District's financial condition as of June 30, 2010.

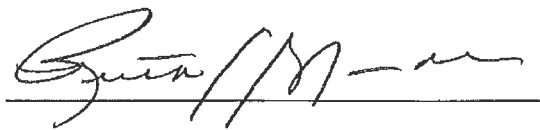
Acknowledgment. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of all the members of the Business Services Department who assisted in the closing of the District's financial records and the preparation of this report.

We would also like to thank members of the Board of Education for their interest and support in conducting the financial affairs of the District for the 2010 fiscal year.

Respectfully submitted,



Dr. Daniel R. Schweers
Superintendent of Schools



Mrs. Ruth S. Gloede
Asst. Supt. for Business Services

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Eun Green

President

John D. Mueser

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Education
Community Consolidated School District No. 59
Arlington Heights, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District No. 59 (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior-year partial comparative information has been derived from the District's 2009 basic financial statements and, in our report dated October 13, 2009; we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing

and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

The management's discussion and analysis, budgetary comparison schedule, and schedules of funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, 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 other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


Crowe Horwath LLP

Oak Brook, Illinois
October 12, 2010

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis

Community Consolidated School District 59

Management's Discussion and Analysis

This section of Community Consolidated School District 59's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2010. Please read it in conjunction with the transmittal letter found in the introductory section and the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The District's FY10 financial position improved by 4% (\$7 million increase in net assets) when compared to the prior year.

The District's financial practices reflect long-term financial planning strategies with the specific purpose of maintaining its strong financial position:

- The Board of Education upholds the goal of preserving the District's financial integrity as measured by the State of Illinois School Financial Profile "Financial Recognition" status. This Profile incorporates fund balance to revenue ratio, expenditures to revenue ratio, day's cash on hand, and short and/or long-term debt obligations.
- The District maintains an operational target of establishing a 50% beginning fund balance when compared to expenditures in its major operating funds (Educational, Operations and Maintenance, and Transportation).
- Budgeting practices incorporate the unpredictable loss of property tax revenue due to the issuance of refunds, positioning the District in an anticipatory position with regard to expenditure planning.
- The District establishes long-term plans for capital projects, including facilities and technology.
- The District stays abreast of emerging issues and proactively addresses them as part of its ongoing financial planning strategies.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *Government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.
- The *governmental funds statements* tell how basic services, such as regular and special education, were financed in the *short term* as well as what remains for future spending.

Community Consolidated School District 59

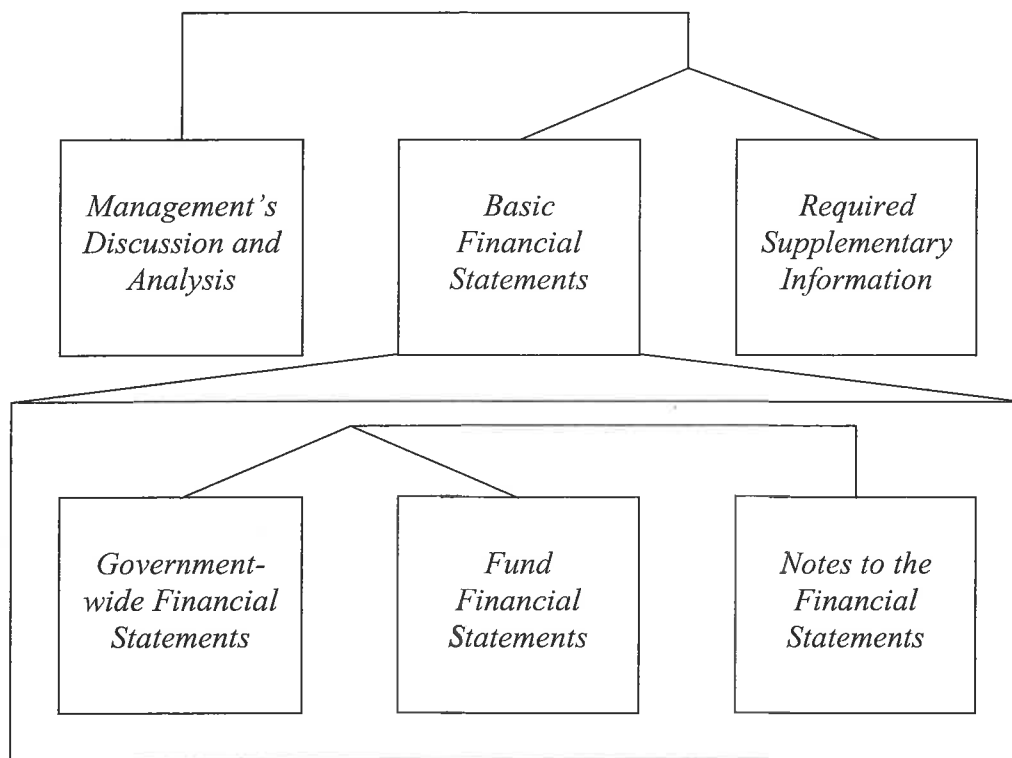
Management's Discussion and Analysis

- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements and places the District in compliance with Continuing Disclosure Undertaking requirements for the benefit of bondholders. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1.

Organization of Community Consolidated School District 59 Annual Financial Report



Community Consolidated School District 59

Management's Discussion and Analysis

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

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

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
<i>Scope</i>	Entire District (except fiduciary funds).	The activities of the District that is not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
<i>Required financial statements</i>	1) Statement of net assets.	1) Balance Sheet.	1) Statement of fiduciary net assets.
	2) Statement of activities.	2) Statement of revenues, expenditures, and changes in fund balances.	2) Statement of changes in fiduciary net assets.
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term.	Generally assets expected to be consumed and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Government-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District financial health or *position*.

Community Consolidated School District 59

Management's Discussion and Analysis

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

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

Fund Financial Statements

School District 59's fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as Working Cash).

The District has two categories of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information following the governmental funds statements explain the relationship (or differences) between them.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

Community Consolidated School District 59

Management's Discussion and Analysis

Financial Analysis of the District as a Whole

Net Assets: The District's FY10 financial position improved by 4.0% (\$7 million increase in net assets) when compared to the prior year as a result of the following (See Figure A-3):

- The District's total assets increased \$6.1 million, or 2.5%.
- Current assets increased a total of \$4.7 million, with cash and investments increasing \$7.2 million, property taxes receivable decreasing \$4.2 million, and intergovernmental receivable increasing \$1.7 million.
- The District's long-term debt outstanding increased \$3.9 million to \$22.6 from \$18.7. This includes the annual debt retirement for the 2003A Series General Obligation Bonds, the sale of \$7.475 million in new General Obligation Bonds, and the retirement incentives payable netted against compensated absences payable.
- Other liabilities include a \$4.3 million decrease in deferred property tax revenue.

Figure A-3

Combined Statement of Assets and Liabilities (in millions of dollars)

	<i>Governmental Activities</i>			
	<u>2008/09</u>	<u>2009/10</u>	<u>Diff</u>	<u>Percentage Change</u>
Current assets	\$165.3	\$170.0	4.7	2.8%
Capital assets	<u>79.6</u>	<u>81.0</u>	<u>1.4</u>	<u>1.8%</u>
TOTAL ASSETS	\$244.9	\$251.0	6.1	2.5%
Long-term debt outstanding	\$ 18.7	\$ 22.6	3.9	20.9%
Other liabilities	<u>51.1</u>	<u>46.3</u>	<u>-4.8</u>	<u>-9.4%</u>
TOTAL LIABILITIES	\$ 69.8	\$68.9	-0.9	-1.2%
Net assets				
Invested in capital assets, net of related debt	\$ 61.8	\$ 59.3	-2.5	-4.0%
Restricted (debt service)	3.0	5.8	2.8	93.3%
Unrestricted	<u>110.3</u>	<u>117.0</u>	<u>6.7</u>	<u>6.1%</u>
TOTAL NET ASSETS	\$ 175.1	\$ 182.1	7.0	4.0%

Changes in Net Assets: The District's total revenue of \$107.8 million exceeded the total expenditures of \$100.8 million by \$7.0 million. Total revenues increased \$10.3 million, or 10.6%, compared with a 12.6% increase in total expenditures, or \$11.3 million. Increased revenue from property taxes due to a change by Cook County to increase the Spring tax levy collections from 46% to 55% (\$7.1 million) and \$4.2 million in additional program revenues netted against decreased revenue from investments of \$2.2 million comprised the majority of the \$10.3 million increase in total revenue over the prior year. Net assets increased from \$175.1 million in 2008/09 to \$182.1 million at year-end 2009/10. (See Figure A-4).

Community Consolidated School District 59

Management's Discussion and Analysis

Figure A-4

Changes in Net Assets from Operating Results (in millions of dollars)

	<i><u>Governmental Activities</u></i> <i><u>2008/09</u></i>	<i><u>2009/10</u></i>	<i><u>Percentage</u></i> <i><u>Change</u></i>
REVENUE			
Program Revenues			
Charges for Services	\$ 1.1	\$ 1.1	0.0%
Operating Grants and Contributions	17.3	21.5	24.3%
General Revenues			
Taxes	\$ 72.7	\$ 78.9	8.5%
State Formula Aid	1.5	2.1	40.0%
Other	<u>4.9</u>	<u>4.2</u>	<u>-14.3%</u>
TOTAL REVENUE	\$ 97.5	\$ 107.8	10.6%
EXPENSES			
Instruction	\$ 49.0	\$ 57.4	17.1%
Pupil and Instructional Services	8.7	9.2	5.7%
Administration and Business	9.7	11.2	15.5%
Facilities Acquisition & Construction	0.2	0.2	0.0%
Transportation	4.7	5.1	8.5%
Maintenance and Operations	10.3	10.7	3.9%
Other	<u>6.9</u>	<u>7.0</u>	<u>1.4%</u>
TOTAL EXPENSES	\$ 89.5	\$ 100.8	12.6%
INCREASE (DECREASE) IN NET ASSETS	\$ 8.0	\$ 7.0	-12.5%
NET ASSETS			
July 1, 2009		\$175.1	
June 30, 2010		\$182.1	4.0%

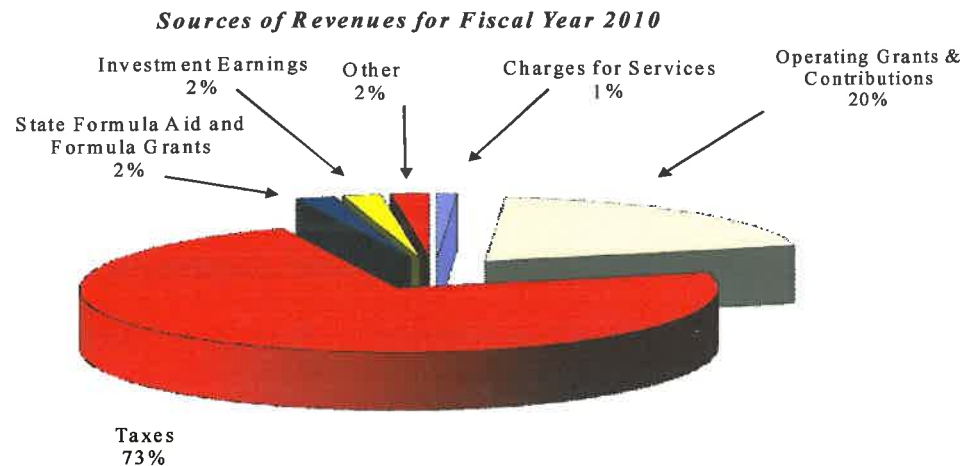
Governmental Activities

Revenue (See Figure A-5): Total District revenue for fiscal year 2010 was \$107.8 million. General revenues (\$85.2 million) are comprised of tax revenue, general state aid, investment earnings, and other non-restricted funds and comprise approximately 79% of total revenue. Approximately 73% of the District's total revenue is generated by local property taxes and payments in lieu of taxes known as Corporate Personal Property Replacement Taxes (CPPRT), which are based on corporate income within the District's boundaries. Program revenues make up approximately 21% of total revenue. Examples of revenue sources within these categories include federal grant programs, state special education reimbursements, the reporting of the state's contribution to the Teacher Retirement System (TRS), and reimbursement programs for food services and transportation services.

Community Consolidated School District 59

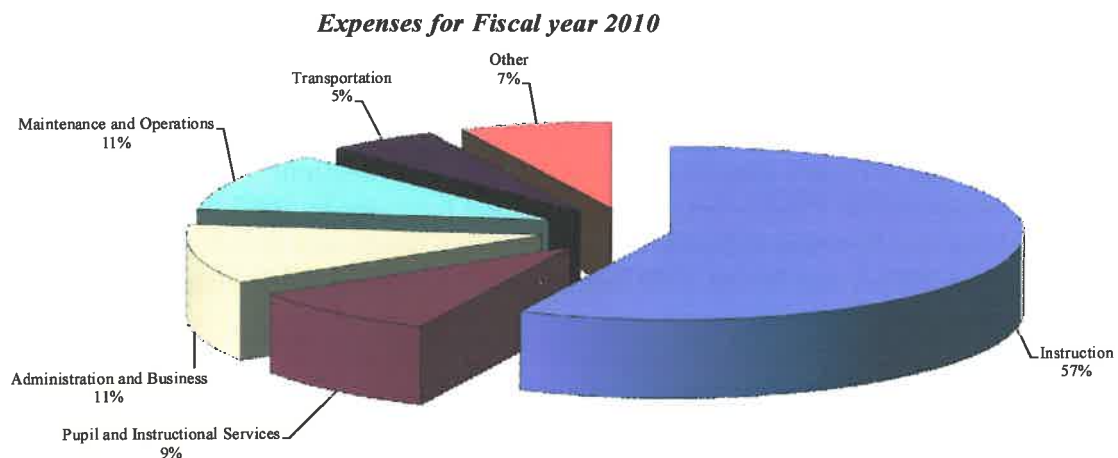
Management's Discussion and Analysis

Figure A-5



Expenses (See Figure A-6): Fiscal year 2010 expenditures totaled \$100.8 million. The operation of the District's instructional program and its related support functions comprise 66% of the District's overall expenses. Capital improvement projects as well as regular on-going facility maintenance have been identified within the operations and maintenance function, for a total 11% of overall expenses. The costs associated with daily transporting approximately 4,000 students total 5% of the District's overall expenses. Within the category of "Other", payments to other governmental units account for \$3.5 million in expenditures, paid to cover the expense of students whose special instructional needs are met by other educational organizations, such as the Northwest Suburban Special Education Cooperative (NSSEO). Interest on debt along with community services accounts for the balance of "Other" expenditures, making up 7% of total expenditures. Administrative Services, which includes school, central, and the school nutrition program, comprise 11% of total expenditures.

Figure A-6



Community Consolidated School District 59

Management's Discussion and Analysis

Net Costs: Figure A-7 presents the costs of seven major District activities: instruction, pupil and support instructional services, administration and business, facilities acquisition and construction, maintenance and operations, transportation and other. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost represents the financial burden that was placed on the District's taxpayers by each of these functions.

Figure A-7

Net Cost of Governmental Activities (in million of dollars)							
	<i>Total Cost of Services</i>		<i>Pct. Chg.</i>	<i>Net Cost of Services</i>		<i>Pct. Chg.</i>	
	<i>2008/09</i>	<i>2009/10</i>		<i>2008/09</i>	<i>2009/10</i>		
Instruction	\$ 49.0	\$ 57.4	17.1%	\$ 34.6	\$ 38.3	10.7%	
Pupil and Instructional Services	8.7	9.2	5.7%	8.6	9.2	7.0%	
Administration and Business	9.7	11.2	15.5%	8.1	9.3	14.8%	
Facilities Acquisition and Construction	0.2	0.2	0.0%	0.2	0.2	0.0%	
Operations and Maintenance	10.3	10.7	3.9%	10.3	10.7	3.9%	
Transportation	4.7	5.1	8.5%	2.4	3.5	45.8%	
Other	6.9	7.0	1.4%	6.9	7.0	1.4%	
TOTAL	\$ 89.5	\$ 100.8	12.6%	\$ 71.1	\$ 78.2	10.0%	

The total costs of the District's activities during 2009/10 totaled \$100.8 million, a 12.6% increase over the prior year. Expenditures were offset by program revenues resulting in an overall increase in the net cost of services to \$78.2 million from \$71.1 million, a 10.0% increase.

Financial Analysis of the District's Funds

The short-term financial performance of the District is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$118 million.

Analysis of the District's governmental funds demonstrates the commitment to long-term financial strategies and conservative budgeting practices:

- General Fund revenues exceeded expenditures by \$2.3 million.
- The Transportation Fund expenditures exceeded revenues by \$697,567.
- The Municipal Retirement/Social Security Fund expenditures exceeded revenues by \$168,207.
- The Series 2003A and Series 2009 Bond and Interest Fund debt obligation was met by a bond and interest levy.

General Fund Budgetary Highlights

The General Fund is comprised of the Educational and Operations and Maintenance Funds. Over the course of the year, the District did not revise its annual operating budget. The District budget was built based on specific assumptions and was finalized in August of the fiscal year. The General

Community Consolidated School District 59

Management's Discussion and Analysis

Fund balance of \$82.6 million reflects a 2.9% increase from the prior year's fund balance of \$80.3 million.

Revenue: Total revenue exceeded the District's budget by \$5.7 million.

Within the category of local sources, property taxes exceeded budget by \$5.3 million due to a change by Cook County to increase the spring tax levy collections from 46% to 55%. Although unpredictable, part of the budget process is to anticipate the amount of revenue lost due to tax refunds, which totaled of \$1.6 million. Corporate Personal Property Replacement taxes (CPPRT) were short of budget by \$1.3 million. CPPRT revenue is reflective of the income tax revenue generated by businesses within the District's boundaries. Interest on investments was short of budget by \$1.2 million. The District exceeded budget by \$1.7 million in other local funds, which include receipts from cobra and retiree insurance payments, contributions, local grants, outdoor education fees, and facility rentals.

Overall, the reported State revenues, excluding the TRS on-behalf contribution, were short of budget by \$282,917 or 5.8%.

At the federal level, the revenue exceeded budget by \$1.3 million. Participation in the District's lunch and breakfast program and an increase in number of low-income students resulted in higher reimbursements under the National School Lunch program. Also, increased funding of Title I programs as well as ARRA General State Aid contributed to this variance.

Expenditures: Actual expenditures were \$0.7 million or 0.7% under budget. Prudent financial management by budget managers, and deferring planned technology upgrades to the junior high schools were the primary reasons for this variance. No contingency funding was necessary to meet unanticipated expenditures.

Capital Assets

By the end of fiscal year 2010, the District had invested \$156.9 million in a broad range of capital assets, including land, school buildings, computer and audio-visual equipment, and administrative offices. (See Figure A-8.) (More detailed information about capital assets can be found in Notes to the Financial Statements.) Additions and deletions to capital assets including building improvements, land improvements, vehicle purchases, and general equipment purchases netted an additional \$5.0 million during fiscal year 2010. Total accumulated depreciation to buildings, land improvements, vehicles and equipment totaled approximately \$75.9 million. The net impact of the increased value of capital assets less the depreciated value accounted for a \$1.4 million increase in the value of capital assets for fiscal year 2010.

Community Consolidated School District 59

Management's Discussion and Analysis

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

	<i>Government Activities</i>		
	<u>2008/09</u>	<u>2009/10</u>	<u>Pct. Chg</u>
Capital Assets not being depreciated	\$ 1.1	\$ 3.5	218.2%
Net Capital Asset being depreciated	<u>78.5</u>	<u>77.5</u>	<u>(1.3)%</u>
TOTAL	\$ 79.6	\$ 81.0	1.8%

While current facilities are adequate to accommodate the District's overall current and projected enrollment, individual schools are experiencing shifting populations. The Administration regularly reviews and monitors enrollment data and program placements. Current planning is centering on meeting the needs of a growing non-English speaking population, earlier interventions for students considered to be at-risk of academic failure, and students with mental and/or physical impairments. Capital improvements are currently planned which will enhance the educational programming for these student groups.

Debt Administration

At year-end, the District had \$22.5 million in general obligation bonds and other long-term debt outstanding. (See Figure A-9.) (More detailed information about the District's long-term liabilities is presented in Notes to the Financial Statements.)

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)

	<i>Total School District</i>		
	<u>2008/09</u>	<u>2009/10</u>	<u>Change</u>
2003A Series General Obligation Funding Bonds	\$ 19.1	14.9	\$ (4.2)
2009 Series General Obligation Funding Bonds	0.0	7.4	7.4
Premium on Bonds and Deferred Amount on Refunding	(1.2)	(0.7)	0.5
Early Retirement Incentives	0.6	0.5	(0.1)
Net Pension Obligation	0.0	0.2	0.2
Compensated absences	<u>0.2</u>	<u>0.2</u>	<u>0.0</u>
TOTAL	\$ 18.7	\$ 22.5	\$ 3.8

In April 2003, District 59 successfully passed a \$5 million debt service extension base referendum. In July 2003, the District proceeded in issuing \$38.5 million (\$28.4 in General Obligation Limited Tax

Community Consolidated School District 59

Management's Discussion and Analysis

Bonds, Series 2003A; and \$10.1 million in Taxable General Obligation Limited Tax Bonds, Series 2003B). Proceeds of the bonds were used to advance refund the District's outstanding Series 1996, 1998, and 1999 General Obligations Bonds (Alternate Revenue Source). The proceeds were placed in escrow and with maturities scheduled to meet the debt obligation of the alternate revenue bonds. The Series 2003 general obligation bond debt obligation is met by the voter-authorized Bond and Interest levy. In October 2009, the District issued \$7,425,000 in General Obligation School Bonds for the purpose of increasing the Working Cash fund for the District, and to pay costs associated with the issuance of the bonds. All debt is scheduled to be retired in 2016.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could have financial implications in the future. The following emerging issues represent areas that are monitored on an ongoing basis:

- State and federal education laws that establish standards and/or requirements for school accountability (Adequate Yearly Progress; AYP).
- Changing demographics in ethnic and language diversity and poverty levels of the student population and the surrounding communities.
- Increasing needs and/or expectations for specialized student services.
- Unfunded mandates generated by legislative actions, such as changes to state and federal health insurance laws and breakfast programs.
- The implication of tax refunds on the District's long-range planning efforts.
- Economic conditions which may negatively impact EAV growth.
- The assessment decisions being made by the Cook County Property Tax Appeals Board and the Circuit Court.
- Assessment reduction or exemption efforts, either by individual property owners, municipalities, legislation, and/or County ordinance.
- Increases in tax rate objections and TIF districts.
- The potential impact on property tax revenues as a result of O'Hare Airport expansion or its planned western access highways.
- Revenue shortfalls at the State and/or Federal levels.
- State tax laws that create incentives for businesses that could erode the funding of the taxing bodies.
- Legislative initiatives that are based on the assumption that schools are too dependent on property taxes as a source of revenue.
- The funding shortfall for state pension funds including the Illinois Municipal Retirement Fund (IMRF) and the Teacher's Retirement System (TRS).
- The rollout of substantial changes in governmental auditing and required financial reporting standards.
- Increased IRS compliance regulations.
- Increased volatility in the pricing of utilities.

Long-term financial planning, conservative budgeting practices, stable enrollment, and stable negotiated agreements with all union groups provide the District flexibility to successfully address anticipated circumstances as they develop.

Community Consolidated School District 59 Management's Discussion and Analysis

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Business Services, Community Consolidated School District 59, 2123 S. Arlington Heights Road, Arlington Heights, Illinois 60005. You may also refer to the website: www.ccsd59.org.

BASIC FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59
Statement of Net Assets
June 30, 2010

STATEMENT 1

	Governmental <u>Activities</u>
ASSETS	
Cash and investments	\$ 126,026,369
Cash - restricted for insurance	433,736
Receivables:	
Interest receivable	371,008
Property tax receivable	33,587,960
Accounts receivable	7,780
Intergovernmental receivable	9,356,606
Inventory	59,879
Unamortized bond issuance costs, net	136,139
Capital assets not being depreciated	3,538,212
Capital assets being depreciated, net	<u>77,463,105</u>
Total assets	<u>250,980,794</u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	2,948,286
Salaries and benefits payable	7,996,179
Unearned property tax revenue	33,374,566
Insurance claims payable	1,558,788
Other current liabilities	136,721
Interest payable	289,021
Long-term obligations, due within one year:	
Bonds payable	4,350,000
Compensated absences payable	167,013
Retirement incentives payable	285,632
Long-term obligations, due in more than one year:	
Bonds payable	17,305,710
Other post-employment healthcare liability	19,080
Net pension obligation	172,614
Retirement incentives payable	<u>256,874</u>
Total liabilities	<u>68,860,484</u>
Net assets	
Invested in capital assets, net of related debt	59,345,607
Restricted for:	
Debt service	3,422,275
IMRF purposes	2,389,101
Unrestricted	<u>116,963,327</u>
Total net assets	<u>\$ 182,120,310</u>

See accompanying notes to financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Statement of Activities
Year ended June 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense)
		<u>Charges for Services</u>	<u>Operating grants, contributions, and related interest income</u>	<u>Revenue and Changes in Net Assets</u>
				<u>Governmental Activities</u>
Governmental activities:				
Instruction				
Regular programs	\$ 29,691,214	\$ 44,526	\$ 4,752,722	\$ (24,893,966)
Special programs	7,219,361	241,965	3,481,406	(3,495,990)
Other programs	10,039,540	91,271	-	(9,948,269)
State on-behalf contributions to TRS	10,399,062	-	10,399,062	-
Support services				
Pupils	4,596,881	-	17,844	(4,579,037)
Instructional staff	4,599,131	-	-	(4,599,131)
General administration	2,360,231	-	-	(2,360,231)
School administration	5,120,037	-	-	(5,120,037)
Business	3,722,220	676,494	1,227,515	(1,818,211)
Facilities acquisition and construction services	247,866	-	-	(247,866)
Transportation	5,110,266	6,747	1,649,103	(3,454,416)
Operations and maintenance	10,733,707	-	-	(10,733,707)
Central	2,163,798	-	-	(2,163,798)
Community services	181,528	-	-	(181,528)
Payments to other governmental untis	3,573,168	-	-	(3,573,168)
Interest on debt	1,073,375	-	-	(1,073,375)
Total governmental activities	<u>\$ 100,831,385</u>	<u>\$ 1,061,003</u>	<u>\$ 21,527,652</u>	<u>(78,242,730)</u>
General revenues:				
Taxes:				
Property taxes				75,242,779
Payments in lieu of taxes				3,675,835
General state aid				2,139,108
Investment earnings				2,073,024
Other general revenues				2,121,230
Total general revenues				<u>85,251,976</u>
Change in net assets				7,009,246
Net assets, beginning of the year				<u>175,111,064</u>
Net assets, end of the year				<u>\$ 182,120,310</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59
Governmental Funds Balance Sheet
June 30, 2010
(With comparative actual totals for June 30, 2009)

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Working Cash Fund	Debt Service Fund	Capital Projects Fund	Total 2010	Total 2009
Assets								
Cash and investments	\$ 90,375,899	\$ 3,642,224	\$ 1,897,530	\$ 20,772,956	\$ 3,699,848	\$ 5,637,912	\$ 126,026,369	\$ 116,170,036
Cash - restricted for insurance	433,736	-	-	-	-	-	433,736	2,733,718
Receivables:								
Interest receivable	371,008	-	-	-	-	-	371,008	626,409
Property tax receivable	29,030,222	1,164,233	652,493	244,405	2,496,607	-	33,587,960	37,846,551
Accounts receivable	7,780	-	-	-	-	-	7,780	10,909
Intergovernmental receivable	5,971,518	3,326,410	58,678	-	-	-	9,356,606	7,727,162
Inventory	59,879	-	-	-	-	-	59,879	76,387
Total assets	\$ 126,250,042	\$ 8,132,867	\$ 2,608,701	\$ 21,017,361	\$ 6,196,455	\$ 5,637,912	\$ 169,843,338	\$ 165,191,172
Liabilities and fund balance								
Liabilities								
Accounts payable	\$ 1,825,933	\$ 778,020	\$ 42	\$ -	\$ -	\$ 344,291	\$ 2,948,286	\$ 3,120,076
Salaries and benefits payable	7,816,871	4,418	174,890	-	-	-	7,996,179	8,679,382
Deferred revenue	3,503,047	2,615,314	18,645	87,643	3,733	-	6,228,382	4,783,552
Unearned property tax revenue	28,844,726	1,157,296	648,086	243,032	2,481,426	-	33,374,566	37,685,159
Insurance claims payable	1,551,416	7,372	-	-	-	-	1,558,788	1,218,691
Other current liabilities	136,721	-	-	-	-	-	136,721	127,840
Total liabilities	43,678,714	4,562,420	841,663	330,675	2,485,159	344,291	52,242,922	55,614,700
Fund balance								
Reserved for:								
Insurance	-	-	-	-	-	-	-	1,613,919
Inventory	59,879	-	-	-	-	-	59,879	76,387
Debt service	-	-	-	-	3,711,296	-	3,711,296	3,311,096
IMRF purposes	-	-	2,389,101	-	-	-	2,389,101	2,207,003
Unreserved reported in:								
General fund	82,511,449	-	-	-	-	-	82,511,449	78,603,260
Special revenue funds	-	3,570,447	(622,063)	20,686,686	-	-	23,635,070	21,986,851
Capital projects funds	-	-	-	-	-	5,293,621	5,293,621	-
Total fund balance	82,571,328	3,570,447	1,767,038	20,686,686	3,711,296	5,293,621	117,600,416	109,576,472
Total liabilities and fund balance	\$ 126,250,042	\$ 8,132,867	\$ 2,608,701	\$ 21,017,361	\$ 6,196,455	\$ 5,637,912	\$ 169,843,338	\$ 165,191,172

See accompanying notes to financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Assets
June 30, 2010

Total fund balances - governmental funds	\$ 117,600,416
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Amounts reported for governmental activities in the net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital assets	156,947,604	
Accumulated depreciation	<u>(75,946,287)</u>	
Net capital assets		81,001,317

Certain grants receivable are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	6,228,382
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(289,021)
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Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.	136,139
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Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:

Bonds payable	(22,315,000)	
Deferred amount on refunding	659,290	
Retirement incentives payable	(542,506)	
Other post-employment benefits	(19,080)	
Net pension obligation	(172,614)	
Compensated absences payable	<u>(167,013)</u>	
Total Long-term liabilities		<u>(22,556,923)</u>

Net assets of governmental activities	<u>\$ 182,120,310</u>
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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2010
(With comparative actual totals for June 30, 2009)

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Working Cash Fund	Debt Service Fund	Capital Projects Fund	Total 2010	Total 2009
Revenues								
Local sources								
Property taxes	\$ 65,010,495	\$ 2,611,375	\$ 1,578,550	\$ 546,948	\$ 5,495,411	\$ -	\$ 75,242,779	\$ 68,127,595
Replacement taxes	3,283,867	-	391,968	-	-	-	3,675,835	4,543,723
Interest	1,521,667	80,555	36,340	371,187	63,275	-	2,073,024	4,277,534
Other local sources	3,466,766	19,776	-	-	-	-	3,486,542	1,799,540
State sources	4,578,521	1,649,103	-	-	-	-	6,227,624	7,367,353
Federal sources	5,290,934	-	-	-	-	-	5,290,934	3,923,502
On-behalf payments received from state	10,399,062	-	-	-	-	-	10,399,062	7,284,030
Total revenues	93,551,312	4,360,809	2,006,858	918,135	5,558,686	-	106,395,800	97,323,277
Expenditures								
Current:								
Instruction								
Regular programs	27,715,933	-	345,141	-	-	-	28,061,074	26,357,085
Special ed programs	6,944,317	-	223,946	-	-	-	7,168,263	6,246,221
Other instructional programs	9,820,766	-	204,045	-	-	-	10,024,811	8,640,640
State retirement contributions	10,399,062	-	-	-	-	-	10,399,062	7,284,030
Support services								
Pupils	4,458,738	-	117,636	-	-	-	4,576,374	4,244,616
Instructional staff	4,383,747	-	171,831	-	-	-	4,555,578	4,341,338
General administration	2,280,242	-	64,722	-	-	-	2,344,964	2,145,568
School administration	4,917,596	-	189,351	-	-	-	5,106,947	4,748,386
Business	3,531,960	-	139,225	97,269	-	3,135	3,771,589	3,421,633
Transportation	8,875	5,038,576	30,011	-	-	-	5,077,462	4,703,657
Operations and maintenance	6,808,791	-	517,359	-	-	-	7,326,150	7,079,198
Central	2,091,129	-	162,604	-	-	-	2,253,733	2,036,674
Community services	171,307	-	9,194	-	-	-	180,501	134,142
Payments to other governmental units	3,573,168	-	-	-	-	-	3,573,168	3,013,646
Debt service:								
Principal	-	-	-	-	4,210,000	-	4,210,000	4,080,000
Interest and fees	-	-	-	-	872,335	-	872,335	917,226
Capital outlay	4,244,070	19,800	-	-	-	2,403,244	6,667,114	3,350,770
Total expenditures	91,349,701	5,058,376	2,175,065	97,269	5,082,335	2,406,379	106,169,125	92,744,830
Excess (deficiency) of revenues over (under) expenditures	2,201,611	(697,567)	(168,207)	820,866	476,351	(2,406,379)	226,675	4,578,447
Other financing sources (uses)								
Transfers in	7,776,151	-	-	-	-	7,700,000	15,476,151	265,481
Transfers out	(7,700,000)	-	-	(7,700,000)	(76,151)	-	(15,476,151)	(265,481)
Bond proceeds	-	-	-	7,425,000	-	-	7,425,000	-
Premium on bonds sold	-	-	-	372,269	-	-	372,269	-
Total other financing sources and (uses)	76,151	-	-	97,269	(76,151)	7,700,000	7,797,269	-
Net change in fund balances	2,277,762	(697,567)	(168,207)	918,135	400,200	5,293,621	8,023,944	4,578,447
Fund balances at beginning of year	80,293,566	4,268,014	1,935,245	19,768,551	3,311,096	-	109,576,472	104,998,025
Fund balances at end of year	\$ 82,571,328	\$ 3,570,447	\$ 1,767,038	\$ 20,686,686	\$ 3,711,296	\$ 5,293,621	\$ 117,600,416	\$ 109,576,472

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Reconciliation of Statements of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2010

Net change in total fund balances	\$	8,023,944
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Amounts reported for governmental activities in the statement of activities are different because:

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.

The change from fiscal year 2009 to 2010 consists of:

Deferred interest revenues	(294,935)	
Transportation grants	1,031,592	
Special Education grants	<u>708,170</u>	
		1,444,827

Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital outlay resulting in assets, net of disposals	5,826,007	
Depreciation, net of disposals	<u>(4,399,785)</u>	
Capital outlay in excess of depreciation		1,426,222

Losses on disposals of assets are recorded as functional expenses in the statement of activities		(47,256)
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In governmental funds, long-term debt is considered an other financing source, but in the statement of net assets, debt is reported as a liability. In the current period, proceeds were received from bonds.		(7,425,000)
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In governmental funds, premiums on long-term debt is considered an other financing source, but in the statement of net assets, premiums are reported as a liability. In the current period, premiums were recorded in conjunction with the issuance of debt.		(372,269)
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In governmental funds, bond issuance costs are expensed as incurred, but in the statements of net assets, the costs are capitalized and amortized.		97,269
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bond principal retirements		4,210,000

The issuance of long-term debt resulted in: bond issuances costs, deferred amounts on refunding, and bond premiums that were reported as changes in current financial resources in the governmental funds. However, these amounts have been deferred and amortized in the district-wide statements.

Amortization of deferred bond issuance costs	(30,530)	
Amortization of deferred amount on refunding	(297,892)	
Amortization of bond premium	<u>122,781</u>	
Total deferred costs		(205,641)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Decrease in retirement incentive payable	63,974	
Increase in interest payable on bonds	(25,929)	
Increase in net pension obligation	(172,614)	
Increase in other post-employment benefits	(8,620)	
Decrease in compensated absences	<u>339</u>	
		(142,850)

Change in net assets of governmental activities	\$	<u>7,009,246</u>
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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

	Agency Funds Student Activity Funds
ASSETS	
Cash	\$ 95,560
Total assets	\$ 95,560
LIABILITIES	
Accounts payable	\$ 701
Due to activity fund organizations	94,859
Total liabilities	\$ 95,560

See accompanying notes to financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Community Consolidated School District 59 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

Reporting Entity: The District is a public school system governed by an elected seven-member board. As required by GAAP, these financial statements present the District (the primary government) and, if applicable, its component units for which the elected officials of the primary government are financially accountable. Financial accountability is defined as (1) appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government or (2) fiscal dependency on the primary government. There are no component units included in the District's reporting entity.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis. These statements include the financial activities of the District, except for fiduciary activities. The effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues, such as property taxes and general state aid, are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each of the District's functions is self-financing or draws from the general revenues of the District.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - The financial transactions of the District are recorded in individual funds. A fund is defined, as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Separate statements for each fund category - governmental and fiduciary - are presented in the fund financial statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and presented as nonmajor funds.

Measurement Focus, Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the statement of activities presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows. The fund financial statements for fiduciary funds have no measurement focus.

The District has reported two categories of program revenues in the statement of activities: (1) charges for services, and (2) program-specific operating grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the District's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance and (b) demonstrate the source and use of liquid resources. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental columns (due mainly to the inclusion of capital asset and long-term debt activity in the district-wide presentation), a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental column of the government-wide presentation.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, replacement taxes, grants, entitlements, and donations. The District has recognized approximately 50% of the 2008 tax levy and 50% of the 2009 tax levy in the current fiscal year based on actual collections, as the use of the taxes is permitted during that time. Revenue from replacement taxes is recognized when collected by the state, prior to disbursement to the District. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Revenues considered to be susceptible to accrual include property taxes, intergovernmental revenue, and interest income. Amounts have been recognized as receivables for these revenue sources. All other revenue items are considered to be measurable and available only when cash is received by the District.

Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fund Details: The District reports the following funds:

Major Governmental Funds

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District's general fund consists of two accounts: the Educational Account, which records direct costs of instruction and administration, and the Operations and Maintenance Account, which reports all costs of maintaining, improving, or repairing school buildings and property.

Transportation Fund – This fund (a special revenue fund) maintains financial resources held by the District to be used for student transportation revenues and expenditures.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMRF/Social Security Fund - This fund (a special revenue fund) maintains 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.

Working Cash Fund - This fund (a special revenue fund) maintains financial resources held by the District to be used for temporary interfund loans to other funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt, principal, interest, and related costs.

Capital Projects Fund - This fund accounts for proceeds resulting from each bond issue, receipts from other long term financing agreements, or construction or maintenance grants used to finance a capital project, capital lease, lease purchase agreement, or if a tax is levied in accordance with School Code.

Fiduciary Funds

The District's fiduciary funds are Agency Funds. These Agency Funds are used to account for assets - almost exclusively cash and investments - held by the District as an agent for private organizations, such as student groups.

Eliminations: Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Interfund services provided and used are not eliminated in the process of consolidation.

Restricted Resources Policy: When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the District's policy to apply restricted resources first, then unrestricted resources as needed.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Interest Income: Investments are stated at fair value through the application of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Board Policy stipulates the Township School Treasurer shall be custodian of all District funds and shall invest same funds in accordance with the Illinois Public Funds Investment Act (30ILCS 235/0/01 et seq).

All investment income, including changes in the fair value of investments, has been recognized as revenue in the operating statements. The District has adopted a formal written investment and cash management policy.

Interest income is allocated monthly to participating funds based upon their cash and investment balances. Interest income in individual funds could be negative if the fund was in a temporary overdraft position.

Inventories: Inventories are stated at the lower of average cost or market, and expensed when used. Inventories in the governmental funds consist of expendable supplies and are recorded as an expenditure when consumed.

Property Tax Revenues Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about March 1 and August 1 the following year. They are payable in two installments on or about April 1 and on or about September 1 that following year. The County collects such taxes and remits them periodically.

Property taxes have been levied for tax year 2009 and are intended to be used when received in fiscal year 2010. Property tax revenues are recognized when received throughout the fiscal year; any material amounts that are received within 60 days after year-end are also recognized as revenue. The uncollected portion of the 2009 levy has been recorded as a receivable and the revenue has been deferred. The following are the tax rates applicable to the various levies per \$100 of assessed valuation for the 2009 and 2008 levies (*2009 based on draft rates provided by the County):

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Maximum	Actual Rate	
	<u>Rate</u>	<u>2009</u>	<u>2008</u>
Special Education	0.4000	0.0218	0.0202
Education	3.5000	1.5565	1.4159
Operations and Maintenance	0.5500	0.1158	0.1243
Bond and Interest		0.1427	0.1327
Transportation	0.2000	0.0680	0.0632
Municipal Retirement/Social Security		0.0380	0.0404
Working Cash	0.0500	0.0143	0.0133
Life Safety	0.1000	0.0000	0.0000
Tort Immunity		0.0000	0.0000
Total		1.9571	1.8100

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with GASB provisions.

Long-Term Obligations: Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portions of such obligations have been reported as liabilities in the statement of net assets.

Bond Issues and Bond Premium/Issuance Costs: The District has issued general obligation bonds for which interest is paid on the bonds semiannually. In the government-wide financial statements, bond premiums and issuance costs are amortized over the lives of the related bond issues on a straight-line basis. In the fund financial statements, bond premium and issuance costs are recognized in the year the bonds are issued.

Compensated Absences: District employees are eligible to earn 12 to 14 sick days each year depending on years of service and employee classification. Unused sick leave days accumulate up to the maximum Teachers Retirement System (TRS) allowable days for certified employees and 240 days for Education Support Professionals (ESP) and custodial/maintenance employees. Other employees accumulate unused sick days without limitation. Unused, earned sick days are generally used for credit with both the Teachers Retirement System (TRS) and Illinois Municipal Retirement Fund (IMRF). However, the Administrative Handbook does provide administrative retirees some reimbursement of unused sick days providing they enroll in non-district health insurance plans, the amounts for which are not significant. As such, the accrual for compensated absences does not include any amounts for earned but unused sick pay.

Employees who work a 12-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. A limit of 10 days may be carried over into

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the next year. The entire compensated absences liability is reported on the District-wide financial statements.

Capital Assets: Capital assets used in governmental fund types of the District are recorded in the statement of net assets at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$1,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 - 40 years
Land improvements	20 years
Vehicles	5 years
Equipment	5 - 15 years

For the year ended June 30, 2010, the District implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. It defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Implementation of this statement did not have a material affect on the District therefore prior periods were not required to be restated. Included with the District's equipment capital assets, the District has capitalized an intangible asset, computer software. The District follows the same capitalization policy and estimated useful life for its intangible asset as it does for its equipment capital assets. The District also amortizes the intangible asset utilizing the straight-line method.

Fund Balance/Net Assets: Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. The District has reserved fund balances for inventory and debt service as indicated in the fund financial statements.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition/construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 - CASH AND INVESTMENTS

The District is allowed to invest in securities as permitted by School Code of Illinois, Chapter 85, Sections 902 and 906, and Chapter 122, Section 8-7.

The carrying amount of cash was \$6,680,024 at June 30, 2010, while the bank balances were \$7,148,844. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the District's name by financial institutions acting as the District's agent.

Certificates of deposits amounted to \$10,661,097 at June 30, 2010. In accordance with the District's policy, all certificates of deposit were collateralized with securities of the U.S. government in an amount equal to 100% of the funds on deposit. All investment collateral is held in safekeeping in the District's name by financial institutions acting as the District's agent. Collateral is priced to market monthly.

The investments which the District may purchase are limited by Illinois law to the following: (1) securities which are fully guaranteed by the U.S. government as to principal and interest, (2) certain U.S. government agency securities, (3) certificates of deposit or time deposits of banks and savings and loan associations which are insured by a federal corporation, (4) short-term discount obligations of the Federal National Mortgage Association, (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services, (6) fully collateralized repurchase agreements, (7) the State Treasurer's Illinois and Prime Funds, and (8) money market mutual funds and certain other instruments.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the District's investments at June 30, 2010.

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	One to Five Years	Six to Ten Years
FFCB	\$ 4,113,635	\$ 4,113,635	\$ -	\$ -
FHLB	27,600,026	13,652,764	13,947,262	-
FHLMC	6,226,606	5,526,744	526,887	172,975
FNMA	12,431,341	1,503,125	9,029,043	1,899,173
Money Market Accounts	58,842,936	58,842,936	-	-
Total	<u>\$ 109,214,544</u>	<u>\$ 83,639,204</u>	<u>\$ 23,503,192</u>	<u>\$ 2,072,148</u>

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

Credit Risk - State statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSROs). The District's investment policy authorizes investments in any type of security as permitted by Sections 2 through 6 in the *Illinois Public Funds Investment Act*. As of June 30, 2010, all of the District's other investments had either 'AAA' or 'A1+' ratings with their applicable rating agency.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a AAA rated, not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. It is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an unrated investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

One of the U.S. Treasury Department's objectives for conservatorships is to protect bondholders. As such, declines in fair value below cost for investments in Freddie Mac and Fannie Mae bonds (this is, debt securities) may be treated as temporary. At year end the District's intent is to hold the bonds until they recover.

Credit ratings for the District's investments in debt securities as described by Standard & Poor's and Moody's at June 30, 2010 (excluding investments in U.S. Treasuries which are not considered to have credit risk) are as follows:

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 2 - CASH AND INVESTMENTS (Continued)

<u>Investment Type</u>	<u>Credit Rating</u>
Commercial paper	A1
FFCB	AAA/ Aaa
FHLB	AAA/ Aaa
FHLMC	AAA/ Aaa
FNMA	AAA/ Aaa

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District 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 requires that all amounts in excess of any insurance limits be collateralized by securities eligible for the District's investment or any other high-quality, interest-bearing security rated at least AA/ Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization.

Concentration of Credit Risk - The District's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District to meet their ongoing need for safety, liquidity, and rate of return. At June 30, 2010, more than 58% of the District's other investments are in the Federal Home Loan Bank and the Federal National Mortgage Association.

The following is a reconciliation of the notes to the basic financial statements:

<u>Notes</u>		<u>Financial Statements</u>	
Cash	\$ 6,680,024	Statement 1 - cash and investments	\$ 126,026,369
Certificates of deposit	10,661,097	Statement 1 - cash - restricted for insurance	\$ 433,736
Investments	109,214,544	Statement 7 - cash	95,560
	<u>\$ 126,555,665</u>		<u>\$ 126,555,665</u>

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2010 by functions follows:

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Capital assets not being depreciated:				
Land	\$ 1,134,968	\$ -	\$ -	\$ 1,134,968
Construction in Progress		2,403,244		2,403,244
Total capital assets not being depreciated	1,134,968	2,403,244	-	3,538,212
Capital assets being depreciated:				
Buildings	116,763,190	1,613,108	1,250	118,375,048
Land Improvements	2,186,923	14,622	-	2,201,545
Vehicles	559,969	89,467	64,822	584,614
Intangible Assets	-	555,003	-	555,003
Equipment	31,330,967	1,150,563	788,347	31,693,183
Subtotal	150,841,049	3,422,763	854,419	153,409,393
Accumulated depreciation				
Buildings	(45,374,149)	(2,903,024)	(228)	(48,276,945)
Land Improvements	(997,729)	(88,979)	-	(1,086,708)
Vehicles	(428,828)	(49,551)	(58,340)	(420,039)
Intangible Assets	-	(201,147)	-	(201,147)
Equipment	(25,552,958)	(1,157,084)	(748,593)	(25,961,449)
Subtotal	(72,353,664)	(4,399,785)	(807,161)	(75,946,288)
Total capital assets being depreciated, net	78,487,385	(977,022)	47,258	77,463,105
Capital assets, net	\$ 79,622,353	\$ 1,426,222	\$ 47,258	\$ 81,001,317

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 3 - CAPITAL ASSETS (Continued)

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

Functions		
Regular Programs	\$	511,336
Special Programs		23,295
Bilingual Programs		287
Pupils		9,892
Instructional staff		63,184
General administration		3,365
School administration		4,758
Business		5,184
Transportation		29,733
Operations and Maintenance		3,545,039
Central		203,712
Total depreciation expense	\$	<u>4,399,785</u>

NOTE 4 - LONG-TERM DEBT

A summary of long-term debt transactions for the year ended is as follows:

	Obligations			Obligations	
	Outstanding	Debt	Debt	Outstanding	Due within
	July 1, 2009	Additions	Retirement	June 30, 2010	one year
Bonds					
2003A G.O. Bonds	\$ 19,100,000	\$ -	\$ 4,210,000	\$ 14,890,000	\$ 4,350,000
2009 G.O. Bonds	-	7,425,000	-	7,425,000	-
Premium on Bonds	282,792	372,269	122,780	532,281	-
Deferred Amount on Refunding	(1,489,463)	-	(297,892)	(1,191,571)	-
Total Bonds, net	<u>17,893,329</u>	<u>7,797,269</u>	<u>4,034,888</u>	<u>21,655,710</u>	<u>4,350,000</u>
Early Retirement Incentives	606,480	126,519	190,493	542,506	285,632
Other Post-Employment Benefits	10,460	8,620	-	19,080	-
Net Pension Obligation	-	172,614	-	172,614	-
Compensated Absences	167,352	592,417	592,756	167,013	167,013
Total Long-Term Debt	<u>\$ 18,677,621</u>	<u>\$ 8,697,439</u>	<u>\$ 4,818,137</u>	<u>\$ 22,556,923</u>	<u>\$ 4,802,645</u>

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 4 - LONG-TERM DEBT (Continued)

Outstanding Bond Issues Payable From the Bond and Interest Fund: \$28,435,000 Limited Tax School bonds, Series 2003A dated July 1, 2003, principal due annually on March 1, from 2007 through 2014, with semiannual interest payments on September 1 and March 1 at an interest rate of 2.50% to 5.00%. The Bonds were used for the purpose of advance refunding of the District's outstanding Series 1996 and 1999 General Obligation Bonds. The bonds are paid from the Debt Service Fund.

\$7,425,000 General Obligation Limited School Bonds, Series 2009 dated October 20, 2009, principal due annually on March 1, from 2014 through 2016, with semiannual interest payments on September 1 and March 1 at an interest rate of 2.50% to 3.00%. The Bonds were used for the purpose of increasing the Working Cash fund of the District, and to pay costs associated with the issuance of the bonds. The bonds are paid from the Debt Service Fund.

The District had previously defeased certain General Obligation and other bonds in prior years by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2010, a total of \$12,665,000 of bonds outstanding is considered defeased.

Legal Debt Margin: The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation of the District of \$3,704,546,926. The bond principal comprises the District's indebtedness subject to the limit; the District's remaining debt margin as of June 30, 2010 was \$ 233,298,738.

A summary of debt service requirements to maturity for bonds is as follows:

Due In Fiscal Year Ended June 30	School Bonds Series 2003A		School Bonds Series 2009	
	Principal	Interest	Principal	Interest
2011	\$ 4,350,000	\$ 647,188	\$ -	\$ 219,876
2012	4,510,000	489,500	-	219,876
2013	4,705,000	293,062	-	219,876
2014	1,325,000	66,250	1,885,000	219,876
2015	-	-	3,335,000	163,326
2016	-	-	2,205,000	63,276
Totals	\$ 14,890,000	\$ 1,496,000	\$ 7,425,000	\$ 1,106,106

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 4 - LONG-TERM DEBT (Continued)

A portion of early retirement incentives and all compensated absences payments are expected to be paid during the upcoming fiscal year. They are paid from the fund from which the employee's salary is charged.

NOTE 5 - TRANSFERS

The District transferred monies between funds/accounts during the fiscal year. The transfer from Debt Service Fund to the General Fund is a transfer of interest earnings from the current year. Illinois State law allows for the transfer of interest earned from these funds as deemed appropriate by the District. In accordance with Article 20 of the Illinois School Code, the Working Cash bond proceeds of \$7,700,000 can be abated to the Educational Fund where, in turn, the funds are transferred to the Capital Projects Fund for capital improvements at the of the District's elementary schools. The following transfers were made:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major governmental funds:		
General Fund	\$ 7,776,151	\$ 7,700,000
Capital Projects Fund	7,700,000	-
Working Cash Fund	-	7,700,000
Debt Service Fund	-	76,151
	<hr/>	<hr/>
Total transfers	<u>\$ 15,476,151</u>	<u>\$ 15,476,151</u>

NOTE 6 - RISK MANAGMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters.

The District is self-insured for employee medical coverage. Blue Cross/Blue Shield administers claims for a per-person, per-month fee. Expenditures are recorded as incurred in the form of direct contributions from the District to Blue Cross/Blue Shield for payment of employee health claims and administration fees. The District's liability will not exceed \$135,000 per covered employee in the aggregate as provided by stop-loss provisions incorporated in the plan. The stop-loss limit amounted to \$6,674,211 for the July 1, 2009 through June 30, 2010 coverage period.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 - RISK MANAGEMENT (Continued)

At June 30, 2010, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, were \$1,558,788. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2010 and June 30, 2009, changes in the liability for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payment	Claims Payable End of Year
Fiscal year 2009	\$ 873,484	\$ 7,719,091	\$ 7,373,884	\$ 1,218,691
Fiscal year 2010	\$ 1,218,691	\$ 8,686,546	\$ 8,346,449	\$ 1,558,788

The District continues to carry commercial insurance for all other risks of loss, including worker's compensation, torts and professional liability insurance. There have been no significant reductions in insurance coverage from coverage in prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 - TERMINATION BENEFITS

If a certified employee notifies the District by June 30 of an irrevocable intent to retire at the end of the school year four years later and the employee is at the top of the pay scale, the certified employee shall receive a total increase of six percent (6%) per year over his or her salary in the previous year for the final three years of employment prior to retirement. If a certified employee provides notification of an irrevocable intent to retire less than three years in the future and the employee is at the top of the pay scale, the certified employee shall receive a total increase of six percent (6%) in each of the remaining years before he or she retires. As of June 30, 2010, the District's liability for increases due to intent to retire is \$542,506.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 - RETIREMENT FUND COMMITMENTS

Defined Benefit Pension Plan - Teachers' Retirement System: The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

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 state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the year ended June 30, 2009 and 2008.

The state of Illinois makes contributions directly to TRS on behalf of the district's TRS-covered employee.

On-Behalf Contributions - The state of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2010, state of Illinois contributions were based on 23.38% of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$10,038,400 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08% (\$6,942,591) and 13.11% (\$4,945,955) respectively.

The District makes other types of employer contributions directly to TRS.

2.2 Formula Contributions - Employers contribute 0.58% percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2010 were \$249,028. Contributions for the years ending June 30, 2009 and June 30, 2008, were \$235,755 and \$218,814 respectively.

Federal and 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 a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

For the year ended June 30, 2010, the employer pension contribution was 23.38% of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08% and 13.11% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$894,767 were paid from federal and special trust funds that required employer contributions of \$209,197. For the years ended June 30, 2009 and June 30, 2008, required district contributions were \$109,221 and \$151,791, respectively.

Early Retirement Option - The district is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

Under Public Act 94-0004, a "Pipeline ERO" program was provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members did not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO).

Under the Pipeline ERO, the maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5%.

Both the 100% and 117.5% maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2010, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the District paid \$2,940 and \$112,169, respectively, for employer ERO contributions.

Salary Increased Over 6% and Excess Sick Leave - Public Act 94-004 added two additional employer contributions to TRS.

- If an employer grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and benefit based on salary increases of up to 6%.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

- For the year ended June 30, 2010, the District paid \$38,813 to TRS for employer contributions due on salary increases in excess of 6%. For the year ended June 30, 2009 and June 30, 2008, the district paid \$35,724 and \$5,956 to TRS for employer contributions due on salary increases in excess of 6%, respectively.
- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55% of salary during the year ended June 30, 2010).
- For the year ended June 30, 2010, the District paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2009 and June 30, 2008, the District paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, District and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at trs.Illinois.gov.

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post employment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (4 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums of annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state made a contribution to THIS.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On Behalf Contributions to THIS Fund: The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active member, which were 0.84% of pay during the year ended June 30, 2010. State of Illinois contributions were \$360,662, and the District recognized revenue and expenditures of this amount during the year.

State Contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 were also 0.84% of pay. State contributions on behalf of District employees were \$341,439 and \$316,903, respectively.

Employer contributions to THIS Fund: The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63% during the year ended June 30, 2010, June 30, 2009 and June 30, 2008. For the year ended June 30, 2010, the District paid \$270,496 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the District paid \$597,518 and \$554,581 to the THIS Fund respectively, which was 100% of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

Defined Benefit Pension Plan - Illinois Municipal Retirement Fund: 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.

As set by statute, the District Regular plan members are required to contribute 4.50 percent 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 employer contribution rate for calendar year 2009 was 6.26 percent of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

For fiscal year ending December 31, 2009, the District's annual pension cost of \$661,077. See below for a reconciliation of the required contributions versus the actual contributions.

Annual Required Contribution	\$ 636,376
Interest on NPO	-
Annual Pension Cost	636,376
Actual Contribution	463,762
Increase (Decrease) in net pension obligation	172,614
Net pension obligation at June 30, 2009	-
Net pension obligation at June 30, 2010	\$ 172,614

Trend Information for the Regular Plan			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/10	\$ 636,376	72.9%	\$ 172,614
12/31/09	661,077	100	-
12/31/08	557,863	100	-
12/31/07	602,660	100	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 75.39 percent funded. The actuarial accrued liability for benefits was \$21,026,628 and the actuarial value of assets was \$21,026,628, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,864,478. The covered payroll (annual payroll of active employees covered by the plan) was \$10,560,343 and the ratio of the UAAL to the covered payroll was 60 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20%

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)

corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented in the required supplementary information section, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

Beginning in fiscal year 2009, the District implemented Governmental Accounting Standards Board (GASB) Statement 45 for other post employment benefits provided to retirees on a prospective basis.

Plan Description: The District provides the continuation of health care benefits and life insurance to employees, who retire from the District. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Retirement for Certified personnel is defined as age 50 and 20 years of service, or age 60 and 10 years of service or age 62 and 5 years of service. Retirement for Non-Certified personnel is defined as age 55 and 25 years of service, or age 60 and 8 years of service or combined age and service of 85.

Funding Policy: Funding is provided by The District on a pay-as-you-go basis with no contribution from the retiree. The District's expected contribution on behalf of the employees to the insurance provider was \$138,871 for 2010.

Annual OPEB Cost and Net OPEB Obligation: The District's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). Actuarial calculations reflect a long-term perspective. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over thirty years. For fiscal year 2010, the District's annual OPEB cost was \$147,491.

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 147,317	\$ 149,331
Interest on net OPEB Obligation	523	-
Adjustment to the ARC	<u>(349)</u>	<u>-</u>
Annual OPEB cost	147,491	149,331
Contributions made	<u>(138,871)</u>	<u>(138,871)</u>
Increase in net OPEB obligation	8,620	10,460
Net OPEB beginning of year	<u>10,460</u>	<u>-</u>
Net OPEB end of year	\$ <u>19,080</u>	\$ <u>10,460</u>
Percentage of Annual OPEB Cost Contributed	94.2%	93%

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress: As of June 30, 2010, the actuarial accrued liability for benefits was \$1,752,847. The covered payroll was \$0, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 0.0%.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/10	\$ -	\$ 1,752,847	\$ 1,752,847	0.00%	\$ -	0.00%

The District has disclosed in the required schedule of funding progress immediately following the notes to the financial statements the multiyear trend information about the actuarial value of plan assets and the actuarial accrued liability for benefits.

Actuarial Assumptions: In the actuarial valuation for the fiscal year ended June 30, 2010, the entry age normal cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced to an ultimate rate of 6% after 6 years. Rates include a 3% general inflation assumption. The Unfunded Accrued Actuarial Liability is being amortized as level dollar amount over 30 years. A discount (interest) rate of 5% was used and salary increases of 5% per year. Probabilities of death for participants were according to the 1994 Group Annuity Mortality Table for Males and Females. 75% of employees currently enrolled in medical plans were assumed to participate and 20% of employees were assumed to have participating spouses. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

NOTE 10 - NEW ACCOUNTING STANDARDS

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for period beginning after June 15, 2010. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Statement 54 is effective for the District's fiscal year ending June 30, 2011. The District is currently evaluating the impact of adopting Statement No. 54.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 10 – NEW ACCOUNTING STANDARDS (continued)

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple employer OPEB plan in which it participates. This Statement also amends a Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation. The amendment permits the requirement to be satisfied for an agent multiple-employer OPEB plan by reporting an aggregation of results of actuarial valuations of the individual-employer OPEB plans or measurements resulting from use of the alternative measurement method for individual-employer OPEB plans that are eligible. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers. The provisions related to the use and reporting of the alternative method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plans financial statements for the District's financial periods beginning after June 15, 2011.

In June 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 emphasizes the applicability of U.S. Securities and Exchange Commission requirements to certain external investment pools—known as 2a7-like pools—to provide users more consistent information on qualifying pools; addresses the applicability of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and applies the reporting provisions for interest-earning investment contracts of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to unallocated insurance contracts to improve the consistency of reporting by pension and OPEB plans. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged. The District is currently evaluating the impact of the adoption of the standard on its financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - ILLINOIS MUNICIPAL RETIREMENT FUND
 June 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2009	\$ 21,026,628	\$ 27,891,106	\$ 6,864,478	75.39%	\$ 10,560,343	65.00%
12/31/2008	20,055,173	25,765,716	5,710,543	77.84%	9,997,539	57.12%
12/31/2007	25,769,569	24,596,526	(1,173,043)	104.77%	9,566,038	0.00%
12/31/2006	24,498,257	23,123,080	(1,375,177)	105.95%	9,285,492	0.00%
12/31/2005	22,347,628	21,442,660	(904,968)	104.22%	9,024,936	0.00%
12/31/2004	20,227,722	19,988,715	(239,007)	101.20%	9,070,814	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 was \$20,240,250. On a market basis, the funded ratio would be 72.57%.

The actuarial assumptions used to determine the actuarial accrued liability for 2009 were based on the 2006-2008 Experience Study.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
 June 30, 2010

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
6/30/10	\$ -	\$ 1,752,547	\$ 1,752,547	0.00%	\$ -	0.00%
6/30/09	-	1,752,547	1,752,547	0.00%	-	0.00%
6/30/08	NA	NA	NA	NA	NA	NA

NA -June 30, 2009 was the first actuarial study performed.

Required Supplementary Information - Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balances
General Fund and Major Special Revenue Funds
Year Ended June 30, 2010

	General Fund			Transportation Fund			IMRF / Social Security Fund			Working Cash Fund		
	Original and final budget	Actual	Variance from budget positive (negative)	Original and final budget	Actual	Variance from budget positive (negative)	Original and final budget	Actual	Variance from budget positive (negative)	Original and final budget	Actual	Variance from budget positive (negative)
Revenues												
Local sources												
Property taxes	\$ 59,747,262	\$ 65,010,495	\$ 5,263,233	\$ 2,648,100	\$ 2,611,375	\$ (36,725)	\$ 1,462,760	\$ 1,578,550	\$ 115,790	\$ 542,715	\$ 546,948	\$ 4,233
Replacement taxes	4,607,852	3,283,867	(1,323,985)	-	-	-	550,000	391,968	(158,032)	-	-	-
Interest	2,710,751	1,521,667	(1,189,084)	146,090	80,555	(65,535)	61,741	36,340	(25,401)	691,002	371,187	(319,815)
Other local sources	1,744,963	3,466,766	1,721,803	9,131	19,776	10,645	-	-	-	-	-	-
State sources	4,861,438	4,578,521	(282,917)	2,306,264	1,649,103	(657,161)	-	-	-	-	-	-
Federal sources	4,029,750	5,290,934	1,261,184	-	-	-	-	-	-	-	-	-
On-behalf payments received from state	10,196,771	10,390,062	202,291	-	-	-	-	-	-	-	-	-
Total revenues	87,898,787	93,551,312	5,652,525	5,109,585	4,360,809	(748,776)	2,074,501	2,006,858	(67,643)	1,233,717	918,135	(315,582)
Expenditures												
Current:												
Instruction												
Regular programs	27,864,820	27,715,933	148,887	-	-	-	342,699	345,141	(2,442)	-	-	-
Special ed programs	6,642,389	6,944,317	(301,928)	-	-	-	204,522	223,946	(19,424)	-	-	-
Other instructional programs	9,476,295	9,820,766	(344,471)	-	-	-	197,001	204,045	(7,044)	-	-	-
State retirement contributions	10,196,771	10,399,062	(202,291)	-	-	-	-	-	-	-	-	-
Support services												
Pupils	4,366,934	4,458,738	(91,804)	-	-	-	109,237	117,636	(8,399)	-	-	-
Instructional staff	4,314,203	4,383,747	(69,544)	-	-	-	168,767	171,831	(3,064)	-	-	-
General administration	2,285,468	2,380,242	(94,774)	-	-	-	61,761	64,722	(2,961)	-	-	-
School administration	4,741,162	4,917,596	(176,434)	-	-	-	168,909	189,351	(20,442)	-	-	-
Business	3,405,825	3,531,960	(126,135)	-	-	-	126,625	139,225	(12,600)	-	-	-
Transportation	127,689	8,875	118,814	5,024,242	5,038,576	(14,334)	26,311	30,011	(3,700)	97,269	97,269	(97,269)
Operations and maintenance	7,043,457	6,808,791	234,666	-	-	-	568,796	517,359	51,437	-	-	-
Central	2,205,510	2,091,129	114,381	-	-	-	142,733	162,604	(19,871)	-	-	-
Community Services	153,769	171,307	(17,538)	-	-	-	9,097	9,194	(97)	-	-	-
Payments to other governmental units	3,216,394	3,573,168	(356,774)	15,000	-	15,000	10,000	-	10,000	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	5,990,545	4,244,070	1,746,475	25,000	19,800	5,200	-	-	-	-	-	-
Total expenditures	92,031,231	91,349,701	681,530	5,064,242	5,058,376	5,866	2,136,458	2,175,065	(38,607)	-	97,269	(97,269)
Excess (deficiency) of revenues over (under) expenditures	(4,132,444)	2,201,611	6,334,055	45,343	(697,567)	(742,910)	(61,957)	(168,207)	(106,250)	1,233,717	820,866	(412,851)
Other financing sources (uses)												
Transfers in	7,815,227	7,776,151	(39,076)	-	-	-	-	-	-	-	-	-
Transfers out	(7,700,000)	(7,700,000)	-	-	-	-	-	-	-	(7,700,000)	(7,700,000)	-
Bond proceeds	-	-	-	-	-	-	-	-	-	7,700,000	7,425,000	(275,000)
Premium on bonds sold	-	-	-	-	-	-	-	-	-	-	372,269	372,269
Total other financing sources and (uses)	115,227	76,151	(39,076)	-	-	-	-	-	-	-	97,269	97,269
Net change in fund balances	\$ (4,017,217)	\$ 2,277,762	\$ 6,294,979	\$ 45,343	\$ (697,567)	\$ (742,910)	\$ (61,957)	\$ (168,207)	\$ (106,250)	\$ 1,233,717	\$ 918,135	\$ (315,582)
Fund balances at beginning of year												
		80,293,566			4,268,014			1,935,245			19,768,551	
Fund balances at end of year		\$ 82,571,328			\$ 3,570,447			\$ 1,767,038			\$ 20,686,686	

See accompanying notes to budgetary comparison schedule.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2010

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. The administration submits to the Board of Education a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. All governmental funds have legally adopted budgets on the GAAP basis of accounting.
- B. A public hearing is conducted at a public meeting to obtain taxpayer comments.
- C. By September 30, the budget is legally adopted through passage of a resolution.
- D. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to 10% of the total budget between line items within any fund; however, any revisions that alter the total disbursements of any fund must be approved by the Board of Education after a public hearing. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund.
- E. Formal budgeting integration is employed as a management control device during the year for the governmental and expendable trust funds.
- F. Budgeted amounts presented are those originally adopted by the Board of Education.
- G. Budget/appropriations lapse at year end.

The following funds/accounts have legally adopted budgets: General Fund (Educational Account, Operations and Maintenance Account), Transportation Fund, Debt Service Fund, Working Cash Fund, IMRF/Social Security Fund, and the Capital Projects Fund. The original budget was not amended during the fiscal year.

NOTE 2 - EXCESS OVER BUDGET

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2010:

<u>Fund</u>	<u>Amount</u>
IMRF/Social Security Fund	\$ 38,607
Working Cash Fund	97,269
Debt Service Fund	20,319
Capital Projects Fund	1,406,379

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following accounts within the General Fund:

Educational Account - to account for most of the instructional and administrative aspects of the District's operations.

Operations and Maintenance Account - to account for general repair and maintenance of District property.

SPECIAL REVENUE FUNDS

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following major Special Revenue Funds:

Transportation Fund - to account for activity relating to student transportation to and from school.

Illinois Municipal Retirement/Social Security Fund - to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and for the District's portion of pension contributions to the Social Security Administration for noncertified employees.

Working Cash Fund - to account for financial resources held by the District which may be temporarily loaned to other funds.

DEBT SERVICE FUND

Debt Service Fund - to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund

Balance Sheet - by Account

June 30, 2010

(With comparative actual totals for June 30, 2009)

	Educational <u>Account</u>	Operations and Maintenance <u>Account</u>	Total <u>2010</u>	Total <u>2009</u>
Assets				
Cash and investments	\$ 81,630,349	\$ 8,745,550	\$ 90,375,899	\$ 86,767,467
Cash - restricted for insurance	433,736	-	433,736	2,733,718
Receivables:				
Interest receivable	371,008	-	371,008	626,409
Property tax receivable	27,044,743	1,985,479	29,030,222	32,572,708
Accounts receivable	7,780	-	7,780	10,909
Intergovernmental receivable	5,753,458	218,060	5,971,518	4,129,158
Inventory	59,879	-	59,879	76,387
Total assets	<u>\$ 115,300,953</u>	<u>\$ 10,949,089</u>	<u>\$ 126,250,042</u>	<u>\$ 126,916,756</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 1,560,473	\$ 265,460	\$ 1,825,933	\$ 2,122,057
Salaries and benefits payable	7,617,966	198,905	7,816,871	8,414,343
Unearned revenue	3,441,088	61,959	3,503,047	2,313,347
Deferred property tax revenue	26,872,414	1,972,312	28,844,726	32,432,509
Insurance claims payable	1,433,209	118,207	1,551,416	1,213,094
Other current liabilities	133,277	3,444	136,721	127,840
Total liabilities	<u>41,058,427</u>	<u>2,620,287</u>	<u>43,678,714</u>	<u>46,623,190</u>
Fund balance				
Reserved for insurance	-	-	-	1,613,919
Reserved for inventory	59,879	-	59,879	76,387
Unreserved	74,182,647	8,328,802	82,511,449	78,603,260
Total fund balance	<u>74,242,526</u>	<u>8,328,802</u>	<u>82,571,328</u>	<u>80,293,566</u>
Total liabilities and fund balance	<u>\$ 115,300,953</u>	<u>\$ 10,949,089</u>	<u>\$ 126,250,042</u>	<u>\$ 126,916,756</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - by Account
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Educational Account	Operations and Maintenance Account	Total 2010	Total 2009
Revenues				
Local sources				
Property taxes	\$ 60,193,514	\$ 4,816,981	\$ 65,010,495	\$ 58,613,355
Replacement taxes	1,827,227	1,456,640	3,283,867	3,887,105
Interest	1,312,203	209,464	1,521,667	3,136,401
Other local sources	3,324,749	142,017	3,466,766	1,793,186
State sources	4,578,521	-	4,578,521	5,029,441
Federal sources	5,290,934	-	5,290,934	3,923,502
On-behalf payments received from state	10,399,062	-	10,399,062	7,284,030
Total revenues	<u>86,926,210</u>	<u>6,625,102</u>	<u>93,551,312</u>	<u>83,667,020</u>
Expenditures				
Current:				
Instruction				
Regular programs	27,715,933	-	27,715,933	26,036,161
Special ed programs	6,944,317	-	6,944,317	6,059,975
Other instructional programs	9,820,766	-	9,820,766	8,467,352
State retirement contributions	10,399,062	-	10,399,062	7,284,030
Support services				
Pupils	4,458,738	-	4,458,738	4,136,633
Instructional staff	4,383,747	-	4,383,747	4,179,478
General administration	2,280,242	-	2,280,242	2,087,944
School administration	4,917,596	-	4,917,596	4,583,372
Business	3,531,960	-	3,531,960	3,300,860
Transportation	8,875	-	8,875	9,205
Operations and maintenance	663	6,808,128	6,808,791	6,613,946
Central	2,091,129	-	2,091,129	1,902,929
Community services	163,777	7,530	171,307	125,602
Payments to other governmental units	3,537,134	36,034	3,573,168	3,013,646
Capital outlay	1,763,513	2,480,557	4,244,070	3,328,045
Total expenditures	<u>82,017,452</u>	<u>9,332,249</u>	<u>91,349,701</u>	<u>81,129,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,908,758</u>	<u>(2,707,147)</u>	<u>2,201,611</u>	<u>2,537,842</u>
Other financing sources (uses)				
Transfers in	7,776,151	-	7,776,151	265,481
Transfers out	(7,700,000)	-	(7,700,000)	-
Total other financing sources and (uses)	<u>76,151</u>	<u>-</u>	<u>76,151</u>	<u>265,481</u>
Net change in fund balances	4,984,909	(2,707,147)	2,277,762	2,803,323
Fund balances at beginning of year	<u>69,257,617</u>	<u>11,035,949</u>	<u>80,293,566</u>	<u>77,490,243</u>
Fund balances at end of year	<u>\$ 74,242,526</u>	<u>\$ 8,328,802</u>	<u>\$ 82,571,328</u>	<u>\$ 80,293,566</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Revenues				
Local sources				
Property taxes				
General levy	\$ 54,877,750	\$ 59,355,084	\$ 4,477,334	\$ 53,291,573
Tort immunity levy	-	(1,596)	(1,596)	79,682
Special eduction levy	776,000	840,026	64,026	781,782
Replacement taxes	2,563,926	1,827,227	(736,699)	938,025
Regular tuition from pupils or parents	68,338	30,281	(38,057)	36,935
Regular tuition from other LEA's	12,750	14,245	1,495	12,173
Summer school tuition from pupils or parents	108,813	91,271	(17,542)	105,130
Special education tuition from pupils or parents	204,977	180,378	(24,599)	195,675
Special education tuition from other LEA's	61,587	61,587	-	15,750
Interest	2,335,090	1,312,203	(1,022,887)	2,728,558
Sales to pupils - lunch	764,878	676,494	(88,384)	755,183
Sales to pupils - breakfast	4,200	-	(4,200)	-
Contributions and donations from private sources	41,361	48,000	6,639	37,549
Refund of prior years' ependitures	-	37,538	37,538	14,253
Proceeds from vendor contracts	2,000	220	(1,780)	-
Textbook sales	-	3,222	3,222	359
Local fees	246,079	292,438	46,359	284,120
Other local sources	229,980	1,889,075	1,659,095	319,356
Total local sources	62,297,729	66,657,693	4,359,964	59,596,103
State sources				
General state aid	2,051,081	2,139,108	88,027	1,583,077
Special education - private facility tuition	33,741	23,765	(9,976)	33,741
Special education - extraordinary	837,291	654,098	(183,193)	837,291
Special education - personnel	935,560	770,322	(165,238)	974,401
Special education - summer school	2,780	2,443	(337)	2,780
Special education - orphanage	39,185	25,068	(14,117)	44,488
Special education - orphanage - summer	687	4,102	3,415	687
Elementary career education	5,275	-	(5,275)	3,197
Bilingual education - downstate - TPI	364,152	482,671	118,519	485,536
National teacher certification	37,000	-	(37,000)	34,000
State free lunch & breakfast	43,000	23,105	(19,895)	40,546
School breakfast initiative	-	2,238	2,238	820
Early childhood - block grant	267,112	269,280	2,168	400,026
Reading improvement block grant	140,911	126,606	(14,305)	281,822
School safety & educational improvement block grant	49,266	25,435	(23,831)	199,802
State library grant	4,397	-	(4,397)	4,397
Illinois arts council	-	1,000	1,000	-
Illinois Department of Public Health grant	-	-	-	5,200
Arts and foreign assistance grant	-	29,280	29,280	97,630

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final budget	Actual	Variance from budget positive (negative)	2009 Actual
Other state sources	\$ 50,000	\$ -	\$ (50,000)	\$ -
Total state sources	4,861,438	4,578,521	(282,917)	5,029,441
Federal sources				
National school lunch program	796,771	1,004,075	207,304	823,515
School breakfast program	82,000	143,765	61,765	103,007
Child nutrition commodity - salvage	-	79,675	79,675	71,539
Title I - low income	794,216	1,134,274	340,058	767,494
Title IV - safe & drug free schools - formula	20,693	17,844	(2,849)	20,543
Fed - special education - IDEA - flow through/low incidence	1,049,661	1,054,483	4,822	1,014,591
Fed - special education - IDEA - room & board	3,000	-	(3,000)	2,876
General state aid - government SFSF - ARRA	-	360,527	360,527	468,005
Title I - low income - ARRA	341,631	441,700	100,069	-
Fed - special education - IDEA - preschool - ARRA	105,448	65,573	(39,875)	-
Fed - special education - IDEA - flow through - ARRA	223,170	173,378	(49,792)	-
McKinney-Vento homeless education - ARRA	-	4,949	4,949	-
General state aid - education SFSF - ARRA	-	120,176	120,176	-
Medicaid matching funds - administrative outreach	50,000	157,694	107,694	137,344
Emergency immigrant assistance	-	-	-	-
Title III - english language acquisition	311,112	298,168	(12,944)	311,112
Title II - teacher quality	237,698	226,227	(11,471)	195,875
Technology enhancing education - formula	14,350	8,426	(5,924)	7,601
Total federal sources	4,029,750	5,290,934	1,261,184	3,923,502
On-behalf payments received from state	10,196,771	10,399,062	202,291	7,284,030
Total revenues	81,385,688	86,926,210	5,540,522	75,833,076
Expenditures				
Current:				
Instruction				
Regular programs				
Salaries	23,054,246	22,235,294	818,952	12,376,130
Employee benefits	3,026,049	3,692,719	(666,670)	1,800,337
On-behalf payments to TRS from the State	10,196,771	10,399,062	(202,291)	7,284,030
Purchased services	307,117	298,517	8,600	200,670
Supplies and materials	1,027,326	954,456	72,870	589,168
Capital outlay	2,676,347	1,504,889	1,171,458	387,377
Other objects	3,140	2,712	428	695
Total regular programs	40,290,996	39,087,649	1,203,347	22,638,407
Pre-K programs				
Salaries	409,076	431,817	(22,741)	9,343,789
Employee benefits	37,866	100,418	(62,552)	1,326,781

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2010

(With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Purchased services	\$ -	\$ -	\$ -	\$ 105,712
Supplies and materials	-	-	-	289,570
Capital outlay	-	-	-	893,772
Other objects	-	-	-	3,309
Total pre-k programs	<u>446,942</u>	<u>532,235</u>	<u>(85,293)</u>	<u>11,962,933</u>
Special education programs				
Salaries	3,790,669	3,775,237	15,432	2,993,235
Employee benefits	719,155	892,354	(173,199)	608,534
Purchased services	2,400	4,853	(2,453)	4,738
Supplies and materials	52,195	50,756	1,439	37,790
Capital outlay	20,000	12,288	7,712	22,488
Total special education programs	<u>4,584,419</u>	<u>4,735,488</u>	<u>(151,069)</u>	<u>3,666,785</u>
Special education programs pre-k				
Salaries	785,408	814,203	(28,795)	1,252,183
Employee benefits	236,407	255,159	(18,752)	287,188
Purchased services	8,925	89	8,836	2,764
Supplies and materials	21,500	18,762	2,738	19,550
Capital outlay	500	-	500	-
Total special education programs pre-k	<u>1,052,740</u>	<u>1,088,213</u>	<u>(35,473)</u>	<u>1,561,685</u>
Educationally deprived/remedial programs				
Salaries	690,363	697,339	(6,976)	621,056
Employee benefits	268,767	282,294	(13,527)	204,428
Supplies and materials	66,600	153,271	(86,671)	26,664
Capital outlay	113,647	30,304	83,343	1,743
Other objects	-	-	-	1,845
Total educationally deprived/remedial programs	<u>1,139,377</u>	<u>1,163,208</u>	<u>(23,831)</u>	<u>855,736</u>
Vocational programs				
Purchased services	4,875	-	4,875	1,340
Supplies and materials	400	-	400	505
Total vocational programs	<u>5,275</u>	<u>-</u>	<u>5,275</u>	<u>1,845</u>
Interscholastic programs				
Salaries	377,124	420,678	(43,554)	397,190
Employee benefits	4,485	4,513	(28)	4,322
Purchased services	20,815	12,915	7,900	15,341
Supplies and materials	5,206	7,046	(1,840)	10,134

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2010

(With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Other objects	\$ -	\$ 100	\$ (100)	\$ -
Total interscholastic programs	407,630	445,252	(37,622)	426,987
Summer school programs				
Salaries	268,858	230,042	38,816	210,683
Employee benefits	3,157	2,567	590	4,264
Purchased services	-	225	(225)	201
Supplies and materials	23,000	26,345	(3,345)	39,862
Total summer school programs	295,015	259,179	35,836	255,010
Gifted programs				
Salaries	604,800	606,120	(1,320)	567,133
Employee benefits	85,766	116,742	(30,976)	90,345
Purchased services	5,500	2,117	3,383	427
Supplies and materials	6,500	3,081	3,419	3,710
Capital outlay	8,000	-	8,000	-
Other objects	-	210	(210)	-
Total gifted programs	710,566	728,270	(17,704)	661,615
Bilingual programs				
Salaries	6,484,063	6,646,093	(162,030)	5,943,145
Employee benefits	1,038,868	1,398,208	(359,340)	1,055,190
Purchased services	-	1,365	(1,365)	1,879
Supplies and materials	112,878	295,031	(182,153)	29,669
Capital outlay	75,000	-	75,000	-
Total bilingual programs	7,710,809	8,340,697	(629,888)	7,029,883
Private education tuition				
Other objects	430,000	47,368	382,632	92,012
Total Instruction	57,073,769	56,427,559	646,210	49,152,898
Support services				
Pupils				
Attendance and social work services				
Salaries	837,307	847,885	(10,578)	798,342
Employee benefits	114,004	133,057	(19,053)	113,085
Purchased services	26,300	24,302	1,998	19,040
Supplies and materials	7,500	5,694	1,806	5,148
Capital outlay	-	-	-	571
Total attendance and social work services	985,111	1,010,938	(25,827)	936,186

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Health services				
Salaries	\$ 629,437	\$ 648,793	\$ (19,356)	\$ 608,970
Employee benefits	123,374	161,178	(37,804)	132,968
Purchased services	4,600	1,616	2,984	984
Supplies and materials	5,300	6,174	(874)	3,487
Capital outlay	3,000	3,375	(375)	12,711
Other objects	35	-	35	35
Total health services	<u>765,746</u>	<u>821,136</u>	<u>(55,390)</u>	<u>759,155</u>
Psychological services				
Salaries	918,780	885,064	33,716	855,927
Employee benefits	136,439	150,945	(14,506)	133,734
Purchased services	3,500	1,763	1,737	2,196
Supplies and materials	5,500	5,301	199	3,328
Total psychological services	<u>1,064,219</u>	<u>1,043,073</u>	<u>21,146</u>	<u>995,185</u>
Speech pathology and audiology services				
Salaries	1,175,322	1,109,072	66,250	1,108,212
Employee benefits	155,232	164,286	(9,054)	151,229
Purchased services	4,500	88,993	(84,493)	4,725
Supplies and materials	5,000	8,334	(3,334)	2,303
Total speech pathology and audiology services	<u>1,340,054</u>	<u>1,370,685</u>	<u>(30,631)</u>	<u>1,266,469</u>
Other support services - pupils				
Salaries	151,876	156,240	(4,364)	137,726
Employee benefits	23,567	29,255	(5,688)	23,315
Purchased services	12,000	7,839	4,161	8,557
Supplies and materials	26,561	22,211	4,350	22,526
Capital outlay	5,000	5,601	(601)	2,338
Other objects	800	736	64	796
Total other support services - pupils	<u>219,804</u>	<u>221,882</u>	<u>(2,078)</u>	<u>195,258</u>
Total pupils	<u>4,374,934</u>	<u>4,467,714</u>	<u>(92,780)</u>	<u>4,152,253</u>
Instructional staff				
Improvement of instruction services				
Salaries	758,093	751,242	6,851	829,628
Employee benefits	165,990	165,922	68	164,480
Purchased services	128,340	137,973	(9,633)	77,044
Supplies and materials	39,296	44,748	(5,452)	31,133

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2010
(With comparative actual totals for June 30, 2009)

	Original and final budget	Actual	Variance from budget positive (negative)	2009 Actual
Other objects	\$ 400	\$ 104	\$ 296	\$ -
Total improvement of instruction services	1,092,119	1,099,989	(7,870)	1,102,285
Educational media services				
Salaries	2,335,916	2,330,218	5,698	2,269,353
Employee benefits	459,031	588,059	(129,028)	475,456
Purchased services	44,600	18,181	26,419	9,378
Supplies and materials	259,274	220,286	38,988	203,406
Capital outlay	46,300	7,420	38,880	122,409
Other objects	1,000	702	298	1,869
Total educational media services	3,146,121	3,164,866	(18,745)	3,081,871
Assessment and testing				
Salaries	-	24,007	(24,007)	5,132
Employee benefits	-	221	(221)	122
Purchased services	50,550	38,208	12,342	51,811
Supplies and materials	71,713	63,876	7,837	60,666
Total assessment and testing	122,263	126,312	(4,049)	117,731
Total instructional staff	4,360,503	4,391,167	(30,664)	4,301,887
General Administration				
Board of education services				
Salaries	55,264	53,156	2,108	50,810
Employee benefits	4,363	5,422	(1,059)	4,552
Purchased services	650,064	717,684	(67,620)	520,215
Supplies and materials	4,200	3,702	498	3,133
Capital outlay	14,595	6,228	8,367	-
Other objects	18,000	18,694	(694)	17,857
Total board of education services	746,486	804,886	(58,400)	596,567
Executive administration services				
Salaries	488,550	484,796	3,754	456,577
Employee benefits	114,354	145,063	(30,709)	118,001
Purchased services	9,150	4,810	4,340	6,623
Supplies and materials	13,446	15,395	(1,949)	12,766
Capital outlay	8,000	-	8,000	1,329
Other objects	6,755	5,709	1,046	6,919
Total executive administration services	640,255	655,773	(15,518)	602,215

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Special area administrative services				
Salaries	\$ 727,900	\$ 626,587	\$ 101,313	\$ 689,464
Employee benefits	153,744	172,415	(18,671)	170,172
Purchased services	23,478	20,404	3,074	18,464
Supplies and materials	14,700	5,640	9,060	11,295
Capital outlay	-	-	-	3,505
Other objects	1,500	765	735	1,096
Total special area administrative services	921,322	825,811	95,511	893,996
Total general administration	2,308,063	2,286,470	21,593	2,092,778
School Administration				
Office of the principal services				
Salaries	3,688,903	3,675,768	13,135	3,507,813
Employee benefits	905,394	1,133,652	(228,258)	944,799
Purchased services	108,815	59,470	49,345	90,503
Supplies and materials	35,200	47,095	(11,895)	39,265
Capital outlay	8,500	699	7,801	11,035
Other objects	2,850	1,611	1,239	992
Total school administration	4,749,662	4,918,295	(168,633)	4,594,407
Business				
Direction of business support services				
Salaries	213,756	212,807	949	203,125
Employee benefits	59,093	67,271	(8,178)	61,013
Purchased services	53,515	53,770	(255)	54,495
Supplies and materials	2,400	1,211	1,189	1,899
Capital outlay	-	672	(672)	-
Other objects	2,535	2,500	35	1,730
Total direction of business support services	331,299	338,231	(6,932)	322,262
Fiscal services				
Salaries	344,901	304,757	40,144	298,276
Employee benefits	61,368	78,628	(17,260)	65,150
Purchased services	10,550	8,651	1,899	7,828
Supplies and materials	2,300	2,095	205	3,440
Other objects	1,190	1,200	(10)	950
Total fiscal services	420,309	395,331	24,978	375,644
Operation and maintenance of plant services				
Salaries	1,200	663	537	808

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Pupil transportation services				
Salaries	\$ -	\$ 1,679	\$ (1,679)	\$ 2,424
Employee benefits	-	-	-	20
Purchased services	127,689	7,196	120,493	6,761
Total pupil transportation services	127,689	8,875	118,814	9,205
Food services				
Salaries	492,318	494,811	(2,493)	457,144
Employee benefits	11,215	11,729	(514)	10,433
Purchased services	1,553,283	1,611,712	(58,429)	1,492,488
Supplies and materials	11,411	97,361	(85,950)	82,875
Capital outlay	31,312	3,068	28,244	6,631
Total food services	2,099,539	2,218,681	(119,142)	2,049,571
Internal services				
Salaries	319,963	316,169	3,794	308,797
Employee benefits	64,679	76,818	(12,139)	67,993
Purchased services	160,333	153,712	6,621	144,590
Supplies and materials	40,405	36,343	4,062	38,504
Capital outlay	8,300	6,049	2,251	3,525
Other objects	610	415	195	130
Total internal services	594,290	589,506	4,784	563,539
Total business	3,574,326	3,551,287	23,039	3,321,029
Central				
Planning, research, development and evaluation services				
Salaries	181,376	151,401	29,975	184,491
Employee benefits	15,781	18,845	(3,064)	16,919
Purchased services	5,500	5,062	438	14,552
Supplies and materials	5,000	1,077	3,923	963
Other objects	-	30	(30)	45
Total planning, research, development and evaluation services	207,657	176,415	31,242	216,970
Information services				
Salaries	43,097	40,727	2,370	36,045
Employee benefits	3,726	4,588	(862)	3,938
Purchased services	85,000	55,245	29,755	86,751
Supplies and materials	750	52	698	-
Other objects	700	240	460	460

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2010
(With comparative actual totals for June 30, 2009)

	Original and final budget	Actual	Variance from budget positive (negative)	2009 Actual
Total information services	\$ 133,273	\$ 100,852	\$ 32,421	\$ 127,194
Staff services				
Salaries	561,930	528,561	33,369	440,548
Employee benefits	137,182	148,194	(11,012)	114,583
Purchased services	47,763	47,113	650	42,386
Supplies and materials	58,000	57,375	625	55,804
Capital outlay	3,500	2,393	1,107	5,676
Other objects	1,000	3,239	(2,239)	794
Total staff services	809,375	786,875	22,500	659,791
Data processing services				
Salaries	636,391	573,657	62,734	553,892
Employee benefits	97,453	131,664	(34,211)	105,026
Purchased services	196,783	136,238	60,545	219,507
Supplies and materials	127,793	187,776	(59,983)	26,195
Capital outlay	187,063	180,527	6,536	294,687
Other objects	285	45	240	30
Total data processing services	1,245,768	1,209,907	35,861	1,199,337
Total central	2,396,073	2,274,049	122,024	2,203,292
Total support services	21,763,561	21,888,982	(125,421)	20,665,646
Community services				
Salaries	65,283	61,401	3,882	68,452
Employee benefits	19,096	16,894	2,202	21,768
Purchased services	28,471	21,270	7,201	12,472
Supplies and materials	33,119	64,212	(31,093)	14,414
Total community services	145,969	163,777	(17,808)	117,106
Payments to other governmental units				
Payments for special education programs				
Purchased services	1,250,975	1,359,469	(108,494)	1,150,139
Tuition	1,579,385	2,177,665	(598,280)	1,812,525
Total payments to other governmental units	2,830,360	3,537,134	(706,774)	2,962,664
Provision for contingencies	200,000	-	200,000	-
Total expenditures	82,013,659	82,017,452	(3,793)	72,898,314
Excess (deficiency) of revenues over (under) expenditures	(627,971)	4,908,758	5,536,729	2,934,762

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Educational Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Other financing sources (uses)				
Transfers in	\$ 7,815,227	\$ 7,776,151	\$ (39,076)	\$ 265,481
Transfers out	<u>(7,700,000)</u>	<u>(7,700,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>115,227</u>	<u>76,151</u>	<u>(39,076)</u>	<u>265,481</u>
Net change in fund balance	<u>\$ (512,744)</u>	4,984,909	<u>\$ 5,497,653</u>	3,200,243
Fund balance at beginning of year		<u>69,257,617</u>		<u>66,057,374</u>
Fund balance at end of year		<u>\$ 74,242,526</u>		<u>\$ 69,257,617</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Operations and Maintenance Account
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Revenues				
Local Sources				
Property taxes				
General levy	\$ 4,093,512	\$ 4,817,951	\$ 724,439	\$ 4,411,915
Tort immunity levy	-	(970)	(970)	48,403
Replacement taxes	2,043,926	1,456,640	(587,286)	2,949,080
Interest	375,661	209,464	(166,197)	407,843
Local fees	-	142,017	142,017	16,703
Total revenues	<u>6,513,099</u>	<u>6,625,102</u>	<u>112,003</u>	<u>7,833,944</u>
Expenditures				
Current:				
Business				
Facilities acquisition and construction services				
Capital outlay	-	8,885	(8,885)	-
Total Facilities acquisition and construction services	-	8,885	(8,885)	-
Operations and maintenance of plant services				
Salaries	3,717,669	3,520,679	196,990	3,509,823
Employee benefits	545,750	719,424	(173,674)	598,383
Purchased services	1,181,073	1,172,878	8,195	801,714
Supplies and materials	1,592,765	1,392,018	200,747	1,698,539
Capital outlay	2,781,481	2,471,672	309,809	1,558,248
Other Objects	5,000	3,129	1,871	4,679
Total Operations and maintenance of plant services	<u>9,823,738</u>	<u>9,279,800</u>	<u>543,938</u>	<u>8,171,386</u>
Total Business	<u>9,823,738</u>	<u>9,288,685</u>	<u>535,053</u>	<u>8,171,386</u>
Community services				
Salaries	7,800	7,530	270	8,496
Total Community services	<u>7,800</u>	<u>7,530</u>	<u>270</u>	<u>8,496</u>
Nonprogrammed charges				
Purchased services	-	-	-	15,704
Other Objects	-	-	-	35,278
Total nonprogrammed charges	-	-	-	50,982
Nonprogrammed charges				
Tuition	36,034	36,034	-	-
Total nonprogrammed charges	<u>36,034</u>	<u>36,034</u>	<u>-</u>	<u>-</u>
Provision for contingencies	150,000	-	150,000	-
Total expenditures	<u>10,017,572</u>	<u>9,332,249</u>	<u>685,323</u>	<u>8,230,864</u>
Net Change in Fund Balance	<u>\$ (3,504,473)</u>	<u>(2,707,147)</u>	<u>\$ 797,326</u>	<u>(396,920)</u>
Fund Balance at Beginning of Year		<u>11,035,949</u>		<u>11,432,869</u>
Fund Balance at End of Year		<u>\$ 8,328,802</u>		<u>\$ 11,035,949</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2010
(With comparative actual totals for June 30, 2009)

	Original and final budget	Actual	Variance from budget positive (negative)	2009 Actual
Revenues				
Local Sources				
Property taxes				
General levy	\$ 2,648,100	\$ 2,611,375	\$ (36,725)	\$ 2,424,974
Regular transportation fees from pupils or parents	9,131	6,747	(2,384)	6,354
Interest	146,090	80,555	(65,535)	167,524
Other local sources	-	13,029	13,029	-
Total local sources	<u>2,803,321</u>	<u>2,711,706</u>	<u>(91,615)</u>	<u>2,598,852</u>
State Sources				
Early childhood block grant	67,000	-	(67,000)	98,648
Transportation - Regular/Vocational	1,288,764	808,451	(480,313)	1,288,764
Transportation - Special Education	950,500	840,652	(109,848)	950,500
Total State Sources	<u>2,306,264</u>	<u>1,649,103</u>	<u>(657,161)</u>	<u>2,337,912</u>
Total revenues	<u>5,109,585</u>	<u>4,360,809</u>	<u>(748,776)</u>	<u>4,936,764</u>
Expenditures				
Current:				
Instruction				
Other instructional program	-	-	-	324
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>324</u>
Support Services				
Pupil transportation services				
Salaries	253,560	252,326	1,234	240,764
Employee benefits	43,978	51,449	(7,471)	46,122
Purchased services	4,388,389	4,454,413	(66,024)	4,173,972
Supplies and materials	337,950	280,238	57,712	207,779
Capital outlay	25,000	19,800	5,200	22,725
Other Objects	365	150	215	408
Total Support services	<u>5,049,242</u>	<u>5,058,376</u>	<u>(9,134)</u>	<u>4,691,770</u>
Provision for contingencies	15,000	-	15,000	-
Total expenditures	<u>5,064,242</u>	<u>5,058,376</u>	<u>5,866</u>	<u>4,692,094</u>
Net Change in Fund Balance	<u>\$ 45,343</u>	<u>(697,567)</u>	<u>\$ (742,910)</u>	<u>244,670</u>
Fund Balance at Beginning of Year		<u>4,268,014</u>		<u>4,023,344</u>
Fund Balance at End of Year		<u>\$ 3,570,447</u>		<u>\$ 4,268,014</u>

IMRF/Social Security Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2010
 (With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Revenues				
Local Sources				
Property taxes				
General levy	\$ 731,380	\$ 789,275	\$ 57,895	\$ 730,516
Social security/medicare levy	731,380	789,275	57,895	730,516
Replacement taxes	550,000	391,968	(158,032)	656,618
Interest	61,741	36,340	(25,401)	85,560
Total revenues	<u>2,074,501</u>	<u>2,006,858</u>	<u>(67,643)</u>	<u>2,203,210</u>
Expenditures				
Current:				
Instruction				
Regular programs	323,356	329,119	(5,763)	186,704
Pre-K programs	19,343	16,022	3,321	134,220
Special ed programs	152,564	165,040	(12,476)	112,797
Special ed programs - Pre-K	32,626	47,088	(14,462)	53,953
Educationlly deprived/remedial programs	19,332	11,818	7,514	19,496
Interscholastic programs	9,800	11,107	(1,307)	9,763
Summer school programs	6,700	5,746	954	5,911
Gifted programs	7,952	7,567	385	7,052
Bilingual programs	172,549	179,625	(7,076)	150,238
Total Instruction	<u>744,222</u>	<u>773,132</u>	<u>(28,910)</u>	<u>680,134</u>
Pupils				
Attendance and social work services	18,752	19,811	(1,059)	17,638
Health services	48,073	55,514	(7,441)	46,458
Psychological services	12,994	12,367	627	12,140
Speech pathology and audiology services	16,246	15,844	402	20,719
Other support services	13,172	14,100	(928)	11,028
Total Pupils	<u>109,237</u>	<u>117,636</u>	<u>(8,399)</u>	<u>107,983</u>
Instructional staff				
Improvement of instruction services	26,445	19,929	6,516	25,391
Educational media services	141,822	151,490	(9,668)	136,389
Assessment and testing	500	412	88	80
Total Instructional staff	<u>168,767</u>	<u>171,831</u>	<u>(3,064)</u>	<u>161,860</u>
General administration				
Board of education services	768	918	(150)	789
Executive administration services	22,034	23,900	(1,866)	21,380
Service area administrative services	38,959	39,904	(945)	35,455
Total General administration	<u>61,761</u>	<u>64,722</u>	<u>(2,961)</u>	<u>57,624</u>
School administration				
Office of the principal services	168,909	189,351	(20,442)	165,014

IMRF/Social Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2010
(With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Business				
Direction of business support services	\$ 10,340	\$ 10,939	\$ (599)	\$ 9,495
Fiscal services	42,851	44,897	(2,046)	39,675
Operations and maintenance of plant ser	568,796	517,359	51,437	465,252
Pupil transportation services	26,311	30,011	(3,700)	25,407
Food services	29,562	36,286	(6,724)	30,141
Internal services	43,872	47,103	(3,231)	41,462
Total business	<u>721,732</u>	<u>686,595</u>	<u>35,137</u>	<u>611,432</u>
Central				
Planning, research, development, and ev	14,628	16,131	(1,503)	14,109
Information services	5,268	5,636	(368)	4,916
Staff services	42,195	55,237	(13,042)	39,724
Data processing services	80,642	85,600	(4,958)	74,996
Total central	<u>142,733</u>	<u>162,604</u>	<u>(19,871)</u>	<u>133,745</u>
Community services	9,097	9,194	(97)	8,540
Provision for contingencies	10,000	-	10,000	-
Total expenditures	<u>2,136,458</u>	<u>2,175,065</u>	<u>(38,607)</u>	<u>1,926,332</u>
Net Change in Fund Balance	<u>\$ (61,957)</u>	<u>(168,207)</u>	<u>\$ (106,250)</u>	<u>276,878</u>
Fund Balance at Beginning of Year		<u>1,935,245</u>		<u>1,658,367</u>
Fund Balance at End of Year		<u>\$ 1,767,038</u>		<u>\$ 1,935,245</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Working Cash Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2010
(With comparative actual totals for June 30, 2009)

	Original and final budget	Actual	Variance from budget positive (negative)	2009 Actual
Revenues				
Local Sources				
Property taxes				
General levy	\$ 542,715	\$ 546,948	\$ 4,233	\$ 504,632
Interest	691,002	371,187	(319,815)	746,179
Total revenues	1,233,717	918,135	(315,582)	1,250,811
Expenditures				
Current:				
Business				
Bond issuance costs	-	97,269	(97,269)	-
Total expenditures	-	97,269	(97,269)	-
Excess (deficiency) of revenues over (under) expenditures	1,233,717	820,866	(412,851)	1,250,811
Other financing sources (uses)				
Transfers in	(7,700,000)	(7,700,000)	-	-
Bond proceeds	7,700,000	7,425,000	(275,000)	-
Premium on bonds sold	-	372,269	372,269	-
Total other financing sources and (uses)	-	97,269	97,269	-
Net change in fund balance	\$ 1,233,717	918,135	\$ (315,582)	1,250,811
Fund Balance at Beginning of Year		19,768,551		18,517,740
Fund Balance at End of Year		\$ 20,686,686		\$ 19,768,551

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2010

(With comparative actual totals for June 30, 2009)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2009 <u>Actual</u>
Revenues				
Local Sources				
Property taxes				
General levy	\$ 5,093,035	\$ 5,495,411	\$ 402,376	\$ 5,123,602
Interest	<u>115,227</u>	<u>63,275</u>	<u>(51,952)</u>	<u>141,870</u>
Total revenues	<u>5,208,262</u>	<u>5,558,686</u>	<u>350,424</u>	<u>5,265,472</u>
Expenditures				
Debt service:				
Principal	4,210,000	4,210,000	-	4,080,000
Interest and fees	<u>852,016</u>	<u>872,335</u>	<u>(20,319)</u>	<u>917,226</u>
Total expenditures	<u>5,062,016</u>	<u>5,082,335</u>	<u>(20,319)</u>	<u>4,997,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>146,246</u>	<u>476,351</u>	<u>330,105</u>	<u>268,246</u>
Other financing sources (uses)				
Transfers Out	<u>(115,227)</u>	<u>(76,151)</u>	<u>39,076</u>	<u>(265,481)</u>
Total other financing sources and (uses)	<u>(115,227)</u>	<u>(76,151)</u>	<u>39,076</u>	<u>(265,481)</u>
Net Change in Fund Balances	<u>\$ 31,019</u>	400,200	<u>\$ 369,181</u>	2,765
Fund Balances at Beginning of Year		<u>3,311,096</u>		<u>3,308,331</u>
Fund Balances at End of Year		<u>\$ 3,711,296</u>		<u>\$ 3,311,096</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2010
(With comparative actual totals for June 30, 2009)

	Original and final budget	Actual	Variance from budget positive (negative)	2009 Actual
Revenues				
Federal sources				
Fed - special education - IDEA - flow through - ARRA	\$ 476,640	\$ -	\$ (476,640)	\$ -
Total revenues	<u>476,640</u>	<u>-</u>	<u>(476,640)</u>	<u>-</u>
Expenditures				
Current:				
Business				
Facilities acquisition and construction services				
Purchased services	-	3,135	(3,135)	-
Capital outlay	<u>1,000,000</u>	<u>2,403,244</u>	<u>(1,403,244)</u>	<u>-</u>
Total expenditures	<u>1,000,000</u>	<u>2,406,379</u>	<u>(1,406,379)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(523,360)</u>	<u>(2,406,379)</u>	<u>(1,883,019)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	7,700,000	7,700,000	-	-
Bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>7,700,000</u>	<u>7,700,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 7,176,640</u>	<u>5,293,621</u>	<u>\$ (1,883,019)</u>	<u>-</u>
Fund Balance at Beginning of Year		<u>-</u>		<u>-</u>
Fund Balance at End of Year		<u>\$ 5,293,621</u>		<u>\$ -</u>

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FIDUCIARY FUNDS - TRUST AND AGENCY FUND

Agency Fund

Student Activity Fund - to account for assets held by the District as an agent for student organizations.

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Agency Funds - Student Activity Funds
Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2010

	June 30 2009 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30 2010 <u>Balance</u>
Assets				
Cash	\$ 103,235	\$ 161,078	\$ 168,753	\$ 95,560
Total Assets	<u>\$ 103,235</u>	<u>\$ 161,078</u>	<u>\$ 168,753</u>	<u>\$ 95,560</u>
Liabilities				
Accounts Payable	\$ 8,504	\$ 701	\$ 8,504	\$ 701
Due to student organizations				
Friendship Junior High School	15,151	33,639	32,743	16,047
Grove Junior High School	45,401	72,878	78,277	40,002
Holmes Junior High School	18,134	47,202	45,422	19,914
Total due to student organizations	<u>78,686</u>	<u>153,719</u>	<u>156,442</u>	<u>75,963</u>
Due to supporting organizations				
Cahill Brown	200	200	348	52
Clearmont	105	-	105	-
Gifted and Talented Association	588	-	-	588
Jack Keehn Scholarship	4,284	1,500	112	5,672
Jaylen	1,399	740	350	1,789
John Jay Coat Fund	3,830	-	631	3,199
Jan's Memorial Fund	490	163	-	653
Ira Rupley Trust	942	-	59	883
Patrol	453	706	326	833
Rainbow	-	-	-	-
Sarbaugh Trust	105	-	-	105
Special Olympics	112	-	-	112
Student Store	3,537	3,349	1,876	5,010
Total due to supporting organizations	<u>16,045</u>	<u>6,658</u>	<u>3,807</u>	<u>18,896</u>
Total Liabilities	<u>\$ 103,235</u>	<u>\$ 161,078</u>	<u>\$ 168,753</u>	<u>\$ 95,560</u>

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OTHER SUPPLEMENTARY INFORMATION

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

SCHEDULE OF BONDS OUTSTANDING

June 30, 2010

ISSUE DATED JULY 1, 2003A SERIES

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Principal Paid</u>
2011	3.625%	\$ 4,350,000	\$ 647,188	\$ -
2012	4.356%	4,510,000	489,500	-
2013	4.821%	4,705,000	293,062	-
2014	5.000%	1,325,000	66,250	-
TOTAL		<u>\$ 14,890,000</u>	<u>\$ 1,496,000</u>	<u>\$ -</u>

ISSUE DATED OCTOBER 20, 2009 SERIES

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Principal Paid</u>
2011	3.000%	\$ -	\$ 219,876	\$ -
2012	3.000%	-	219,876	-
2013	3.000%	-	219,876	-
2014	3.000%	1,885,000	219,876	-
2015	2.500%	3,335,000	163,326	-
2016	3.000%	2,205,000	63,276	-
TOTAL		<u>\$ 7,425,000</u>	<u>\$ 1,106,106</u>	<u>\$ -</u>

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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 District's overall financial health.

Contents

Schedules

Financial Trends

1 - 6

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

7 - 9

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

Debt Capacity

10 - 15

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

16 - 18

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

19 - 23

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.

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Community Consolidated School District 59

Net Assets by Component

Last Eight Fiscal Years

(accrual basis of accounting)

SCHEDULE 1

	Fiscal Year							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 59,345,607	\$ 61,798,424	\$ 57,978,930	\$ 56,823,122	\$ 54,094,571	\$ 51,296,587	\$ 48,343,234	\$ 85,793,466
Restricted (debt service)	3,422,275	3,048,004	3,002,740	2,708,806	2,406,313	2,185,138	-	-
Restricted (IMRF purposes)	2,389,101	-	-	-	-	-	-	-
Unrestricted	116,963,327	110,264,636	106,064,503	97,089,221	89,931,052	84,389,988	80,975,706	46,038,531
Total net assets	\$ 182,120,310	\$ 175,111,064	\$ 167,046,173	\$ 156,621,149	\$ 146,431,936	\$ 137,871,713	\$ 129,318,940	\$ 131,831,997

SOURCE OF INFORMATION: Statement of Net Assets

Community Consolidated School District 59
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Eight Fiscal Years
(accrual basis of accounting)

SCHEDULE 2

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities:								
Instruction								
Regular Programs	\$ 29,691,214	\$ 26,753,399	\$ 26,259,087	\$ 25,532,859	\$ 25,390,637	\$ 26,256,167	\$ 25,588,906	\$ 27,079,427
Special Education Programs	7,219,361	6,245,973	5,812,435	5,711,151	5,325,135	5,032,011	4,195,485	4,374,129
Other instructional programs	10,039,540	8,640,830	7,655,317	6,908,496	6,297,002	5,900,015	5,468,830	5,364,395
State retirement contributions ^a	10,399,062	7,284,030	4,945,955	3,689,619	2,501,338	4,059,697	4,502,661	4,008,485
Support Services								
Pupils	4,596,881	4,261,415	3,865,893	3,637,060	3,428,564	3,146,608	2,899,188	2,721,110
Instructional Staff	4,599,131	4,390,893	4,283,129	4,038,965	3,673,204	3,713,539	3,401,733	3,548,302
Support Services - General Administration ^b	2,360,231	2,160,274	2,153,701	1,693,919	1,682,559	1,552,447	1,541,594	1,469,569
Support Services - School Administration	5,120,037	4,772,006	4,523,279	4,341,014	4,066,304	3,925,445	3,751,773	3,752,513
Business ^b	3,722,220	2,850,355	2,764,464	3,943,474	2,003,411	2,727,262	2,831,404	2,830,579
Facilities Acquisition and Construction	247,866	244,705	29,278	1,336,197	3,438,048	1,982,653	1,870,678	4,417,905
Operation & Maintenance of Plant Services	10,733,707	10,289,991	9,977,471	8,322,490	7,352,038	6,173,235	6,173,712	2,012,452
Pupil Transportation Services ^b	5,110,266	4,728,912	4,708,439	4,214,697	4,318,019	4,105,254	3,870,054	3,690,449
Central	2,163,798	2,674,675	2,336,647	2,430,548	2,371,225	1,733,543	1,599,295	1,523,191
Community services	181,528	134,158	188,698	162,689	118,713	78,779	86,048	34,991
Payments to other governmental units ^c	3,573,168	3,013,646	2,662,205	2,254,261	1,975,314	2,592,262	2,611,072	2,127,260
Interest on long-term debt	1,073,375	1,059,171	1,160,948	1,565,407	1,661,003	1,808,144	1,537,068	1,947,926
Unallocated depreciation	-	-	-	-	-	-	-	13,236
Total government expenses	\$ 100,831,385	\$ 89,504,433	\$ 83,326,946	\$ 79,782,846	\$ 75,602,514	\$ 74,787,061	\$ 71,929,501	70,915,919
Program Revenues								
Governmental activities:								
Charges for services	1,061,003	1,127,200	1,382,176	1,347,705	1,075,467	1,360,332	1,448,521	1,377,320
Operating grants and contributions ^a	21,527,652	17,253,293	13,432,201	11,536,171	9,728,212	10,924,636	10,644,172	9,729,201
Capital grants and contributions	-	-	-	-	-	-	1,214,154	237,126
Total government program revenues ^d	\$ 22,588,655	\$ 18,380,493	\$ 14,814,377	\$ 12,883,876	\$ 10,803,679	\$ 12,284,968	\$ 13,306,847	11,343,647
Net (Expense)/Revenue	\$ (78,242,730)	\$ (71,123,940)	\$ (68,512,569)	\$ (66,898,970)	\$ (64,798,835)	\$ (62,502,093)	\$ (58,622,654)	(59,572,272)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes levied for general purposes ^e	75,242,779	68,127,537	65,456,909	64,324,268	61,390,041	62,137,186	51,973,956	52,215,764
Payments in lieu of taxes	3,675,835	4,543,723	5,194,188	4,857,231	4,452,034	3,349,025	2,859,042	2,542,552
Unrestricted grants and contributions	2,139,108	1,583,077	1,743,607	1,637,381	1,523,907	1,439,875	1,464,518	872,250
Miscellaneous	2,121,230	657,191	609,363	587,363	484,524	286,642	159,469	234,084
Investment earnings ^f	2,073,024	4,277,303	5,933,526	5,681,940	1,816,418	3,842,138	(347,388)	6,911,862
Total general revenues and other changes in net assets	\$ 85,251,976	\$ 79,188,831	\$ 78,937,593	\$ 77,088,183	\$ 69,666,924	\$ 71,054,866	\$ 56,109,597	62,776,512
Change in Net Assets	\$ 7,009,246	\$ 8,064,891	\$ 10,425,024	\$ 10,189,213	\$ 4,868,089	\$ 8,552,773	\$ (2,513,057)	3,204,240

Notes: The District began to report accrual information when it implemented GASB Statement 34 in 2003.

^a In 2006, the State of Illinois reduced its funding of the TRS system as part of financial restructuring package. In 2009, the State of Illinois increased its funding from 13.11% to 17.08% and to 23.38% in 2010. Also in 2009, the State of Illinois added funding of 0.84% intended to match contributions to THIS Fund. This funding is also included as a program revenue in Operating grants and contributions. In 2010 the district was the recipient of American Recovery & Reinvestment Act grants.

^b In 2008, depreciation on district capital items was appropriately moved to Operations and Maintenance.

^c In 2006, the District established internal self-contained special education programs in lieu of outside placements, while in 2007 and following the district experienced a growth in outside placements.

^d 2006 reflects a change in method of recording revenue for special education and transportation funding.

^e 2005 marks the first year of tax collections for Series 2003 debt retirement.

^f Reflects fluctuation of market value as of June 30.

^g In 2008, an end-of-year claim plus new provider (Wausau) which is based on an up front premium basis accounts for the increased expense.

^h In 2008, additional outside placements for special education students, homeless students and suspended students required additional transportation expenditures.

ⁱ Reflects fluctuation of market value at June 30.

SOURCE OF INFORMATION: Statement of Activities

Community Consolidated School District 59
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

SCHEDULE 3

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 59,879	\$ 1,690,306	\$ 967,359	\$ 750,181	\$ 1,810,110	\$ 210,359	\$ 221,317	\$ 248,569	\$ 252,810	\$ 267,642
Unreserved	82,511,449	78,603,260	76,522,884	71,103,491	64,102,516	60,998,360	57,678,518	58,252,296	58,634,391	63,306,346
Total general fund	\$ 82,571,328	\$ 80,293,566	\$ 77,490,243	\$ 71,853,672	\$ 65,912,626	\$ 61,208,719	\$ 57,899,835	\$ 58,500,865	\$ 58,887,201	\$ 63,573,988
All Other Governmental Funds										
Reserved for:										
Debt service	\$ 3,711,296	\$ 3,311,096	\$ 3,313,928	\$ 3,050,789	\$ 2,783,085	\$ 2,590,260	\$ -	\$ -	\$ -	\$ -
IMRF purposes	2,389,101	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	23,635,070	25,971,810	24,193,854	21,180,345	20,455,083	22,828,723	22,634,013	22,561,927	20,665,990	21,054,170
Capital projects funds	5,293,621	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 35,029,088	\$ 29,282,906	\$ 27,507,782	\$ 24,231,134	\$ 23,238,168	\$ 25,418,983	\$ 22,634,013	\$ 22,561,927	\$ 20,665,990	\$ 21,054,170
Grand total all fund balances	\$ 117,600,416	\$ 109,576,472	\$ 104,998,025	\$ 96,084,806	\$ 89,150,794	\$ 86,627,702	\$ 80,533,848	\$ 81,062,792	\$ 79,553,191	\$ 84,628,158

SOURCE OF INFORMATION: Governmental Funds Balance Sheet

Community Consolidated School District 59
Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)

SCHEDULE 4

		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Fiscal Year											
Local sources											
Property taxes ^a	\$	75,242,779	\$68,127,595	\$65,456,892	\$ 64,324,268	\$ 61,390,041	\$ 62,137,186	\$ 51,973,956	\$ 52,215,764	\$ 48,823,086	\$ 47,429,830
Replacement taxes		3,675,835	4,543,723	5,194,187	4,857,231	4,452,034	3,349,025	2,859,042	2,542,552	2,964,855	3,398,726
Interest ^b		2,073,024	4,277,534	5,886,757	5,681,940	1,816,418	3,924,033	(311,140)	7,467,096	6,294,603	8,244,205
Other		3,486,542	1,799,540	2,009,770	1,933,432	1,567,495	1,646,974	2,809,604	1,848,530	4,104,672	5,664,801
Total local sources		84,478,180	78,748,392	78,547,606	76,796,871	69,225,988	71,057,218	57,331,462	64,073,942	62,187,216	64,737,562
State sources:											
Unrestricted State Aid		2,139,108	1,583,077	1,743,607	1,637,381	1,523,907	1,439,875	1,464,518	872,250	1,148,627	1,178,281
Restricted State Aid		4,088,516	5,784,276	5,557,964	4,957,482	4,600,853	4,159,600	4,135,234	3,994,817	4,543,747	4,611,833
TRS On-behalf payments		10,399,062	7,284,030	4,945,955	3,689,619	2,501,338	4,059,697	4,502,661	4,008,485	3,959,093	3,340,311
Total state sources		16,626,686	14,651,383	12,247,526	10,284,482	8,626,098	9,659,172	10,102,413	8,875,552	9,651,467	9,130,425
Federal sources:											
Restricted Federal Aid		5,290,934	3,923,502	2,614,385	2,390,673	2,456,257	2,705,339	2,025,277	1,725,899	1,905,618	1,916,465
Total federal sources		5,290,934	3,923,502	2,614,385	2,390,673	2,456,257	2,705,339	2,025,277	1,725,899	1,905,618	1,916,465
Total revenues	\$	106,395,800	\$ 97,323,277	\$ 93,409,517	\$ 89,472,026	\$ 80,308,343	\$ 83,421,729	\$ 69,459,152	\$ 74,675,393	\$ 73,744,301	\$ 75,784,452

SOURCE OF INFORMATION: Governmental Funds Statement of Revenues, Expenditures, and changes in Fund Balance.

Notes:

^a 2005 marks the first year of tax collections for Series 2003 debt retirement.

^b Reflects fluctuation of market value as of June 30.

Community Consolidated School District 59
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)

SCHEDULE 5

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Instruction										
Regular Programs	\$ 38,460,136	\$ 33,641,115	\$ 29,767,476	\$ 29,009,815	\$ 26,400,428	\$ 27,244,014	\$ 26,554,828	\$ 25,465,498	\$ 26,608,189	\$ 24,320,629
Special Programs	7,168,263	6,246,221	5,745,381	5,628,062	5,214,696	5,236,763	4,462,874	4,323,648	3,943,268	3,462,952
Other Instructional Programs ^a	10,024,811	8,640,640	7,626,422	6,945,306	6,260,184	5,900,362	5,483,784	5,364,397	4,929,043	4,720,458
Support Services										
Pupils	4,576,374	4,244,616	3,769,804	3,613,310	3,354,745	3,139,796	2,882,828	2,710,015	2,763,020	2,456,822
Support Services - General Administration ^d	4,555,578	4,341,338	4,081,727	4,039,869	3,567,066	3,705,882	3,383,693	3,522,547	3,758,566	3,351,472
Instructional Staff ^b	2,344,964	2,145,568	2,147,688	1,690,830	1,677,072	1,541,011	1,546,842	1,460,217	1,316,358	1,300,080
Support Services - School Administration	5,106,947	4,748,386	4,500,734	4,316,086	4,001,691	3,923,408	3,746,234	3,745,273	3,700,815	3,421,102
Business	16,175,201	15,204,488	14,995,850	14,384,014	13,765,290	12,918,421	12,716,696	12,441,677	12,221,473	11,616,853
Central	2,253,733	2,036,674	1,765,380	1,764,200	1,768,345	1,723,237	1,558,152	1,500,398	1,327,828	1,259,952
Community services	180,501	134,142	188,698	162,689	118,713	78,776	86,047	34,990	39,122	41,978
Payments to other governmental units ^c	3,573,168	3,013,646	2,662,205	2,254,261	2,053,734	2,592,862	2,948,711	2,471,230	2,456,713	2,418,695
Capital outlay	6,667,114	3,350,770	2,248,533	3,641,433	5,100,486	4,190,501	4,197,721	7,137,809	13,539,488	20,007,086
Debt service										
Principal	4,210,000	4,080,000	3,970,000	3,944,944	3,898,545	3,830,535	103,387	1,561,565	1,436,672	1,215,000
Interest	872,335	917,226	1,026,400	1,143,195	1,231,597	1,302,307	883,253	1,893,600	1,942,983	1,982,304
Total expenditures	\$ 106,169,125	\$ 92,744,830	\$ 84,496,298	\$ 82,538,014	\$ 78,412,592	\$ 77,327,875	\$ 70,555,050	\$ 73,632,864	\$ 79,983,538	\$ 81,575,383
Debt service as a percentage of noncapital expenditures	5.4%	5.9%	6.5%	6.9%	7.5%	7.5%	1.5%	5.5%	5.4%	5.5%
Debt service as a percentage of total expenditures	4.8%	5.4%	5.9%	6.2%	6.5%	6.6%	1.4%	4.7%	4.2%	3.9%

SOURCE OF INFORMATION: Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance

Notes:

^a Reflects a growing diversity of student population.

^b The years 2003-2006 the District experienced several retirements influenced instructional staff salaries. Since then, the increases have been incurred due to regular movement in salary schedules.

^c District established internal self-contained special education programs in lieu of outside placements in 2005 and 2006 but they have increase in subsequent years.

^d In 2008, an end-of-year claim plus new provider (Wausau) which is based on an up front premium basis accounts for the increased expense.

Community Consolidated School District 59
Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance
Last Eight Years
(modified accrual basis of accounting)

SCHEDULE 6

	General	Trans & IMR/Soc Sec	Debt Service	Capital Projects	Working Cash	Total
Beginning Balance July 1, 2003	\$ 58,500,865	\$ 4,915,220	\$ -	\$ -	\$ 17,646,707	\$ 81,062,792
Revenues	63,298,429	5,257,795	-	-	902,918	69,459,142
Expenditures	64,062,940	5,302,058	1,190,042	-	-	70,555,040
Transfers	163,480	(650,000)	623,088	-	(136,568)	-
Other	-	-	566,954	-	-	566,954
Ending Balance June 30, 2004	\$ 57,899,834	\$ 4,220,957	\$ -	\$ -	\$ 18,413,057	\$ 80,533,848
Beginning Balance July 1, 2004	\$ 57,899,834	\$ 4,220,957	\$ -	\$ -	\$ 18,413,057	\$ 80,533,848
Revenues	67,512,273	6,442,907	7,589,465	-	1,877,084	83,421,729
Expenditures	66,634,135	5,694,535	4,999,205	-	-	77,327,875
Transfers	2,430,746	(606,434)	-	-	(1,824,312)	-
Other	-	-	-	-	-	-
Ending Balance June 30, 2005	\$ 61,208,718	\$ 4,362,895	\$ 2,590,260	\$ -	\$ 18,465,829	\$ 86,627,702
Beginning Balance July 1, 2005	\$ 61,208,718	\$ 4,362,895	\$ 2,590,260	\$ -	\$ 18,465,829	\$ 86,627,702
Revenues	67,516,678	6,366,596	5,278,790	-	1,146,279	80,308,343
Expenditures	67,272,115	6,144,512	4,995,965	-	-	78,412,592
Transfers	3,832,003	(504,725)	(90,000)	-	(3,237,278)	-
Other	627,341	-	-	-	-	627,341
Ending Balance June 30, 2006	\$ 65,912,625	\$ 4,080,254	\$ 2,783,085	\$ -	\$ 16,374,830	\$ 89,150,794
Beginning Balance July 1, 2006	\$ 65,912,625	\$ 4,080,254	\$ 2,783,085	\$ -	\$ 16,374,830	\$ 89,150,794
Revenues	75,645,560	6,761,372	5,392,063	-	1,673,031	89,472,026
Expenditures	71,508,635	6,033,464	4,995,915	-	-	82,538,014
Transfers	1,804,121	(500,000)	(128,444)	-	(1,175,677)	-
Other	-	-	-	-	-	-
Ending Balance June 30, 2007	\$ 71,853,671	\$ 4,308,162	\$ 3,050,789	\$ -	\$ 16,872,184	\$ 96,084,806
Beginning Balance July 1, 2007	\$ 71,853,671	\$ 4,308,162	\$ 3,050,789	\$ -	\$ 16,872,184	\$ 96,084,806
Revenues	78,669,213	7,840,806	5,253,942	-	1,645,556	93,409,517
Expenditures	73,032,641	6,467,257	4,996,400	-	-	84,496,298
Transfers	-	-	-	-	-	-
Other	-	-	-	-	-	-
Ending Balance June 30, 2008	\$ 77,490,243	\$ 5,681,711	\$ 3,308,331	\$ -	\$ 18,517,740	\$ 104,998,025
Beginning Balance July 1, 2008	\$ 77,490,243	\$ 5,681,711	\$ 3,308,331	\$ -	\$ 18,517,740	\$ 104,998,025
Revenues	83,667,020	7,139,974	5,265,472	-	1,250,811	97,323,277
Expenditures	81,129,178	6,618,426	4,997,226	-	-	92,744,830
Transfers	265,481	-	(265,481)	-	-	-
Other	-	-	-	-	-	-
Ending Balance June 30, 2009	\$ 80,293,566	\$ 6,203,259	\$ 3,311,096	\$ -	\$ 19,768,551	\$ 109,576,472
Beginning Balance July 1, 2009	\$ 80,293,566	\$ 6,203,259	\$ 3,311,096	\$ -	\$ 19,768,551	\$ 109,576,472
Revenues	93,551,312	6,367,667	5,558,686	-	918,135	106,395,800
Expenditures	91,349,701	7,233,441	5,082,335	2,406,379	97,269	106,169,125
Transfers	76,151	-	(76,151)	7,700,000	(7,700,000)	-
Other	-	-	-	-	7,797,269	7,797,269
Ending Balance June 30, 2010	\$ 82,571,328	\$ 5,337,485	\$ 3,711,296	\$ 5,293,621	\$ 20,686,686	\$ 117,600,416
Beginning Balance July 1, 2010	\$ 82,571,328	\$ 5,337,485	\$ 3,711,296	\$ 5,293,621	\$ 20,686,686	\$ 117,600,416
Revenues	88,659,517	5,992,058	5,160,040	452,056	1,061,536	101,325,207
Expenditures	93,406,680	7,658,215	5,220,264	5,214,583	-	111,499,742
Transfers	62,446	-	(62,446)	-	-	-
Other	-	-	-	-	-	-
Estimated Ending Balance June 30, 2011	\$ 77,886,611	\$ 3,671,328	\$ 3,588,626	\$ 531,094	\$ 21,748,222	\$ 107,425,881

SOURCE OF INFORMATION: Governmental Funds Statement of Revenues, Expenditures & changes in Fund Balance and District 59 FY 2011 Final Budget Document

* FY 2011 figures represent budget numbers.

Community Consolidated School District 59
Composition of Equalized Assessed Valuation
By Classification of Property
Last Nine Years

SCHEDULE 7

	2000	2001	2002	2003	2004	2005	2006	2007	2008									
Residential	\$ 597,451,098	25.1%	\$ 729,716,957	27.1%	\$ 791,345,211	27.4%	\$ 784,478,875	27.6%	\$ 902,647,902	28.9%	\$ 971,885,256	29.3%	\$ 1,003,595,262	30.4%	\$ 1,194,724,558	31.2%	\$ 1,290,588,959	32.6%
Farm	35,272	0.0%	30,523	0.0%	30,048	0.0%	30,048	0.0%	30,048	0.0%	30,048	0.0%	30,048	0.0%	30,048	0.0%	30,048	0.0%
Commercial	651,494,726	27.4%	730,847,059	26.9%	776,847,699	26.9%	765,553,559	27.0%	831,329,326	26.6%	863,731,913	26.1%	839,470,168	25.4%	964,799,778	25.2%	965,966,345	24.4%
Industrial	1,130,547,131	47.5%	1,236,181,164	45.8%	1,315,069,972	45.6%	1,286,646,998	45.3%	1,389,619,006	44.5%	1,475,139,272	44.5%	1,454,763,950	44.1%	1,665,916,438	43.5%	1,697,671,364	42.9%
Railroad	469,884	0.0%	490,789	0.0%	741,849	0.0%	796,704	0.0%	844,717	0.0%	780,660	0.0%	774,706	0.0%	836,711	0.0%	942,852	0.0%
Total	\$ 2,379,998,111	100.0%	\$ 2,697,266,492	100.0%	\$ 2,884,034,779	100.0%	\$ 2,837,506,184	100.0%	\$ 3,124,470,999	100.0%	\$ 3,311,567,149	100.0%	\$ 3,298,634,134	100.0%	\$ 3,826,307,533	100.0%	\$ 3,955,199,568	100.0%

The table below shows the effect of the multiplier and exemptions in tax years 2000 through 2008.

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Value	\$ 5,468,230,148	\$ 6,439,560,730	\$ 7,335,449,662	\$ 7,201,553,324	\$ 8,708,163,844	\$ 9,759,912,058	\$ 9,531,735,909	\$ 10,881,635,993	\$ 11,780,957,433
Equalization factor	2.2235	2.3098	2.4689	2.4598	2.5757	2.7320	2.7076	2.8439	2.9786
EAV	\$ 2,459,289,475	\$ 2,787,930,007	\$ 2,971,140,857	\$ 2,927,698,725	\$ 3,380,892,124	\$ 3,572,442,188	\$ 3,520,363,388	\$ 3,826,307,533	\$ 3,955,199,568
Homestead Exemption	63,471,330	63,209,930	56,844,188	61,580,301	198,007,328	199,369,339	160,943,488	362,437,351	322,389,698
Senior Citizen Exemption	9,815,000	10,572,500	10,232,500	10,210,000	12,993,000	13,012,668	15,001,000	15,791,751	18,542,829
Senior Tax Exemption								39,698	39,698
Freeze									
Exemption Disabled Veterans	6,005,034	16,881,085	20,029,390	18,402,240	45,420,797	48,493,031	45,784,766	76,349,253	85,380,704
								62,000	136,000
								17,500	10,000
Total	\$ 2,379,998,111	\$ 2,697,266,492	\$ 2,884,034,779	\$ 2,837,506,184	\$ 3,124,470,999	\$ 3,311,567,150	\$ 3,298,634,134	\$ 3,371,609,980	\$ 3,528,700,639

The table below shows the effect of the multiplier and exemptions in tax years 2000 through 2008.

SOURCE OF INFORMATION: Office of the County Clerk, Cook County, IL

Note: 2009 EAV Composition not yet available

Community Consolidated School District 59
School District Tax Rates by Purpose and Levies Extended
Last Ten Years

SCHEDULE 8

MAX RATE effective for the 2005 levy **											
	1996-2004	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Rates Extended*											
Educational	\$ 1.7100	\$ 3.5000	\$ 1.5454	\$ 1.4159	\$ 1.3982	\$ 1.5855	\$ 1.5099	\$ 1.5363	\$ 1.5533	\$ 1.5083	\$ 1.5196
Special Education	0.0200	0.4000	0.2160	0.0202	0.0209	0.0188	0.0187	0.0165	0.0185	0.0179	0.0178
Liability Insurance	None	None	-	0.0065	0.0065	0.0076	0.0075	0.0080	0.0088	0.0087	0.0278
Operations and Maintenance	0.2500	0.5500	0.1168	0.1243	0.1126	0.0978	0.1071	0.0761	0.1762	0.1737	0.2100
Transportation	0.1200	None	0.0675	0.0632	0.0653	0.0909	0.0921	0.0976	0.1075	0.0867	0.0927
Working Cash	0.0500	0.0500	0.0142	0.0133	0.0137	0.0227	0.0211	0.0304	0.0352	0.0347	0.0334
Social Security	None	None	0.0189	0.0202	0.0183	0.0152	0.0091	0.0192	0.0211	0.0121	0.0204
Illinois Municipal Retirement	None	None	0.0189	0.0202	0.0183	0.0152	0.0091	0.0192	0.0211	0.0121	0.0204
Limited Bonds	None	None	0.1416	0.1327	0.1371	0.1590	0.1584	0.1679	0.1850	-	-
Total	\$ 2.1500	\$ 4.5000	\$ 2.1393	\$ 1.8100	\$ 1.7909	\$ 2.0127	\$ 1.9330	\$ 1.9712	\$ 2.1267	\$ 1.8542	\$ 1.9421
											\$ 2.1160

Levies Extended

Total Levies Extended	\$ 72,053,437	\$ 71,589,112	\$ 68,529,168	\$ 66,401,505	\$ 64,012,593	\$ 61,614,568	\$ 60,353,756	\$ 53,498,845	\$ 52,407,888	\$ 50,360,760
Total Collections	\$ 37,940,730	\$ 70,832,508	\$ 67,680,102	\$ 65,386,582	\$ 62,292,341	\$ 59,785,420	\$ 59,279,878	\$ 52,434,248	\$ 51,840,732	\$ 49,560,238
Percentage of Extensions Collected	52.66%	98.94%	98.76%	98.47%	97.31%	97.03%	98.22%	98.01%	98.92%	98.41%

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports for 1999 - 2009

* Tax Rates are expressed in dollars per \$100 of Assessed Valuation

Community Consolidated School District 59
Direct and Overlapping Tax Rates 2004-2008*

<u>Taxing Agency</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Direct Rates:					
Community Consolidated SD #59	1.810	1.791	1.791	1.933	1.972
Overlapping Rates:					
County of Cook	0.415	0.446	0.500	0.533	0.593
Cook County Forest Preserve District	0.051	0.053	0.057	0.060	0.060
Cook TB Sanitorium	-	-	0.005	0.005	0.001
Consolidated Elections	-	0.012	-	0.014	-
Elk Grove Township	0.041	0.040	0.044	0.044	0.046
Elk GroveTwp General Assistance	0.009	0.008	0.009	0.009	0.007
Elk Grove Twp Road & Bridge	0.009	0.009	0.009	0.009	0.009
Metro Water Reclamation					
District of Chicago	0.252	0.263	0.284	0.315	0.347
Northwest Mosquito Abatement Dist.	0.008	0.008	0.009	0.009	0.009
Village of Arlington Heights**	1.072	1.134	1.277	1.187	1.131
City of Des Plaines**	1.091	1.116	1.222	1.143	1.120
Des Plaines Spec. Serv. Area 5	0.529	0.585	0.710	0.765	0.818
Des Plaines Spec. Serv. Area 9	0.295	0.309	-	-	-
Des Plaines Spec. Serv. Area 10	0.309	0.323	-	-	-
Village of Mount Prospect**	1.173	1.189	1.328	1.293	1.276
Mount Prospect Spec. Serv. Area 5	0.096	0.101	0.118	0.117	0.125
Village of Mount Prospect - Bond	-	-	-	0.026	0.011
City of Rolling Meadows**	1.030	1.026	1.054	1.036	1.088
Rolling Meadows Spec. Serv. Area 3	0.137	0.106	0.088	-	-
Village of Elk Grove Village**	0.657	0.658	0.694	0.678	0.684
Rolling Meadows Park District	0.411	0.418	0.449	0.429	0.471
Arlington Heights Park District	0.379	0.404	0.461	0.453	0.466
Mount Prospect Park District	0.407	0.411	0.474	0.459	0.455
Elk Grove Park District	0.490	0.491	0.550	0.532	0.534
Elk Grove Rural Fire Protection - Bond	0.971	0.895	1.039	0.841	0.722
Forest View Fire Protection District	0.201	0.250	0.312	0.318	0.177
Roselle Fire Protection District	0.262	0.280	0.321	0.295	0.301
Arlington Heights HSD #214	1.587	1.621	1.823	1.759	1.818
Harper Community College #512	0.256	0.260	0.288	0.281	0.279

*Tax rates are expressed in dollars per one hundred dollars of equalized assessed valuations.

**Rates of municipalities include library funds.

2009 information not yet available

SOURCE OF INFORMATION: Cook County Clerk

Community Consolidated School District 59
Outstanding Debt by Type
Last Ten Fiscal Years

SCHEDULE 10

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	State Tech Loans	General Obligation Bonds	Capital Leases			
2010	\$ -	\$ 22,315,000	\$ -	\$ 22,315,000	0.89%	2,494,579,318
2009	-	19,100,000	-	19,100,000	0.77%	2,494,579,318
2008	-	23,180,000	-	23,180,000	0.93%	2,494,579,318
2007	-	27,150,000	-	27,150,000	1.09%	2,494,579,318
2006	-	31,015,000	106,317	31,121,317	1.25%	2,494,579,318
2005	77,238	34,795,000	216,827	35,089,065	1.41%	2,494,579,318
2004	323,374	38,515,000	327,362	39,165,736	1.66%	2,358,136,935
2003	657,679	34,945,000	430,749	36,033,428	1.53%	2,358,136,935
2002	536,563	36,410,000	517,359	37,463,922	1.59%	2,358,136,935
2001	373,377	37,805,000	-	38,178,377	1.62%	2,358,136,935

SOURCE OF INFORMATION: Notes to the Financial Statements, Long-Term Debt

^a See Schedule 18 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Community Consolidated School District 59
Direct General Obligation Bonded Debt

SCHEDULE 11

Principal Due (Mar 1)	Series 2003 Bonds	Series 2009 Bonds	Total
2011	\$ 4,350,000	\$ -	\$ 4,350,000
2012	4,510,000	-	4,510,000
2013	4,705,000	-	4,705,000
2014	1,325,000	1,885,000	3,210,000
2015	-	3,335,000	3,335,000
2016	-	2,205,000	2,205,000
	<u>\$ 14,890,000</u>	<u>\$ 7,425,000</u>	<u>\$ 22,315,000</u>

Community Consolidated School District 59
Tax Levies for Direct Bonded Debt

Tax Year	Series 2003 Debt Service	Series 2009 Debt Service	Total Outstanding Debt Service
2010	\$ 4,997,188	\$ 219,876	\$ 19,700,042
2011	4,999,500	219,876	14,480,666
2012	4,998,062	219,876	9,262,728
2013	1,391,250	2,104,876	5,766,602
2014	-	3,498,326	2,268,276
2015	-	2,268,276	-
	<u>\$ 16,386,000</u>	<u>\$ 8,531,106</u>	

SOURCE OF INFORMATION: Official Statement for Community Consolidated School District Number 59 General Obligation Limited Tax School Bonds, Series 2003 and 2009

Community Consolidated School District 59
Schedule of Bonds Outstanding

SCHEDULE 12

Fiscal Year	Bond Rate	Bonds Issued	Bonds Paid/ Refunded	Bonds Payable From Tax Levies	Interest Payable
<i>Issue Dated July 1, 2003 Series</i>					
2011	3.625%	\$ 4,350,000	\$ -	\$ 4,350,000	\$ 647,188
2012	4.356%	4,510,000	-	4,510,000	489,500
2013	4.821%	4,705,000	-	4,705,000	293,062
2014	5.000%	1,325,000	-	1,325,000	66,250
		<u>\$ 14,890,000</u>	<u>\$ -</u>	<u>\$ 14,890,000</u>	<u>\$ 1,496,000</u>
<i>Issue Dated October 20, 2009 Series</i>					
2011		\$ -	\$ -	\$ -	\$ 219,876
2012		-	-	-	219,876
2013		-	-	-	219,876
2014	3.000%	1,885,000	-	1,885,000	219,876
2015	3.000%	3,335,000	-	3,335,000	163,326
2016	2.500%	575,000	-	575,000	63,276
2016	3.000%	1,630,000	-	1,630,000	-
		<u>\$ 7,425,000</u>	<u>\$ -</u>	<u>\$ 7,425,000</u>	<u>\$ 1,106,106</u>

SOURCE OF INFORMATION: Official Statement for Community Consolidated School District Number 59 General Obligation Limited Tax School Bonds, Series 2003 and 2009

Community Consolidated School District 59
Security for Direct General Obligation Bonds

SCHEDULE 13

Levy Year	Outstanding Debt Service	Plus: Debt Service On The 2003 Limited Bonds	Plus: Debt Service On The 2009 Limited Bonds	Total Debt Service	Debt Service Fund Balance	Aggregate Debt Service Extension Base	Coverage
2009	\$ -	\$ 4,928,231	\$ 186,870	\$ 5,115,101	\$ 115,101	\$ 5,000,000	1.00
2010	-	4,997,188	219,876	5,217,064	217,064	5,000,000	1.00
2011	-	4,999,500	219,876	5,219,376	219,376	5,000,000	1.00
2012	-	4,998,062	219,876	5,217,938	217,938	5,000,000	1.00
2013	-	1,391,250	2,104,876	3,496,126	-	5,000,000	1.43
2014	-	-	3,498,326	3,498,326	-	5,000,000	1.43
2015	-	-	2,268,276	2,268,276	-	5,000,000	2.20

SOURCE OF INFORMATION: Official Statement for Community Consolidated School District Number 59 General Obligation Limited Tax School Bonds, Series 2003 and 2009

Community Consolidated School District 59
Legal Debt Margin and Impact of Overlapping Debt
Last Ten Fiscal Years

SCHEDULE 14

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Population	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Estimated Full Market Value of Taxable Property	\$ 11,865,598,704	\$ 11,478,922,599	\$ 10,561,090,164	\$ 10,717,326,564	\$ 10,717,326,564	\$ 10,142,676,372	\$ 8,783,096,175	\$ 8,913,422,571	\$ 8,363,790,021	\$ 7,377,868,425
Equalized Assessed valuation (EAV)	\$ 3,704,546,926	\$ 3,955,199,568	\$ 3,826,307,533	\$ 3,298,634,134	\$ 3,332,134,179	\$ 3,311,567,149	\$ 3,124,470,999	\$ 2,837,506,163	\$ 2,884,034,779	\$ 2,379,898,111
Statutory debt limitation (6.9% of EAV)	\$ 255,613,738	\$ 272,908,770	\$ 264,015,220	\$ 227,605,755	\$ 229,917,258	\$ 228,498,133	\$ 215,588,499	\$ 195,787,925	\$ 196,998,400	\$ 164,212,970
Bonded Debt June 30	22,315,000	19,100,000	23,180,000	27,150,000	31,015,000	35,089,065	39,165,737	1,088,428	1,053,922	373,377
Legal bonded debt margin	\$ 233,298,738	\$ 253,808,770	\$ 240,835,220	\$ 200,455,755	\$ 198,902,258	\$ 193,409,068	\$ 176,422,762	\$ 194,699,497	\$ 197,944,478	\$ 163,839,593
Total net debt:										
as a percentage of Debt Limit	8.73%	7.00%	8.78%	11.93%	13.49%	15.36%	18.17%	0.56%	0.53%	0.23%
as a percentage of Full Mkt Value	0.19%	0.17%	0.22%	0.25%	0.29%	0.35%	0.45%	0.01%	0.01%	0.01%
as a percentage of EAV	0.60%	0.48%	0.61%	0.82%	0.93%	1.06%	1.25%	0.04%	0.04%	0.02%
per capita	\$ 333.06	\$ 285.07	\$ 345.97	\$ 405.22	\$ 462.91	\$ 523.72	\$ 584.56	\$ 16.25	\$ 15.73	\$ 5.57
General Obligation Bonded Debt:										
District	\$ 22,315,000	\$ 19,100,000	\$ 23,180,000	\$ 27,150,000	\$ 31,015,000	\$ 35,089,065	\$ 39,165,737	\$ 1,088,428	\$ 1,053,922	\$ 373,377
Overlapping	256,084,529	216,921,208	203,493,128	181,247,563	185,359,069	195,641,434	205,945,295	205,945,295	173,403,995	154,842,816
Total District and Overlapping	\$ 278,399,529	\$ 236,021,208	\$ 226,673,128	\$ 211,397,563	\$ 216,374,069	\$ 230,730,499	\$ 245,111,032	\$ 207,033,723	\$ 174,457,917	\$ 155,216,193
as a percentage of Full Mkt Value	2.35%	2.06%	2.15%	1.97%	2.02%	2.27%	2.79%	2.32%	2.09%	2.10%
as a percentage of EAV	7.52%	5.97%	5.92%	6.41%	6.49%	6.97%	7.84%	7.30%	6.05%	6.52%
per capita	\$ 4,155.22	\$ 3,522.70	\$ 3,383.18	\$ 3,155.19	\$ 3,229.46	\$ 3,443.74	\$ 3,658.37	\$ 3,090.06	\$ 2,603.85	\$ 2,316.66

(1) SOURCE OF INFORMATION: Direct and Overlapping General Obligation Bonded Debt (Schedule 15) and Office of the County Clerk, Cook County, IL.

Note: Statutory Debt limitation is established by the Illinois General Assembly and promulgated by the Illinois Compiled Statutes.

Community Consolidated School District 59
Direct and Overlapping General Obligation Bonded Debt

<u>Taxing District</u>	2008 Equalized		<u>Applicable to District</u>	
	<u>Assessed</u> <u>Valuation</u>	<u>Outstanding</u> <u>Bonds</u>	<u>Percent</u>	<u>Amount</u>
Community Consolidated School Dist. 59	\$ 3,955,199,568	\$ 22,315,000	100.000%	\$ 22,315,000
<u>Overlapping Districts:</u>				
Cook County	173,641,947,994	3,583,275,000	2.280%	81,698,670
Cook County Forest Preserve	173,641,947,994	108,665,000	2.280%	2,477,562
Metropolitan Water Reclamation District	170,097,381,685	1,960,541,202 (1)	2.327%	45,621,794
<u>Municipalities:</u>				
Village of Arlington Heights	3,625,067,678	58,235,000 (2)	14.849%	8,647,315
City of Des Plaines	2,628,588,594	3,807,815 (2)	15.972%	608,184
Village of Elk Grove Village	2,639,334,516	51,860,000	79.306%	41,128,092
Village of Mount Prospect	1,979,496,030	41,295,000	27.118%	11,198,378
City of Rolling Meadows	1,152,685,356	21,155,000	10.365%	2,192,716
<u>Park Districts:</u>				
Arlington Heights Park District	3,426,621,311	21,165,000 (3)	16.376%	3,465,980
Elk Grove Park District	2,318,749,347	15,225,000	85.230%	12,976,268
Mt. Prospect Park District	2,142,488,115	7,100,000 (3)	60.514%	4,296,494
Rolling Meadows Park District	941,499,518	1,070,000 (3)	12.763%	136,564
<u>School Districts:</u>				
Township High School 214	11,417,354,314	31,645,000	34.645%	10,963,410
Harper Community College 512	2,494,051,265	193,570,000 (3)	15.846%	30,673,102
Total Direct and Overlapping General Obligation Bonded Debt				<u><u>\$278,399,529</u></u>

Note: 2009 Information not yet available

(1) Includes Illinois Environmental Protection Agency Revolving Loan Fund Bonds

(2) Excludes self-supporting bonds

(3) Excludes outstanding principal amounts of General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

Source: Offices of the Cook County Clerk, Comptroller and Treasurer of the Metropolitan Water Reclamation District

Community Consolidated School District 59
Principal Property Tax Payers
Current Year and Nine Years Ago

2008				1998			
<u>Taxpayer</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total Village Taxable Assessed Valuation</u>	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Village Taxable Assessed Valuation</u>
Crane & Norcross	\$ 75,434,061	1	1.91%	Hamilton Partners	\$ 61,706,723	1	3.89%
Prime Group Realty	72,448,458	2	1.83%	Crane & Norcross	30,855,539	2	1.95%
Draper & Kramer RIC	39,766,118	3	1.01%	Centerpoint Properties	22,639,295	3	1.43%
United Air Lines	39,266,401	4	0.99%	Metlife	17,018,283	4	1.07%
AMB Properties	35,705,113	5	0.90%	Rogers Industrial Park	16,332,617	5	1.03%
MLRP	35,344,315	6	0.89%	Slough Estates USA	16,249,656	6	1.02%
Home Properties	27,849,821	7	0.70%	Albertson Corporation	13,634,339	7	0.86%
John Buck Co.	21,608,733	8	0.55%	ADP Inc.	12,697,400	8	0.80%
FSP Property Mgmt	21,461,683	9	0.54%	Halo Lighting	12,596,514	9	0.79%
ADP Inc R Singer	20,542,951	10	0.52%	The Infinity Group	10,385,520	10	0.65%
	<u>\$ 389,427,654</u>		<u>9.84%</u>		<u>\$ 214,115,886</u>		<u>13.49%</u>

Source: Cook County Clerk's and Elk Grove Assessor's Offices

Community Consolidated School District 59
Principal Employers,
Current Year and Nine Years Ago

2009				2000			
Employer	Rank	# of Employees	Employees as a percentage of Village Employment	Employer	Rank	# of Employees	Employees as a percentage of Village Employment
Northwest Community Healthcare	1	4100	4.10%	Alexian Brothers Medical Center	1	2000	2.00%
O-Z Gedney Co. LLC	2	3000	3.00%	Automatic Data Processing	2	1000	1.00%
Alexian Bros. Medical Center	3	2768	2.77%	Motorola	3	600	0.60%
Level 3 Communications	4	2000	2.00%	Apple Vacations	4	450	0.45%
Northrop Grumman Corp	5	2000	2.00%	John B. Sanfilippo & Sons	5	400	0.40%
UOP, LLC	6	1900	1.90%	Village of Elk Grove Village	6	375	0.38%
Swissport USA	7	1500	1.50%	Cooper Lighting	7	350	0.35%
Tigerflex Corp	8	1120	1.12%	Field Container	8	350	0.35%
Holy Family Medical Center	9	1036	1.04%	Custom Plastics	9	320	0.32%
Automatic Data Processing, Inc.	10	1000	1.00%	Burham	10	310	0.31%
TOTAL			<u>20.42%</u>				<u>6.16%</u>
TOTAL EMPLOYMENT (Est.)			<u>100,000</u>				<u>100,000</u>

Source of Information: 2010 Illinois Manufacturers' Directory, 2010 Illinois Service Directory, 2010 Harris Illinois Industrial Directory

Community Consolidated School District 59
Demographic and Economic Statistics
Last Ten Calendar Years

SCHEDULE 18

Calendar Year	<u>Population</u>	<u>Median Family Income</u>	<u>Family Income Per Capita</u>	<u>Unemployment Rate</u>
2009	34,727	\$ 71,834	2.07	8.7%
2008	34,727	71,834	2.07	4.8%
2007	34,727	71,834	2.07	4.0%
2006	34,727	71,834	2.07	4.5%
2005	34,727	71,834	2.07	5.5%
2004	34,727	67,905	1.96	5.7%
2003	34,727	67,905	1.96	5.9%
2002	34,727	67,905	1.96	5.5%
2001	34,727	67,905	1.96	3.3%
2000	34,727	63,858	1.84	2.9%

SOURCE OF INFORMATION: Village of Elk Grove Village, IL CAFR

Community Consolidated School District 59
Operating Statistics,
Last Ten Fiscal Years

SCHEDULE 19

Fiscal Year	Average Daily Attendance (1)	Operating Cost (2)	Operating Cost per Pupil	Percentage Change	Allowable Tuition Costs (2)	Tuition Charge per Pupil	Percentage Change	Teacher FTE (3)	Pupil-Teacher Ratio (3)	Low Income Rate (3)
2001	5,842	\$ 53,947,825	\$ 9,234	7.88%	\$ 50,552,900	\$ 8,653	15.91%	453.4	17.2	22.43%
2002	5,814	58,071,677	9,988	8.16%	55,353,397	9,521	10.02%	465.0	17.2	23.64%
2003	5,821	57,937,658	9,953	-0.35%	56,215,619	9,657	1.44%	448.2	16.5	25.57%
2004	5,630	58,581,029	10,405	4.54%	56,694,755	10,070	4.27%	451.3	17.3	27.79%
2005	5,642	62,016,126	10,992	5.64%	59,481,947	10,543	4.69%	403.0	17.5	28.85%
2006	5,458	63,998,992	11,726	6.68%	60,763,926	11,133	5.60%	423.0	16.2	32.63%
2007	5,467	68,067,803	12,451	6.18%	64,974,026	11,885	6.75%	423.0	15.7	33.33%
2008	5,481	69,636,409	12,705	2.04%	64,796,288	11,822	-0.53%	443.0	14.9	36.20%
2009	5,474	74,529,309	13,615	7.16%	68,586,632	12,530	5.98%	453.0	14.4	39.90%
2010	5,630	79,043,025	14,039	3.11%	73,973,115	13,138	4.86%	444.0	15.0	40.90%

SOURCE OF INFORMATION:

- (1) General State Aid Claim
- (2) ISBE Annual Financial Report
- (3) Illinois District Report Card

Community Consolidated School District 59
Peak Enrollment, Average Daily Membership
and Average Daily Attendance

SCHEDULE 20

Fiscal Year Ended June 30,	Peak Enrollment (1)	Average Daily Membership (2) (ADM)	Average Daily Attendance (3) (ADA)	Percent of ADA to ADM
2010	6,211	5,742	5,630	98.06%
2009	6,040	5,616	5,474	97.48%
2008	6,123	5,685	5,481	96.42%
2007	6,120	5,650	5,467	96.77%
2006	6,064	5,612	5,458	97.26%
2005	6,235	5,770	5,642	97.77%
2004	6,322	5,973	5,630	94.26%
2003	6,437	5,946	5,821	97.90%
2002	6,474	5,974	5,814	97.31%
2001	6,342	6,079	5,842	96.11%

(1) Peak enrollment figures are quoted as of October 1 of the applicable fiscal year and includes the pre-school and tuition students.

(2) Districtwide Enrollment Projections including Actual Enrollments adjusted for half day students.

(3) Annual General State Aid Claim.

Community Consolidated School District 59
Historical and Projected Enrollment by Grade

SCHEDULE 21

Fiscal Year Ended June 30,	K	1	2	3	4	5	6	7	8	Total
2013*	678	712	695	713	678	676	728	639	681	6,200
2012*	676	693	717	668	671	748	634	677	667	6,151
2011*	661	713	673	660	740	638	672	662	682	6,101
2010	677	669	665	728	634	672	657	677	654	6,033
2009	618	662	729	606	652	633	650	644	692	5,886
2008	622	737	629	662	636	654	650	706	653	5,949
2007	708	628	656	630	661	642	710	636	680	5,951
2006	591	670	637	682	624	704	640	669	642	5,859
2005	653	636	701	644	704	674	691	671	699	6,073
2004	624	694	662	717	667	724	692	718	702	6,200
2003	646	683	722	681	696	679	709	702	719	6,237
2002	640	716	685	711	693	701	710	738	689	6,283
2001	657	705	697	697	730	703	754	685	714	6,342

SOURCE OF INFORMATION: District 59 Student Enrollment Projections and Demographic Census.
Excludes pre-school students.

While the District offers a pre-school program, their enrollment is not provided in this schedule.

* Projected Enrollment

Community Consolidated School District 59
Staffing

SCHEDULE 22

Position	Total	POSITIONS BY EMPLOYEE GROUPS				
		Admin	Non-Neg	Certified	Classified	Cameo
Building Administrators	23.0	23.0	-	-	-	-
Custodians	47.0	-	-	-	-	47.0
District Administrators	11.6	11.6	-	-	-	-
Educational Services (Certified)	38.5	-	-	38.5	-	-
Maintenance	13.0	-	-	-	-	13.0
Non-negotiated	30.0	-	30.0	-	-	-
Nurse/Health Care Assistant	14.0	-	-	4.0	10.0	-
Secretary	47.6	-	-	-	47.6	-
Teacher Assistant	130.5	-	-	-	130.5	-
Teacher Elementary	272.5	-	-	272.5	-	-
Teacher Junior High	139.0	-	-	139.0	-	-
Teacher Special Education	52.5	-	-	52.5	-	-
TOTAL	819.2	34.6	30.0	506.5	188.1	60.0
Percent of Total Staff		4.2%	3.7%	61.8%	23.0%	7.3%

Community Consolidated School District 59
School Building Information
Last Ten Fiscal Years

SCHEDULE 23

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Elementary										
Brentwood (1963)										
Square feet	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148
Capacity (1)	492	492	492	492	492	492	492	492	492	492
Enrollment (2)	512	416	441	395	368	360	363	385	377	407
Percent of Capacity	104.01%	84.51%	89.59%	80.24%	74.76%	73.13%	73.78%	78.25%	76.63%	82.72%
Byrd (1967)										
Square feet	48,193	48,193	48,193	48,193	48,193	48,193	48,193	48,193	48,193	48,193
Capacity	438	438	438	438	438	438	438	438	438	438
Enrollment	401	397	388	355	389	394	371	367	343	339
Percent of Capacity	91.53%	90.61%	88.56%	81.03%	88.79%	89.93%	84.68%	83.77%	78.29%	77.38%
Clearmont (1961)										
Square feet	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675	54,675
Capacity	497	497	497	497	497	497	497	497	497	497
Enrollment	545	482	457	444	403	342	343	335	323	326
Percent of Capacity	109.65%	96.97%	91.94%	89.33%	81.08%	68.81%	69.01%	67.40%	64.98%	65.59%
Devonshire (1963)										
Square feet	48,767	48,767	48,767	48,767	48,767	48,767	48,767	48,767	48,767	48,767
Capacity	443	443	443	443	443	443	443	443	443	443
Enrollment	532	451	387	378	378	367	340	320	321	349
Percent of Capacity	120.00%	101.73%	87.29%	85.26%	85.26%	82.78%	76.69%	72.18%	72.41%	78.72%
Forest View (1962)										
Square feet	56,796	56,796	56,796	56,796	56,796	56,796	56,796	56,796	56,796	56,796
Capacity	516	516	516	516	516	516	516	516	516	516
Enrollment	443	314	303	334	357	307	328	336	361	392
Percent of Capacity	85.80%	60.81%	58.68%	64.69%	69.14%	59.46%	63.53%	65.08%	69.92%	75.92%
Frost (1964)										
Square feet	47,643	47,643	47,643	47,643	47,643	47,643	47,643	47,643	47,643	47,643
Capacity	433	433	433	433	433	433	433	433	433	433
Enrollment	348	384	386	368	379	360	370	390	397	418
Percent of Capacity	80.35%	88.66%	89.12%	84.97%	87.50%	83.12%	85.43%	90.04%	91.66%	96.51%
John Jay (1967)										
Square feet	42,436	42,436	42,436	42,436	42,436	42,436	46,500	46,500	46,500	46,500
Capacity	386	386	386	386	386	386	423	423	423	423
Enrollment	396	333	310	322	345	338	338	316	305	318
Percent of Capacity	102.65%	86.32%	80.36%	83.47%	89.43%	87.61%	79.96%	74.75%	72.15%	75.23%
Low (1965)										
Square feet	62,212	62,212	62,212	62,212	62,212	62,212	62,212	62,212	62,212	62,212
Capacity	566	566	566	566	566	566	566	566	566	566
Enrollment	346	353	345	331	346	309	347	378	366	393
Percent of Capacity	61.18%	62.42%	61.00%	58.53%	61.18%	54.64%	61.35%	66.84%	64.71%	69.49%
Ridge (1959)										
Square feet	36,763	39,781	39,781	39,781	39,781	39,781	39,926	39,926	39,926	39,926
Capacity	334	362	362	362	362	362	363	363	363	363
Enrollment		203	314	347	352	308	312	315	290	290
Percent of Capacity		56.13%	86.83%	95.95%	97.33%	85.17%	85.96%	86.79%	79.90%	79.90%
Rupley (1958)										
Square feet	50,882	50,882	50,882	50,882	50,882	50,882	50,882	50,882	50,882	50,882
Capacity	463	463	463	463	463	463	463	463	463	463
Enrollment	505	394	380	367	352	336	323	371	425	438
Percent of Capacity	109.17%	85.18%	82.15%	79.34%	76.10%	72.64%	69.83%	80.21%	91.88%	94.69%
Salt Creek (1968)										
Square feet	74,057	74,057	74,057	74,057	74,057	74,057	74,057	74,057	74,057	74,057
Capacity	673	673	673	673	673	673	673	673	673	673
Enrollment	493	539	572	574	549	551	554	500	452	419
Percent of Capacity	73.23%	80.06%	84.96%	85.26%	81.55%	81.84%	82.29%	74.27%	67.14%	62.24%
Junior High										
Friendship (1971)										
Square feet	83,726	101,668	101,668	101,668	101,668	101,668	101,668	101,668	101,668	101,668
Capacity	670	813	813	813	813	813	813	813	813	813
Enrollment	623	690	681	636	639	623	652	657	635	639
Percent of Capacity	93.01%	84.83%	83.73%	78.20%	78.56%	76.60%	80.16%	80.78%	78.07%	78.56%
Grove (1960)										
Square feet	111,030	111,030	116,274	116,274	116,274	116,274	116,274	116,274	116,274	116,274
Capacity	888	888	930	930	930	930	930	930	930	930
Enrollment	953	983	966	990	942	926	946	913	913	889
Percent of Capacity	107.29%	110.67%	103.85%	106.43%	101.27%	99.55%	101.70%	98.15%	98.15%	95.57%
Holmes (1966)										
Square feet	78,407	78,407	86,492	86,492	86,492	86,492	86,492	86,492	86,492	86,492
Capacity	627	627	692	692	692	692	692	692	692	692
Enrollment	518	464	483	486	480	402	428	439	438	460
Percent of Capacity	82.58%	73.97%	69.80%	70.24%	69.37%	58.10%	61.86%	63.45%	63.30%	66.48%

SOURCE OF INFORMATION:

(1)

Pupil capacity based on 110 square feet per pupil for grades K-5 and 125 square feet per pupil for grades 6-8. These square footage per student assumptions are used as general parameters by architects when developing models for school design

(2) Enrollment is calculated by adjusting the Fall Housing Report numbers at the elementary level for half-day students.

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