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# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
June 30, 2013

Elk Grove Township Schools  
Arlington Heights, Illinois

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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, 2013**

**Officials Issuing Report**

**Dr. Art Fessler, 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, 2013

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59

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## **INTRODUCTORY SECTION**



**Community Consolidated School District 59  
Principal Officers and Advisors**

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**Board of Education**

Brian Kiel	President
Sharon Roberts	Vice President
Karen Osmanski	Secretary
Janice Krinsky	Member
Seana McPherson	Member
Mardell Schumacher	Member
Barbara Somogyi	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. Art Fessler	Superintendent
Dr. Nancy Wagner	Assistant Superintendent for Teaching and Learning
Tom Luedloff	Assistant Superintendent for Human Resources
Ruth Gloede	Assistant Superintendent for Business Services
Becki Streit	Assistant Superintendent for Educational Services
Ben Grey	Chief Innovation Officer
Maureen McAbee	Executive Director of English Language Learner Services
Tony Rossi	Director of Building and Grounds

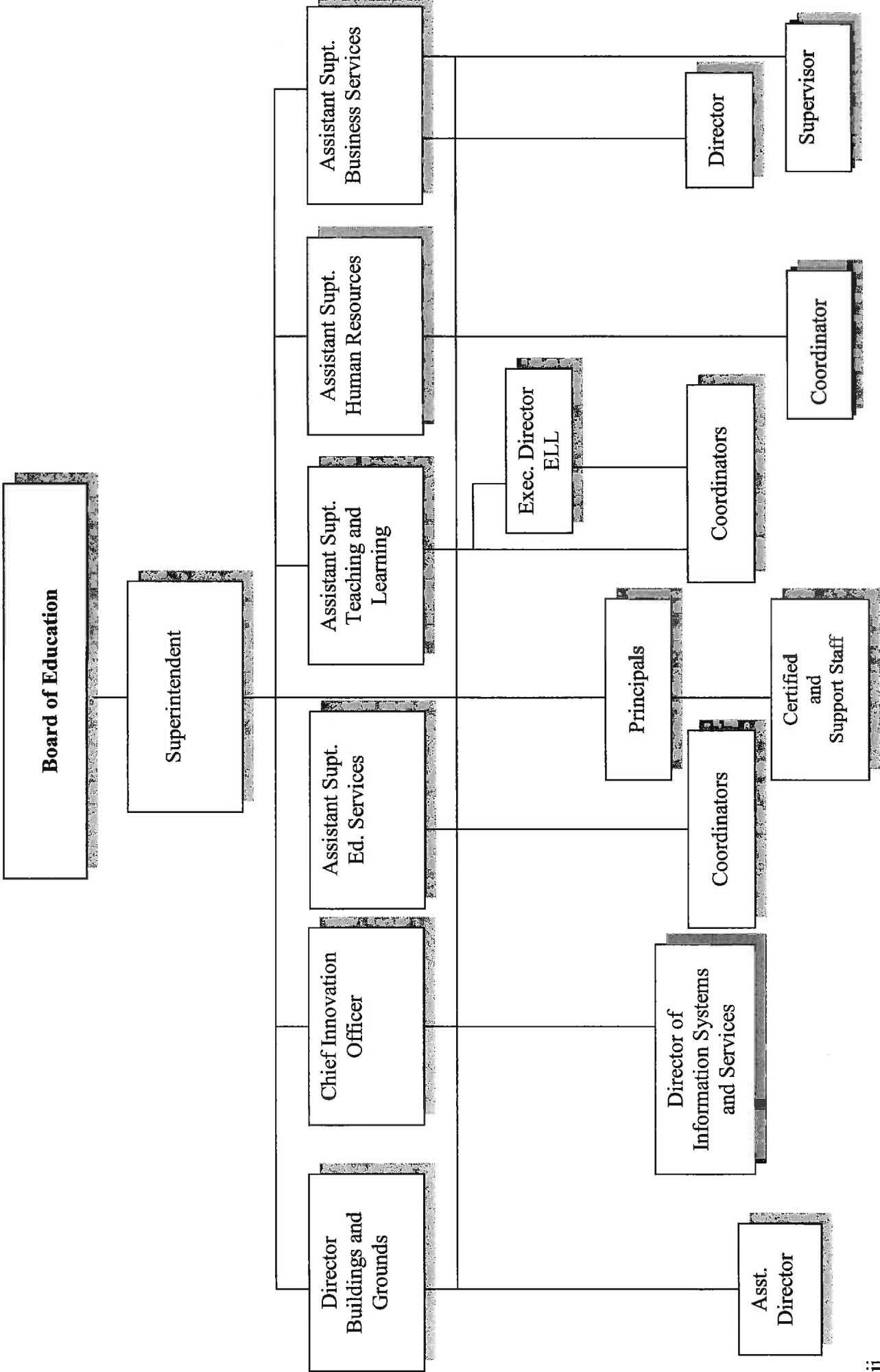
**Official Issuing Report**

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

Board of Education and Administrative Offices

2123 S. Arlington Heights Road, Arlington Heights, IL 60005

847/593-4300

[www.ccsd59.org](http://www.ccsd59.org)

December 16, 2013

President, Members of the Board of Education and Citizens of District 59  
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, 2013 is submitted herewith. The audit fieldwork was completed on September 20, 2013 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 disclosures, 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 is 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 Horwath LLP.

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 schools reside in four suburban communities: Elk Grove Village, Des Plaines, Arlington Heights, and Mount Prospect. During the 2012/13 school year, 6,467 K-8 students attended the District's eleven elementary (Grades K-5) and three junior high (Grades 6-8) schools. The 2012/13 enrollment represents a 1% increase over the previous year. Enrollment projections show gradually increasing enrollment, projected to peak at 6,844 students in 2017/18.

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 Hispanic at 42.5%, increasing from 42% in the prior school year. The second largest group is the White population at 40.4%, a increase from 40% in the prior school year. The Asian and Black and Multi-racial/ethnic group populations were relatively unchanged at 10.9%, 3.2% and 2.2%. The Native American/Alaskan population remained as the smallest ethnic group with 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 applied technology.

The District also offers two choice programs. The Ridge Family Center for Learning is a K-5 school operating on a balanced calendar. Salt Creek School offers a dual language English/Spanish program. Families may choose to attend these programs rather than their neighborhood school. Enrollment in these programs are limited to available space.

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 special education cooperative.

In addition to the elementary and junior high programs, the District offers an Early Childhood program for ages three through five. Students who attend this program at considered at-risk of academic failure, have been identified for special education services, or are typically-developing students who have paid an annual fee. Potential at-risk and special education enrollees are screened throughout the school year. The overall enrollment is approximately 223 students.

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.

Economic conditions, changes in Cook County assessment classification practices, and calculations of the equalizer by the Illinois Department of Revenue have resulted in a declining equalized assessed valuation (EAV). Over the past three years, the District's EAV declined from \$3.5 billion in 2010 to \$2.8 billion in 2012. Residential properties have decreased in value less than the commercial and industrial properties. Therefore, over the past decade, the tax burden has shifted from the commercial and industrial sectors to the residential taxpayers. In 2000, commercial and industrial properties comprised 75% of the District's EAV, with residential properties making up 25%. By 2012, commercial and industrial properties comprised 61% of the EAV, and residential comprised 39%. Nevertheless, a very favorable location

adjacent to O'Hare International Airport, convenient transportation, and a major industrial park with 3,600 businesses continues to provide a substantial tax base. As a result, the aggregate tax rate for District 59 (2.673%) remains the lowest among all northwest suburban elementary school districts.

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 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, 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.

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. Over the past four years, additions have been constructed at Juliette Low, Rupley, Ridge and Robert Frost Schools. These additions were in response to enrollment growth as well as expanded early childhood, English Language Learners, and special education programming. On a going forward basis, regular maintenance and improvements are the focus for District 59's facilities. 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. The following details the District's facilities:

FACILITY	CONSTRUCTION AND RENOVATIONS	TOTAL SQUARE FOOTAGE
As of June, 2012		
BRENTWOOD	ORIGINAL 1963, ADDITION #1 1964, ADDITION #2 1968, ADDITIONS/RENOVATED 6/1996	54,148
BYRD	ORIGINAL 1967, ADDITION #1 1968, RENOVATED 8/1993, ADDITIONS/RENOVATED/SOUNDPROOFED 8/2001	48,193
CLEARMONT	ORIGINAL 1961, ADDITION #1 1962, ADDITION #2 1965, ADDITIONS/RENOVATED 7/1993, ADDITIONS/SOUNDPROOFED 12/2000	54,675
DEVONSHIRE	ORIGINAL 1963, ADDITION #1 1964, ADDITION #2 1967, ADDITIONS #3 1970, ADDITIONS/RENOVATED/SOUND PROOFED 12/1994	48,767
FOREST VIEW	ORIGINAL 1962, ADDITION #1 1965, ADDITION #2 1970, ADDITIONS/RENOVATED 6/1997	56,796
FROST	ORIGINAL 1964, ADDITION #1 1966, ADDITION #2 1987, DEMOED 1998, ADDITIONS/RENOVATED/SOUNDPROOFED 6/1998 ADDITIONS 8/2012	54,643
JOHN JAY	ORIGINAL 1967, ADDITION #1 1969, RENOVATED (PHASE I) 8/1991, RENOVATED (PHASE 2) 8/1992, SOUNDPROOFED 8/1998, ADDITION 2006	46,500
JULIETTE LOW	ORIGINAL 1966, (1969 FIRE REBUILDING), ADDITION #1 1970, ADDITIONS/RENOVATED/SOUNDPROOFED 6/1999, ADDITION 2010	75,713
RIDGE	ORIGINAL 1959, ADDITION #1 1966, ADDITIONS/RENOVATED/SOUNDPROOFED 8/2003, STORAGE ROOM ADDITION 8/2003, ADDITION 2011	46,426
RUPLEY	ORIGINAL 1958, ADDITION #1 1959, ADDITION #2 1960, ADDITION #3 1962, ADDITION/RENOVATED 8/1991, SOUNDPROOFED 8/1997, OFFICE RENOVATION (PHASE I) 2010, ADDITION (PHASE 2) 2011	59,382
SALT CREEK	ORIGINAL 1963, ADDITION #1 1965, ADDITION #2 1968, ADDITIONS #1 & #2 WERE DEMOED 2000, ADDITIONS/RENOVATED 2000	74,057
GROVE J.H.	ORIGINAL 1960, ADDITION #1 1961, ADDITION #2 1963, ADDITION #3 1964, ADDITION #4 1966, ADDITION #5/RENOVATED 1975, ADDITION #6 12/1995, RENOVATED 8/2000, ADDITION #7/RENOVATED 8/2001, ADDITION #8/RENOVATED 8/2002, SOUNDPROOFED 8/2003	116,274
HOLMES J.H.	ORIGINAL 1966, ADDITION #1 1969, ROOF/FASCIA REPLACEMENT 10/2000, ADDITIONS/RENOVATED 12/2001, ADDITIONS/RENOVATED 7/2002	86,492
FRIENDSHIP J.H.	ORIGINAL 1973 RENOVATED (PHASE I) 8/1998, RENOVATED (PHASE 2) 9/1999, ADDITIONS/RENOVATED 8/2001, RENOVATED 8/2002	101,668
ADMIN. CENTER	ORIGINAL 1984	19,293
WAREHOUSE	ORIGINAL 1971	10,623
LIVELY STORAGE	ORIGINAL 1967 ADDITION #1 1970, 90% DEMOED 10/1997	5,000
<b>TOTAL SQUARE FOOTAGE FOR ALL DISTRICT BUILDINGS</b>		<b>958,650</b>

The District continues to maintain its excellent financial condition. The Board of Education is provided key financial performance indicators, including compliance with the District's Fund Balance Policy, maintaining Recognition Status on the Illinois School Financial Profile, and meeting the State's definition of a balanced budget. As current fund balances exceed the Fund Balance Policy's minimum requirement, the District is able to weather economic uncertainty and provide a stable environment for students, staff,



and parents. District 59 maintains a perfect score of 4.0, Recognition Status, on Illinois' School Financial Profile. And, with no deficit reported, the District met the State's balanced budget criteria.

### ***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***

District 59's Board of Education vision is: One District One Population One Core Purpose. Organizational leadership and staff are focused on the core purpose of preparing students to be successful for life. 21<sup>st</sup> Century Learning skills, including critical thinking, collaboration, communication and creativity, are at the forefront of future planning and development. The Board adopted Strategic Plan places emphasis on five key Strategic Directions: 1) Student Growth – Educating the Whole Child; 2) Learning Environment; 3) Communications and Community Relations; 4) Distinguished Staff; 5) Long-Term Financial Stability. Objectives and action steps are being developed to move this new vision and strategic plan forward.

### ***BUDGETARY CONTROLS AND FINANCIAL POLICIES***

The District's Fund Balance Policy is as follows:

The Superintendent or designee shall maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses. The School District seeks to maintain an estimated unassigned (in the Educational Fund) and assigned (in the Operations and Maintenance, Transportation and Working Cash Funds) aggregate ending fund balance based on budgeted revenues and expenditures of no less than the range of 50-60 percent of the annual aggregated budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

The Board of Education shall direct the Administration to develop a deficit reduction plan when the estimated unassigned (in the Educational Fund) and assigned (in the Operations and Maintenance, Transportation and Working Cash Funds) ending fund balance is less than 60% of the aggregate budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds, and if the District's financial condition reflects a structural deficit in its major operating funds.

Periodically the Board of Education may by resolution commit a portion of the unrestricted fund balance for a specific purpose. This commitment must be acted upon prior to the close of the fiscal year. The commitment may be subsequently removed by Board resolution. A committed fund balance may not reduce the remaining aggregate estimated unassigned (in the Educational Fund) and assigned (in the Operations and Maintenance, Transportation and Working Cash Funds) ending fund balance to less than 50% of the annual aggregated budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Fund.

## FINANCIAL REPORTING

This is the thirty-first 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, 2012, the 30th 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, the community and other interested parties a meaningful report of the District's financial condition as of June 30, 2013.

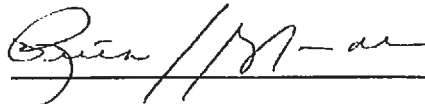
*Acknowledgment.* The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of all the members of the Business Services Department who assisted in the closing of the District's financial records and the preparation of this report.

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 2013 fiscal year.

Respectfully submitted,



Dr. Arthur Fessler  
Superintendent of Schools



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

# Association of School Business Officials International



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

**Community Consolidated School District  
59**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, reading "Ron McCulley".

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Community Consolidated School District No. 59 (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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





## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matters***

### ***Report on Summarized Comparative Information***

We have previously audited the District's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Implementation of New GASB Statements***

As discussed in Note 12 to the financial statements, in June 2011, the GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Statement 63 is effective for the District's fiscal year ending June 30, 2013. The District has implemented this statement retroactively for their fiscal year ended June 30, 2013. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 12 to the financial statements, in March 2012, the GASB issued GASB Statement 65, "Items Previously Reported as Assets and Liabilities." The provisions of this Statement are effective for the District's fiscal year ended June 30, 2014, with earlier application being encouraged. The District has implemented this statement retroactively for their fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. As a result, net position was restated for the cumulative effect of the application of this pronouncement. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule and Schedules of Funding Progress as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to



the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The other supplementary information, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

#### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



Crowe Horwath LLP

Oak Brook, Illinois  
October 15, 2013



**REQUIRED SUPPLEMENTARY INFORMATION**

**Management's Discussion and Analysis**



## Community Consolidated School District 59

### Management's Discussion and Analysis

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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, 2013. 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 FY13 financial position decreased slightly. The district reported a less than \$1 million (0.4%) decrease in net position 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 School District, by policy, seeks to maintain an estimated unassigned (in the Educational Fund) and assigned (in the Operations and Maintenance, Transportation and Working Cash Funds) aggregate ending fund balance based on budgeted revenues and expenditures of no less than the range of 50-60 percent of the annual aggregated budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.
- Budgeting practices incorporate the unpredictable loss of property tax revenue due to assessment appeals and the subsequent 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 on-going 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.

## Community Consolidated School District 59

### Management's Discussion and Analysis

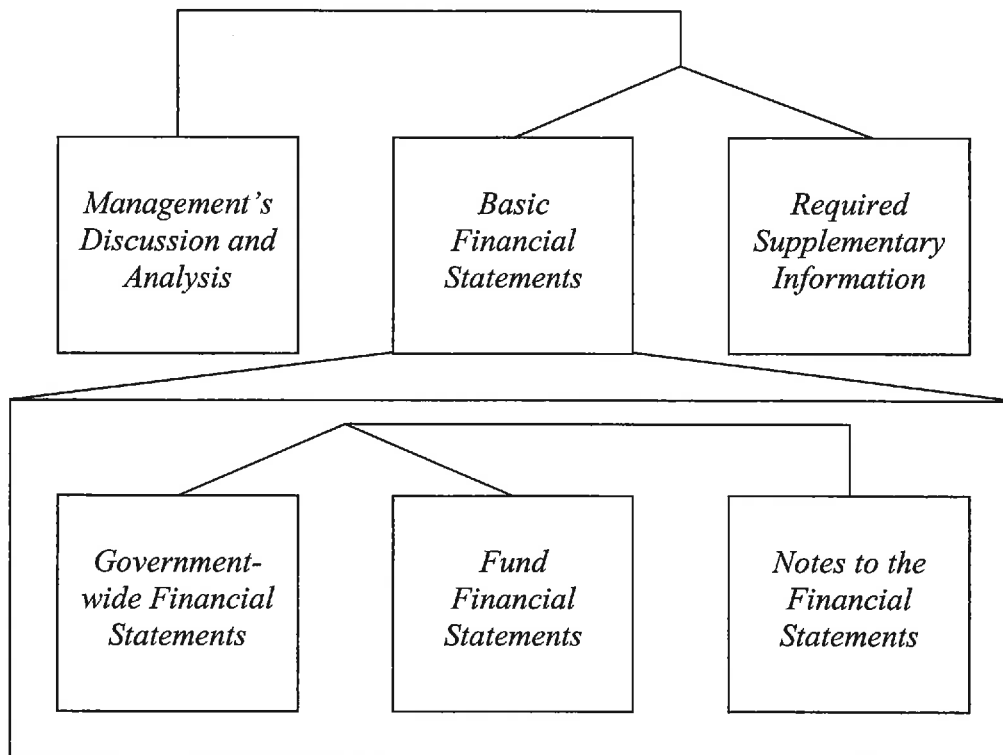
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- The *governmental funds statements* tell how basic services, such as regular and special education, were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial 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.

<b>Figure A-2</b>			
<b><i>Major Features of the Government-wide and Fund Financial Statements</i></b>			
	<b>Government-wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<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 position.	1) Balance Sheet.	1) Statement of fiduciary net position.
	2) Statement of activities.	2) Statement of revenues, expenditures, and changes in fund balances.	2) Statement of changes in fiduciary net position.
<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 position 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 position* and how they have changed. Net position – 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

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- Over time, increases or decreases in the District's net position 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**

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#### **Financial Analysis of the District as a Whole**

**Net Position:** The District's FY13 financial position decreased slightly. The district reported a less than \$1 million (0.4%) decrease in net position when compared to the prior year as a result of the following (See Figure A-3):

- The District's total assets decreased \$8.3 million, or 3.3%.
- Current assets decreased a total of \$5.7 million, with cash and investments decreasing \$3.0 million, property taxes receivable decreasing \$3.4 million, and Cash Restricted for Insurance increasing \$0.7 million.
- Capital assets decreased \$2.6 million due to \$1.0 million in depreciation and a concerted effort to dispose of unused, unwanted, high quantity, low value equipment reducing Capital Assets by \$1.6 million.
- The District's total liabilities decreased \$4.5 million to \$22.9 million from \$26.8 million. This includes the annual debt retirement for the 2003A Series and 2009 Series General Obligation Bonds, and the retirement incentives payable netted against compensated absences payable, net pension obligation, early retirement incentives, and other post-employment benefits.
- Due to a new reporting requirement, Deferred Outflows and Inflows are segregated from the Assets and Liabilities. Deferred Amount on Refunding represents the Deferred Outflows while Unearned Property Tax Revenue the Deferred Inflow amount. The net change in Deferred Outflows and Inflows was a decrease of \$3.0 million essentially all in Unearned Property Tax Revenue. In FY2012, Cook County's second installment property tax due date was moved up to August instead of December. This caused the district to receive an additional property tax payment in FY2012. In FY2013, timing of the property tax due dates remained unchanged from the prior year resulting in tax revenue receipts to level out.

**Community Consolidated School District 59**  
**Management's Discussion and Analysis**

**Figure A-3**

<b>Combined Statement of Assets, Deferred Outflows,  Liabilities and Deferred Inflows(in millions of dollars)</b>				
<i>Governmental Activities</i>				
	<u>2011/12</u>	<u>2012/13</u>	<u>Diff</u>	<u>Percentage Change</u>
Current Assets	\$ 166.7	\$ 161.0	(5.7)	-3.4%
Capital Assets	<u>82.0</u>	<u>79.4</u>	<u>(2.6)</u>	-3.2%
<b>TOTAL ASSETS</b>	<b>\$ 248.7</b>	<b>\$ 240.4</b>	<b>-8.3</b>	<b>-3.3%</b>
 <i>DEFERRED OUTFLOWS</i>	 \$ -	 \$ 0.3	 0.3	 NA
Long-term debt outstanding	\$ 14.9	\$ 11.1	(3.8)	-25.5%
Other liabilities	<u>11.9</u>	<u>11.8</u>	<u>(0.1)</u>	-0.8%
<b>TOTAL LIABILITIES</b>	<b>\$ 26.8</b>	<b>\$ 22.9</b>	<b>-3.9</b>	<b>-14.6%</b>
 <i>DEFERRED INFLOWS</i>	 \$ 17.3	 \$ 14.0	 (3.3)	 -19.1%
Net position				
Investment in capital assets	\$ 68.9	\$ 70.8	1.9	2.8%
Restricted (debt service)	5.8	4.0	(1.8)	-31.0%
Unrestricted	<u>129.9</u>	<u>129.0</u>	<u>(0.9)</u>	-0.7%
<b>TOTAL NET POSITION</b>	<b>\$ 204.6</b>	<b>\$ 203.8</b>	<b>-0.8</b>	<b>-0.4%</b>

**Changes in Net Position:** The District's total revenues of \$107.6 million fell short of total expenditures of \$108.3 million by \$0.7 million. Total revenues decreased \$18.1 million, or 14.4%, compared with a 5.3% increase in total expenditures, or \$5.4 million. Operating grants and contributions increased \$2.4 million primarily due to the recording of the State of Illinois On-behalf Contribution to the state teacher pension system, reflecting a \$1.7 million increase. In addition, Regular Program Revenue includes No Child Left Behind funding which reflects an additional \$0.6 million in FY 2013 over FY2012. Revenue from property taxes decreased \$20.3 million. In August 2012, Cook County released the property tax bills several months earlier than usual resulting in the collection of tax payments in FY12 that would typically be collected in the next fiscal year. The August release of tax bills continued in August 2013, therefore leveling off the tax receipts to a normal annual amount. Net position decreased slightly from \$204.6 million in 2011/12 to \$203.8 million at year-end 2012/13. Instruction program expenditures increased \$4.3 million or 7.4%, which includes the reporting of a \$1.7 million State of Illinois On-behalf expense to the state teacher pension system leaving \$2.6 million or 4.5% in regular program growth of salaries, benefits, etc. (See Figure A-4).

# Community Consolidated School District 59

## Management's Discussion and Analysis

**Figure A-4**

### Changes in Net Position from Operating Results (in millions of dollars)

	<i>Governmental Activities</i>		<i>Percentage</i>
	<u>2011/12</u>	<u>2012/13</u>	<u>Change</u>
<b>REVENUE</b>			
Program Revenues			
Charges for Services	\$ 1.0	\$ 1.1	5.0%
Operating Grants and Contributions	20.8	23.2	11.5%
General Revenues			
Taxes	\$ 98.3	\$ 78.0	-20.7%
State Formula Aid	4.4	5.1	16.1%
Other	1.3	0.2	-81.3%
<b>TOTAL REVENUE</b>	<b>\$ 125.8</b>	<b>\$ 107.6</b>	<b>-14.5%</b>
<b>EXPENSES</b>			
Instruction	\$ 58.3	\$ 62.6	7.3%
Pupil and Instructional Services	9.6	9.8	2.2%
Administration and Business	11.7	12.3	5.4%
Facilities Acquisition & Construction	5.4	0.8	-85.2%
Transportation	4.6	4.9	5.8%
Maintenance and Operations	5.8	10.5	81.7%
Other	7.5	7.4	-1.1%
<b>TOTAL EXPENSES</b>	<b>\$ 102.9</b>	<b>\$ 108.3</b>	<b>5.3%</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 22.9</b>	<b>\$ (0.7)</b>	<b>-103.3%</b>
<b>NET POSITION</b>			
July 1, 2012		\$ 204.6	
June 30, 2013		\$ 203.8	-0.4%

### Governmental Activities

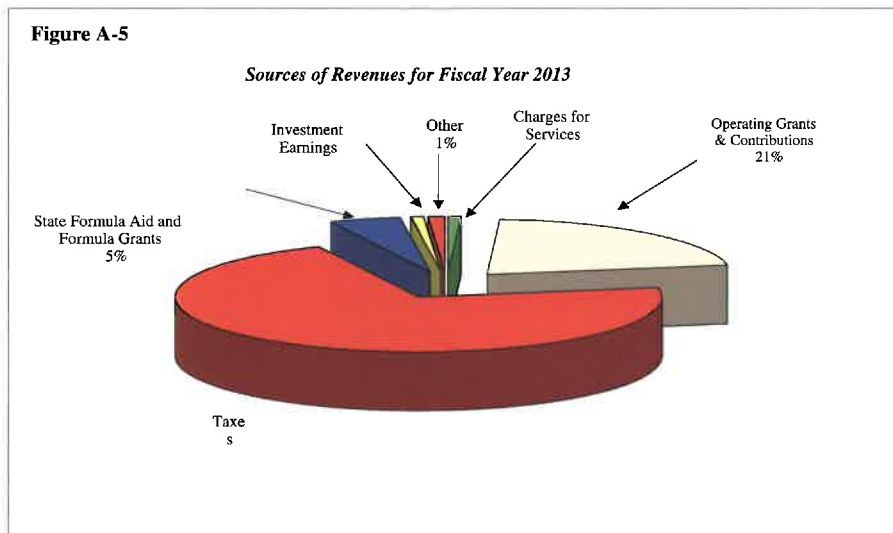
**Revenue (See Figure A-5):** Total District revenue for fiscal year 2013 was \$107.6 million. General revenues (\$83.3 million) are comprised of tax revenue, general state aid, investment earnings, and other non-restricted funds and comprise approximately 77% of total revenue. Approximately 72% of the 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 22% of total revenue. Examples of revenue sources within these categories include federal grant programs, state special

## Community Consolidated School District 59

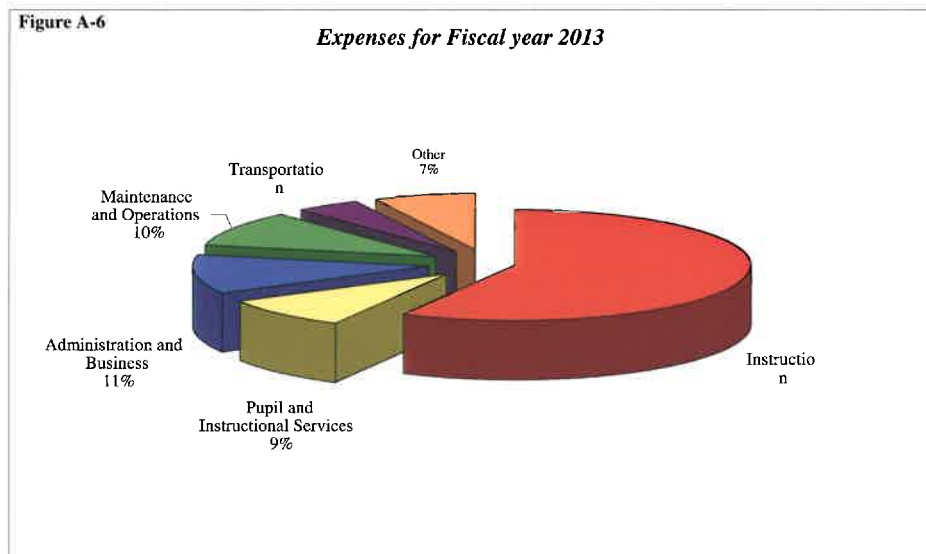
### Management's Discussion and Analysis

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education reimbursements, the reporting of the state's on-behalf contribution to the Teacher Retirement System (TRS), charges for services, and reimbursement programs for food services and transportation services.



**Expenses (See Figure A-6):** Fiscal year 2013 expenditures totaled \$108.3 million. The operation of the District's instructional program and its related support functions comprise 68% 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 including the Capital Projects Fund, for a total 10% of overall expenses. The costs associated with daily transporting approximately 4,000 students total 4% of the District's overall expenses. Within the category of "Other", payments to other governmental units account for \$4.3 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.



## 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**

<b>Net Cost of Governmental Activities (in millions of dollars)</b>							
	<b>Total Cost of Services</b>			<b>Net Cost of Services</b>			<b>Pct. Chg.</b>
	<b>2011/12</b>	<b>2012/13</b>	<b>Pct. Chg.</b>	<b>2011/12</b>	<b>2012/13</b>		
Instruction	\$ 58.3	\$ 62.6	7.4%	\$ 40.7	\$ 42.6	4.7%	
Pupil and Instructional Services	9.6	9.8	2.1%	9.6	9.8	2.1%	
Administration and Business	11.7	12.3	5.1%	9.5	10.1	6.3%	
Facilities Acquisition and Construction	5.4	0.8	-85.2%	5.4	0.8	-85%	
Operations and Maintenance	5.8	10.5	81.0%	5.8	10.5	81.0%	
Transportation	4.6	4.9	6.5%	2.6	2.9	11.5%	
Other	7.5	7.4	-1.3%	7.5	7.4	-1.3%	
<b>TOTAL</b>	<b>\$ 102.9</b>	<b>\$ 108.3</b>	<b>5.2%</b>	<b>\$ 81.1</b>	<b>\$ 84.1</b>	<b>3.7%</b>	

The total costs of the District's activities during 2012/13 totaled \$108.3 million, a 5.2% increase over the prior year. Expenditures increased without funding increases in the area of bilingual teacher salaries and the expansion of summer school programming, which resulted in a \$3.0 million increase in the net cost of services with FY13 reporting \$84.1 million and FY12 reporting \$81.1 million.

#### **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 \$131 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 \$949,357.
- The Transportation Fund revenues exceeded expenditures by \$593,157.
- The Municipal Retirement/Social Security Fund expenditures exceeded revenues by \$414,879.
- The Capital Projects Fund expenditures for the current year were met by the accumulated fund balance and completed all projects resulting in closing of the fund at year end. The balance of the fund (\$5,807) was transferred to the Operations and Maintenance Fund.
- The Series 2003A and Series 2009 Debt Service Fund debt obligation was met by a bond and interest levy.

## **Community Consolidated School District 59**

### **Management's Discussion and Analysis**

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#### **General Fund Budgetary Highlights**

The General Fund is comprised of the Educational, Operations and Maintenance and Working Cash 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 Fund balance of \$121.2 million reflects a slight increase of \$1.0 million, less than 1%, from the prior year's fund balance of \$120.2 million.

**Revenue:** Total revenue in the General Fund fell short the District's budget by \$1.1 million or 1.1%.

Within the category of local sources, interest income fell short of budget by \$4.0 million due to an annual adjustment of the market value of investments. Property taxes provided an additional \$0.5 million over budget. Corporate Personal Property Replacement taxes (CPPRT) essentially met budget expectations coming in slightly higher by \$0.4 million. CPPRT revenue is reflective of the income tax revenue generated by businesses within the District's boundaries. Other local sources exceeded budget by \$0.6 million and include receipts from school and meal fees, 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, exceeded budget by \$0.8 million due to the timing of payments received compared to when they were due. For the last several years, the economic downturn has cause the state to be as much as 18 months late in paying their obligations. During FY2013, the state was able to pay all past and present obligations making them current.

At the federal level, the revenue exceeded budget by \$0.6 million. The majority of this difference was attributed to \$0.4 million in additional Title I funds. When the District created the budget for FY2013, it anticipated the affects of the Federal sequestration to be implemented during the year. In the end, FY2013 was exempted from sequestration.

**Expenditures:** Actual expenditures were \$1.6 million, or 1.7%, under budget. Prudent financial management by budget managers, savings in custodial salaries due to retirements, and lower insurance claims contributed to the total savings.

#### **Capital Assets**

By the end of fiscal year 2013, the District had invested \$162.0 million in a broad range of capital assets, including land, school buildings, computer and audio-visual equipment, and administrative offices. When netted with depreciation, the total Capital Assets equaled \$79.4 million, a reduction of 3.2%. (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 a reduction of \$1.6 million during fiscal year 2013. The District made a concerted effort to disposal of unused, unwanted, high quantity, low value equipment during the year. Accumulated depreciation to buildings, land



## Community Consolidated School District 59

### Management's Discussion and Analysis

improvements, vehicles and equipment totaled approximately \$82.7 million. The net impact of the decreased value of capital assets and the depreciated value accounted for a \$2.6 million decrease in the value of capital assets for fiscal year 2013.

**Figure A-8**

<b>Capital Assets (net of depreciation, in millions of dollars)</b>			
	<i>Government Activities</i>		
	<u>2011/12</u>	<u>2012/13</u>	<u>Pct. Chg.</u>
Capital Assets not being depreciated	\$ 2.0	\$ 1.1	-45.0%
Net Capital Assets being depreciated	<u>80.0</u>	<u>78.3</u>	-2.1%
<b>TOTAL</b>	<b>\$ 82.0</b>	<b>\$ 79.4</b>	<b>-3.2%</b>

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. Capital improvements are primarily focused on maintaining existing facilities, with no major renovations anticipated.

### Debt Administration

At year-end, the District had \$11.0 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**

<b>Outstanding Long-Term Debt (in millions of dollars)</b>			
	<i>Total School District</i>		
	<u>2011/12</u>	<u>2012/13</u>	<u>Change</u>
2003 A Series General Obligation			
Funding Bonds	\$ 6.0	\$ 1.3	\$ (4.7)
2009 Series General Obligation			
Funding Bonds	7.4	7.4	-
Premium on Bonds and Deferred	0.2	0.1	(0.1)
Early Retirement Incentives	0.7	0.6	(0.1)
Other Post-Employment Benefits	0.2	0.4	0.2
Net Pension Obligation	0.8	1.0	0.2
Compensated absences	0.2	0.2	-
<b>TOTAL</b>	<b>\$ 15.5</b>	<b>\$ 11.0</b>	<b>\$ (4.5)</b>

## Community Consolidated School District 59

### Management's Discussion and Analysis

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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 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:

- **Continued economic uncertainty**, including the State of Illinois' financial crisis, low rates of investment returns, and the overall local economic vitality.
- **Means-testing or revisions to funding and/or pro-ration formulas** at the State level that would be intended to reduce the inequities in funding between school districts in Illinois.
- The funding shortfall for **state pension funds** including the Illinois Municipal Retirement Fund (IMRF) and the Teacher's Retirement System (TRS) that would shift additional funding obligations to the local school district.
- 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.
- **Reduction in property values** which may negatively impact EAV growth.
- **Historically low Consumer Price Index** which limits property tax revenues.
- 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's** proposed western access highway system.

## Community Consolidated School District 59

### Management's Discussion and Analysis

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- **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.
- Continuation of a **reduction in Federal funding** levels through sequestration.
- The roll-out of substantial changes in governmental **auditing and required financial reporting standards**.

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

#### **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](http://www.ccsd59.org).

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## **BASIC FINANCIAL STATEMENTS**



COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59  
Statement of Net Position  
June 30, 2013

STATEMENT 1

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 112,219,028
Cash - restricted for insurance	6,162,222
Receivables:	
Interest receivable	145,679
Property tax receivable	34,562,527
Accounts receivable	373,356
Intergovernmental receivable	7,527,723
Prepays	455
Inventory	51,313
Capital assets not being depreciated	1,147,773
Capital assets being depreciated, net	78,262,443
<b>Total assets</b>	<b>240,452,519</b>
<b>DEFERRED OUTFLOWS</b>	
Deferred amount on refunding	297,895
<b>Total deferred outflows</b>	<b>297,895</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>Liabilities</b>	
Accounts payable	2,598,587
Salaries and benefits payable	8,558,799
Insurance claims payable	435,234
Other current liabilities	32,105
Interest payable	95,375
Unearned school fees	103,510
Long-term obligations, due within one year:	
Bonds payable	3,210,000
Compensated absences payable	155,930
Retirement incentives payable	347,215
Long-term obligations, due in more than one year:	
Bonds payable	5,688,329
Other post-employment healthcare liability	387,553
Net pension obligation	992,384
Retirement incentives payable	275,271
<b>Total liabilities</b>	<b>22,880,292</b>
<b>Deferred Inflows</b>	
Unearned property tax revenue	14,044,136
<b>Total deferred inflows</b>	<b>14,044,136</b>
<b>Net position</b>	
Net investment in capital assets	70,809,782
Restricted for:	
Debt service	3,174,604
IMRF purposes	844,800
Unrestricted	128,996,800
<b>Total net position</b>	<b>\$ 203,825,986</b>

See accompanying notes to financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59  
Statement of Activities  
Year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating grants, contributions, and related interest income	
<b>Governmental activities:</b>				<b>Governmental Activities</b>
Instruction				
Regular programs	\$ 31,135,330	\$ 73,933	\$ 3,344,427	\$ (27,716,970)
Special programs	7,730,988	234,369	3,001,065	(4,495,554)
Other programs	10,409,386	13,061	-	(10,396,325)
State on-behalf contributions to TRS	13,298,931	-	13,298,931	-
Support services				
Pupils	5,063,173	-	-	(5,063,173)
Instructional staff	4,754,920	-	-	(4,754,920)
General administration	2,766,607	-	-	(2,766,607)
School administration	5,545,972	-	-	(5,545,972)
Business	4,014,008	714,092	1,625,495	(1,674,421)
Facilities acquisition and construction services	797,140	-	-	(797,140)
Transportation	4,867,638	8,070	1,922,041	(2,937,527)
Operations and maintenance	10,538,008	-	-	(10,538,008)
Central	2,317,703	-	-	(2,317,703)
Community services	156,080	-	-	(156,080)
Payments to other governmental units	4,314,496	-	-	(4,314,496)
Interest on debt	633,367	-	-	(633,367)
<b>Total governmental activities</b>	<b>\$ 108,343,747</b>	<b>\$ 1,043,525</b>	<b>\$ 23,191,959</b>	<b>(84,108,263)</b>
General revenues:				
Taxes:				
Property taxes				73,518,112
Payments in lieu of taxes				4,480,589
General state aid				5,113,913
Investment earnings				(987,176)
Other general revenues				1,230,757
<b>Total general revenues</b>				<b>83,356,195</b>
Change in net position				(752,068)
Net position, beginning of the year, as Restated				204,578,054
Net position, end of the year				<b>\$ 203,825,986</b>



COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59  
Governmental Funds Balance Sheet  
June 30, 2013  
(With comparative actual totals for June 30, 2012)

STATEMENT 3

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Debt Service Fund	Capital Projects Fund	Total 2013	Total 2012
<b>Assets</b>							
Cash and investments	\$ 104,474,871	\$ 5,190,151	\$ 273,337	\$ 2,280,669	\$ -	\$ 112,219,028	\$ 115,211,958
Cash - restricted for insurance	6,162,222	-	-	-	-	6,162,222	5,375,796
Receivables:							
Interest receivable	145,679	-	-	-	-	145,679	255,891
Property tax receivable	30,546,051	1,595,268	679,016	1,742,192	-	34,562,527	37,890,083
Accounts receivable	364,231	9,125	-	-	-	373,356	143,738
Intergovernmental receivable	5,054,735	2,294,674	178,314	-	-	7,527,723	7,754,183
Prepays	455	-	-	-	-	455	902
Inventory	51,313	-	-	-	-	51,313	48,284
Total assets	\$ 146,799,557	\$ 9,089,218	\$ 1,130,667	\$ 4,022,861	\$ -	\$ 161,042,303	\$ 166,680,835
<b>Liabilities, deferred inflows and fund balance</b>							
<b>Liabilities</b>							
Accounts payable	\$ 1,734,553	\$ 680,550	\$ 183,484	\$ -	\$ -	\$ 2,598,587	\$ 2,944,782
Salaries and benefits payable	8,329,497	44	229,258	-	-	8,558,799	8,349,800
Insurance claims payable	435,234	-	-	-	-	435,234	443,928
Unearned school fees	103,510	-	-	-	-	103,510	19,495
Other current liabilities	32,105	-	-	-	-	32,105	23,593
Total liabilities	10,634,899	680,594	412,742	-	-	11,728,235	11,781,598
<b>Deferred inflows</b>							
Unavailable interest revenue	103,634	14,081	17,771	1,898	-	137,384	206,856
Unavailable grant revenue	2,433,750	1,890,599	-	-	-	4,324,349	5,323,979
Unavailable reimbursements	61,000	-	-	-	-	61,000	-
Unearned property taxes	12,372,118	646,016	275,018	750,984	-	14,044,136	17,254,554
Total deferred inflows	14,970,502	2,550,696	292,789	752,882	-	18,566,869	22,785,389
<b>Fund balance</b>							
Nonspendable:							
Inventory	51,313	-	-	-	-	51,313	48,284
Prepays	455	-	-	-	-	455	902
Restricted:							
Debt service	-	-	-	3,269,979	-	3,269,979	4,699,567
IMRF purposes	-	-	844,800	-	-	844,800	1,318,523
Transportation	-	5,857,928	-	-	-	5,857,928	5,264,771
Assigned:							
Insurance	5,471,109	-	-	-	-	5,471,109	4,707,079
Construction	-	-	-	-	-	-	1,093,924
Unassigned	115,671,279	-	(419,664)	-	-	115,251,615	114,980,798
Total fund balance	121,194,156	5,857,928	425,136	3,269,979	-	130,747,199	132,113,848
Total liabilities, deferred inflows and fund balance	\$ 146,799,557	\$ 9,089,218	\$ 1,130,667	\$ 4,022,861	\$ -	\$ 161,042,303	\$ 166,680,835

See accompanying notes to financial statements.

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position  
June 30, 2013

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Total fund balances - governmental funds		\$ 130,747,199
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	162,113,077	
Accumulated depreciation	<u>(82,702,861)</u>	
Net capital assets		79,410,216
Certain grant receivables are not available to pay for current period expenditures and therefore are unavailable in the governmental funds.		
		4,522,733
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		
		(95,375)
Some liabilities reported in the statement of net position 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	(8,750,000)	
Premium on bonds	(148,329)	
Deferred amount on refunding	297,895	
Retirement incentives payable	(622,486)	
Other post-employment benefits	(387,553)	
Net pension obligation	(992,384)	
Compensated absences payable	<u>(155,930)</u>	
Total Long-term liabilities		<u>(10,758,787)</u>
Net position of governmental activities		\$ <u>203,825,986</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, 2013  
(With comparative actual totals for June 30, 2012)

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Debt Service Fund	Capital Projects Fund	Total 2013	Total 2012
<b>Revenues</b>							
Local sources							
Property taxes	\$ 64,831,588	\$ 3,366,298	\$ 1,471,663	\$ 3,848,563	\$ -	\$ 73,518,112	\$ 93,873,533
Replacement taxes	3,630,589	-	850,000	-	-	4,480,589	4,385,210
Interest	(840,896)	(37,744)	(5,687)	(33,377)	-	(917,704)	285,221
Other local sources	2,205,212	8,070	-	-	-	2,213,282	1,990,124
State sources	8,978,541	2,004,048	-	-	-	10,982,589	9,884,365
Federal sources	5,023,982	-	-	-	-	5,023,982	4,395,181
On-behalf contributions from state	13,298,931	-	-	-	-	13,298,931	11,593,232
<b>Total revenues</b>	<b>97,127,947</b>	<b>5,340,672</b>	<b>2,315,976</b>	<b>3,815,186</b>	<b>-</b>	<b>108,599,781</b>	<b>126,406,866</b>
<b>Expenditures</b>							
Current:							
Instruction							
Regular programs	30,108,738	-	395,420	-	-	30,504,158	29,177,086
Special ed programs	7,364,053	-	332,193	-	-	7,696,246	7,100,745
Other instructional programs	10,117,377	-	215,370	-	-	10,332,747	9,519,071
On-behalf contributions from state	13,298,931	-	-	-	-	13,298,931	11,593,232
Support services							
Pupils	4,873,502	-	175,577	-	-	5,049,079	4,955,686
Instructional staff	4,469,135	-	229,895	-	-	4,699,030	4,505,276
General administration	2,669,515	-	79,969	-	-	2,749,484	2,536,117
School administration	5,230,934	-	256,462	-	-	5,487,396	5,085,454
Business	3,808,416	-	183,307	-	-	3,991,723	3,923,370
Transportation	69,195	4,737,419	38,703	-	-	4,845,317	4,542,228
Operations and maintenance	6,583,034	-	653,810	-	-	7,236,844	7,238,339
Central	1,970,388	-	169,236	-	-	2,139,624	1,979,082
Community services	154,219	-	913	-	-	155,132	157,560
Payments to other governmental units	4,314,496	-	-	-	-	4,314,496	4,434,321
Debt service:							
Principal	-	-	-	4,705,000	-	4,705,000	4,510,000
Interest and fees	-	-	-	516,353	-	516,353	712,940
Capital outlay	1,146,657	10,096	-	-	1,088,117	2,244,870	3,710,437
<b>Total expenditures</b>	<b>96,178,590</b>	<b>4,747,515</b>	<b>2,730,855</b>	<b>5,221,353</b>	<b>1,088,117</b>	<b>109,966,430</b>	<b>105,680,944</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>949,357</b>	<b>593,157</b>	<b>(414,879)</b>	<b>(1,406,167)</b>	<b>(1,088,117)</b>	<b>(1,366,649)</b>	<b>20,725,922</b>
<b>Other financing sources (uses)</b>							
Transfers in	29,228	-	-	-	-	29,228	3,084,099
Transfers out	-	-	-	(23,421)	(5,807)	(29,228)	(2,020,337)
<b>Total other financing sources and (uses)</b>	<b>29,228</b>	<b>-</b>	<b>-</b>	<b>(23,421)</b>	<b>(5,807)</b>	<b>-</b>	<b>1,063,762</b>
<b>Net change in fund balances</b>	<b>978,585</b>	<b>593,157</b>	<b>(414,879)</b>	<b>(1,429,588)</b>	<b>(1,093,924)</b>	<b>(1,366,649)</b>	<b>21,789,684</b>
<b>Fund balances at beginning of year</b>	<b>120,215,571</b>	<b>5,264,771</b>	<b>840,015</b>	<b>4,699,567</b>	<b>1,093,924</b>	<b>132,113,848</b>	<b>111,387,926</b>
<b>Fund balances at end of year</b>	<b>\$ 121,194,156</b>	<b>\$ 5,857,928</b>	<b>\$ 425,136</b>	<b>\$ 3,269,979</b>	<b>\$ -</b>	<b>\$ 130,747,199</b>	<b>\$ 133,177,610</b>

## 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, 2013

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Net change in total fund balances	\$	(1,366,649)
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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 2012 to 2013 consists of:

Unavailable interest revenues	(69,472)	
Unavailable reimbursements	61,000	
Transportation grants	(82,007)	
Special Education grants	<u>(917,623)</u>	
		(1,008,102)

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	1,705,419	
Depreciation, net of disposals	<u>(4,289,931)</u>	
Capital outlay in excess of depreciation		(2,584,512)

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 position.

Bond principal retirements		4,705,000
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The issuance of long-term debt resulted in: 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 amount on refunding	(297,892)	
Amortization of bond premium	<u>105,274</u>	
Total deferred costs		(192,618)

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	31,336	
Decrease in interest payable on bonds	75,604	
Increase in net pension obligation	(228,296)	
Increase in other post-employment benefits	(180,314)	
Increase in compensated absences	<u>(3,517)</u>	
		(305,187)

Change in net position of governmental activities	\$	<u>(752,068)</u>
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## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2013

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	Agency Funds Student Activity Funds
ASSETS	
Cash	\$ 80,466
Receivable	<u>13,957</u>
Total assets	<u>\$ 94,423</u>
LIABILITIES	
Due to activity fund organizations	<u>\$ 94,423</u>
Total liabilities	<u>\$ 94,423</u>

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**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 position 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 position and the statement of activities display information about the District as a whole. In the government-wide statement of net position, 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.

*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, deferred inflows, 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, liabilities, and deferred inflows (whether current or non-current) are included on the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in total net position. 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 and use the accrual basis of accounting.

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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 80% of the 2011 tax levy and 80% of the 2012 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.

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 three accounts: the Educational Account, which records direct costs of instruction and administration, the Operations and Maintenance Account, which reports all costs of maintaining, improving, or repairing school buildings and property, and the Working Cash Account, which maintains financial resources held by the District to be used for temporary interfund loans.

Transportation Fund – This fund (a special revenue fund) maintains financial resources held by the District to be used for student transportation revenues and expenditures. Revenue to fund the transportation expenditures is derived from local property taxes and specific transportation grants from the State of Illinois.

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.

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 position 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, liabilities, and deferred inflows 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.

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(Continued)



COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**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.

Prepaids: The District uses the purchase method to account for prepaids.

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. The statutory reference regarding the ability to file, collect and deadlines for property taxes can be found in the Illinois Compiled State Statutes under Chapter 35, Sections 200-250.

Property taxes have been levied for tax year 2012 and are intended to be used when received in fiscal year 2013. 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 2012 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 2012 and 2011 levies:

	Maximum	Actual Rate	
	Rate	2012	2011
Special Education	0.4000	0.0318	0.0258
Education	3.5000	2.1436	1.9295
Operations and Maintenance	0.5500	0.1916	0.1409
Bond and Interest		0.1296	0.1693
Transportation	0.2000	0.1235	0.1049
Municipal Retirement/Social Security		0.0526	0.0516
Working Cash	0.0500	0.0000	0.0000
Life Safety	0.1000	0.0000	0.0000
Tort Immunity		<u>0.0000</u>	<u>0.0000</u>
Total		<u>2.6727</u>	<u>2.4220</u>

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

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 position.

Bond Issues and Bond Premiums: The District has issued general obligation bonds for which interest is paid on the bonds semiannually. In the government-wide financial statements, bond premiums are amortized over the lives of the related bond issues on a straight-line basis. In the fund financial statements, bond premiums 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 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 position 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 \$5,000. 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

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.

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Balance/Net Position: In order to show compliance with GASB Statement No. 54, the components of fund balance include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation.
- c) Committed fund balance has self imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the District, the Board of Education is the highest level of decision making. As of June 30, 2013, the District does not have any commitments of fund balance.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Education designated for that purpose. The intended use is established by an official designated for that purpose. The Assistant Superintendent for Business Services has been designated by the Board of Education for this purpose.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

If there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the District will consider committed fund balance to be spent first, then assigned fund balance and finally unassigned fund balance.

Policy requires that fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses be maintained. The District seeks to maintain an estimated unassigned (in the Educational Fund) and assigned (in the Operations and Maintenance, Transportation and Working Cash Funds) aggregate ending fund balance based on budgeted revenues and expenditures of no less than the range of 50-60 percent of the annual aggregated budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

Net position represents the difference between assets, liabilities, and deferred inflows. Net investments in capital assets, 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 position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

**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 \$14,227,247 at June 30, 2013, while the bank balances were \$14,309,884. 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.

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Certificates of deposits amounted to \$260,699 at June 30, 2013. 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, 2013.

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	One to Five Years	Six to Ten Years
FHLB	\$ 27,426,469	\$ 26,634,510	\$ 791,959	\$ -
FFCB	3,529,059	3,529,059	-	-
FHLMC	2,531,311	1,024,456	1,506,855	-
FNMA	11,904,031	11,516,899	33,646	353,486
Money Market Accounts	58,582,900	58,582,900	-	-
Total	<u>\$ 103,973,770</u>	<u>\$ 101,287,824</u>	<u>\$ 2,332,460</u>	<u>\$ 353,486</u>

**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, 2013, all of the District's other investments had 'AAA' ratings with their applicable rating agency.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an 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.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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, 2013 (excluding investments in U.S. Treasuries which are not considered to have credit risk) are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>
FHLB	Aaa/AA+
FHLMC	Aaa/AA+
FNMA	Aaa/AA+
FFCB	Aaa/AA+

*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, 2013, 26% of the District's other investments are in the Federal Home Loan Bank and 20% are in 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	\$ 14,227,247	Statement 1 - cash and investments	\$ 112,219,028
Certificates of deposit	260,699	Statement 1 - cash - restricted for insurance	6,162,222
Investments	103,973,770	Statement 7 - cash	80,466
	<u>\$ 118,461,716</u>		<u>\$ 118,461,716</u>

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2013 by functions follows:

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
Capital assets not being depreciated:				
Land	\$ 1,134,968	\$ -	\$ -	\$ 1,134,968
Construction in Progress	914,096	12,804	914,095	12,805
Total capital assets not being depreciated	2,049,064	12,804	914,095	1,147,773
Capital assets being depreciated:				
Buildings	128,379,034	2,071,010	81,741	130,368,303
Land Improvements	2,191,231	164,596	-	2,355,827
Vehicles	668,290	74,624	-	742,914
Intangible Assets	671,414	31,019	-	702,433
Equipment	31,099,579	417,099	4,720,851	26,795,827
Subtotal	163,009,548	2,758,348	4,802,592	160,965,304
Accumulated depreciation				
Buildings	(54,315,321)	(2,980,728)	81,741	(57,214,308)
Land Improvements	(1,240,828)	(81,635)	-	(1,322,463)
Vehicles	(502,835)	(61,743)	-	(564,578)
Intangible Assets	(450,730)	(124,558)	-	(575,288)
Equipment	(26,554,170)	(1,041,267)	4,569,213	(23,026,224)
Subtotal	(83,063,884)	(4,289,931)	4,650,954	(82,702,861)
Total capital assets being depreciated, net	79,945,664	(1,531,583)	(151,638)	78,262,443
Capital assets, net	\$ 81,994,728	\$ (1,518,779)	\$ (1,065,735)	\$ 79,410,216

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

Functions	
Regular Programs	\$ 332,910
Special Programs	12,629
Supplemental Programs	2,961
Bilingual Programs	6,228
Pupils	2,330
Instructional staff	31,496
General administration	2,257
School administration	2,776
Transportation	8,829
Operations and Maintenance	3,745,201
Central	142,314
Total depreciation expense	\$ 4,289,931

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**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, 2012	Additions	Retirement	June 30, 2013	one year
<b>Bonds</b>					
2003A G.O. Bonds	\$ 6,030,000	\$ -	\$ 4,705,000	\$ 1,325,000	\$ 1,325,000
2009 G.O. Bonds	7,425,000	-	-	7,425,000	1,885,000
Premium on Bonds	253,603	-	105,274	148,329	-
<b>Total Bonds, net</b>	<b>13,708,603</b>	<b>-</b>	<b>4,810,274</b>	<b>8,898,329</b>	<b>3,210,000</b>
Early Retirement Incentives	653,822	271,258	302,594	622,486	347,215
Other Post-Employment Benefits	207,239	180,314	-	387,553	-
Net Pension Obligation	764,088	228,296	-	992,384	-
Compensated Absences	152,413	630,008	626,491	155,930	155,930
<b>Total Long-Term Debt</b>	<b>\$ 15,486,165</b>	<b>\$ 1,309,876</b>	<b>\$ 5,739,359</b>	<b>\$ 11,056,682</b>	<b>\$ 3,713,145</b>

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, 2013, a total of \$21,370,000 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 \$2,831,683,602. The bond principal comprises the District's indebtedness subject to the limit; the District's remaining debt margin as of June 30, 2013 was \$186,636,169.

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**NOTE 4 - LONG-TERM DEBT (Continued)**

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
2014	\$ 1,325,000	\$ 66,250	\$ 1,885,000	\$ 219,876
2015	-	-	3,335,000	163,326
2016	-	-	2,205,000	63,276
Totals	\$ 1,325,000	\$ 66,250	\$ 7,425,000	\$ 446,478

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 the Debt Service Fund to the Education Account is a transfer of interest earnings from the current year. The transfer from the Capital Projects Fund to the Operations and Maintenance Account was close the capital projects fund. The following transfers were made:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major governmental funds:		
Education Account	\$ 23,421	\$ -
Operations and Maintenance Account	5,807	-
Debt Service Fund	-	23,421
Capital Projects Fund	-	5,807
Total transfers	\$ 29,228	\$ 29,228

**NOTE 6 - RISK MANAGEMENT**

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

The District 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. There was no stop-loss limit for the July 1, 2012 through June 30, 2013 coverage period.

At June 30, 2013, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, were \$435,234. The estimates are developed based on reports prepared by the administrative agent.

(Continued)



COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 6 - RISK MANAGEMENT (Continued)**

For the two years ended June 30, 2013 and June 30, 2012, 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 2012	\$ 1,253,529	\$ 6,392,835	\$ 7,202,436	\$ 443,928
Fiscal year 2013	443,928	7,673,621	7,682,315	435,234

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 - RETIREMENT INCENTIVES**

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, 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, 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, 2013, the District's liability for increases due to intent to retire is \$622,486.

**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, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. 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 years ended June 30, 2012 and 2011.

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

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)**

On-Behalf Contributions – The state of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2013, state of Illinois contributions were based on 28.05% of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$12,869,766 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91% (\$11,191,845) and 23.10% (\$10,290,077) respectively.

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

2.2 Formula Contributions – Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were \$270,554. Contributions for the years ending June 30, 2012 and June 30, 2011, were \$264,643 and \$264,832 respectively.

Federal and Special Trust Fund Contributions – When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the district to pay an employer pension contribution from those funds. Under 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.

For the year ended June 30, 2013, the employer pension contribution was 28.05% of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91% and 23.10% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling \$766,899 were paid from federal and special trust funds that required employer contributions of \$215,115. For the years ended June 30, 2012 and June 30, 2011, required district contributions were \$170,156 and \$209,813, 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.

The maximum employer ERO contributions is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2013, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2012 and June 30, 2011, the District paid \$0 and \$132,955 respectively, for employer ERO contributions.

Salary Increased Over 6% and Excess Sick Leave –

- 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%.

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)**

- For the year ended June 30, 2013, the District paid \$72,779 to TRS for employer contributions due on salary increases in excess of 6%. For the year ended June 30, 2012 and June 30, 2011, the district paid \$41,017 and \$24,360 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 rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63% of salary during the year ended June 30, 2013).
- For the year ended June 30, 2013, the District paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2012 and June 30, 2011, 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, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

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

The District (employer) 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 retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants 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 (5 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.

Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

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 members, which were 0.92% of pay during the year ended June 30, 2013. State of Illinois contributions were \$429,165, and the District recognized revenue and expenditures of this amount during the year.

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)**

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88% of pay, both years. State contributions on behalf of District employees were \$401,387 and \$394,319, respectively.

Employer contributions to THIS Fund: The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.69% during the years ended June 30, 2013 and 0.66% during the years ended June 30, 2012, and June 30, 2011. For the year ended June 30, 2013, the District paid \$321,874 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the District paid \$301,102 and \$295,058 to the THIS Fund respectively, which was 100% of the required contribution.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp> The 2013 report is listed under "Central Management Services." Prior reports are available under the "Healthcare and Family Services"

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 on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy* - 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 2012 used by the employer was 10.27 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 12.25 percent. 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.

*Annual Pension Cost* - For fiscal year ending June 30, 2013, the District's annual pension cost of \$1,481,903. See below for a reconciliation of the required contributions versus the actual contributions.

Annual Required Contribution	\$ 1,465,559
Interest on NPO	57,306
ARC Adjustment	(40,963)
Annual Pension Cost	1,481,903
Actual Contribution	1,253,606
Increase (Decrease) in net pension obligation	228,297
Net pension obligation at June 30, 2012	764,088
Net pension obligation at June 30, 2013	\$ 992,384

Trend Information for the Regular Plan			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/13	\$ 1,481,903	84.5%	\$ 992,384
06/30/12	1,379,366	80.4%	764,088
06/30/11	1,304,624	75.4%	493,887

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**NOTE 8 - RETIREMENT FUND COMMITMENTS (Continued)**

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 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 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 70.90 percent funded. The actuarial accrued liability for benefits was \$33,838,493 and the actuarial value of assets was \$23,992,656, resulting in an underfunded actuarial accrued liability (UAAL) of \$9,845,837. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$11,422,315 and the ratio of the UAAL to the covered payroll was 86 percent.

The schedule of funding progress, presented in the required supplementary information section following the notes to the financial statements, 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**

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 \$118,301 for 2013.

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 2013, the District's annual OPEB cost was \$298,615.

	2013	2012
Annual required contribution	\$ 297,233	\$ 297,233
Interest on net OPEB Obligation	8,290	1,392
Adjustment to the ARC	(6,908)	(928)
Annual OPEB cost	298,615	297,697
Contributions made	(118,301)	(118,301)
Increase in net OPEB obligation	180,314	179,396
Net OPEB beginning of year	207,239	27,843
Net OPEB end of year	\$ 387,553	\$ 207,239
Percentage of Annual OPEB Cost Contributed	39.7%	39.7%

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

Funded Status and Funding Progress: As of June 30, 2013, the actuarial accrued liability for benefits was \$3,049,862. 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)
6/30/13	\$ -	\$ 3,049,862	\$ 3,049,862	0.00%	\$ -	0.00%
6/30/12	-	3,091,846	3,091,846	0.00%	-	0.00%
6/30/11	-	3,091,846	3,091,846	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: The OPEB plan is a single-employer defined benefit plan. In the actuarial valuation for the fiscal year ended June 30, 2013, 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 4% was used and salary increases of 4% 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 – COMMITMENTS**

The District had committed to purchase a property in the amount of \$1,850,000 as of June 30, 2013. The purchase of the building was finalized on July 31, 2013.

**NOTE 11 – NEW ACCOUNTING STANDARDS**

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 11 – NEW ACCOUNTING STANDARDS (Continued)**

loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for the District's financial year ending June 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the District's financial year ending June 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement also requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for the District's fiscal year ended June 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

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(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 11 – NEW ACCOUNTING STANDARDS (Continued)**

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for the District's fiscal year ended June 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements in 10-year RSI schedules. The provisions of this Statement are effective for the District's fiscal year ending June 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

**NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE**

During the fiscal year ended June 30, 2013, the District implemented the requirements of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities." Statement 63 is effective for the District's fiscal year ending June 30, 2013 and provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net position. As such, the District modified its government-wide financial statement presentation to incorporate these requirements.

Statement 65 is effective for the District's fiscal year ended June 30, 2014, with earlier application being encouraged. The District has implemented this statement retroactively as of their fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

A specific change to the District's financial statements relates to deferred bond issuance costs of \$65,556 for Governmental Activities that were reported on the financial statements for the year ended June 30, 2012. Due to the requirements of GASB 65, this amount is no longer considered to be an asset and thus was removed from the financial statements as an adjustment to net position.

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(Continued)



COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE** (Continued)

A reconciliation for net position from the 2012 financial statements to beginning net position as reported on the 2013 financial statements is as follows:

Governmental Activities

Beginning Net Position as Previously Reported	\$ 204,643,610
Change in Accounting Principle for Deferred Bond Costs	<u>(65,556)</u>
Beginning Net Position as Restated	<u>\$ 204,578,054</u>

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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, 2013

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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)
12/31/2012	\$ 23,992,656	\$ 33,838,493	\$ 9,845,837	70.90%	\$ 11,422,315	86.20%
12/31/2011	22,510,865	31,733,766	9,222,901	70.94%	11,244,073	82.02%
12/31/2010	22,017,560	29,650,403	7,632,843	74.26%	10,750,638	71.00%
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%

On a market value basis, the actuarial value of assets as of December 31, 2012 was \$24,959,656. On a market basis, the funded ratio would be 73.76%.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS  
June 30, 2013

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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)
6/30/13	\$ -	\$ 3,049,862	\$ 3,049,862	0.00%	\$ -	0.00%
6/30/12	-	3,091,846	3,091,846	0.00%	-	0.00%
6/30/12	-	3,091,846	3,091,846	0.00%	-	0.00%
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%

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

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

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, 2013

	General Fund			Transportation Fund			IMRF/Social Security 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)
<b>Revenues</b>									
Local sources									
Property taxes	\$ 64,325,778	\$ 64,831,588	\$ 505,810	\$ 2,766,562	\$ 3,366,298	\$ 599,736	\$ 1,867,250	\$ 1,471,863	\$ (195,587)
Replacement taxes	3,271,556	3,630,569	359,033	-	-	-	850,000	850,000	-
Interest	3,204,977	(840,896)	(4,045,873)	121,035	(37,744)	(158,779)	34,528	(5,687)	(40,215)
Other local sources	1,648,775	2,205,212	556,437	5,440	8,070	2,630	-	-	-
State sources	8,171,927	8,978,541	806,614	1,305,244	2,004,048	698,804	-	-	-
Federal sources	4,403,073	5,023,982	620,909	-	-	-	-	-	-
On-behalf contributions from state	13,202,515	13,298,931	96,416	-	-	-	-	-	-
<b>Total revenues</b>	<b>98,232,601</b>	<b>97,127,947</b>	<b>(1,104,654)</b>	<b>4,188,281</b>	<b>5,340,872</b>	<b>1,142,391</b>	<b>2,551,778</b>	<b>2,315,978</b>	<b>(235,802)</b>
<b>Expenditures</b>									
Current:									
Instruction									
Regular programs	30,602,019	30,108,738	493,281	-	-	-	424,512	395,420	29,092
Special ed programs	7,587,393	7,364,053	223,340	-	-	-	380,355	332,193	48,162
Other instructional programs	10,282,855	10,117,377	165,478	-	-	-	214,221	215,370	(1,149)
On-behalf contributions from state	13,202,515	13,298,931	(96,416)	-	-	-	-	-	-
Support services									
Pupils	5,285,493	4,873,502	411,991	-	-	-	163,435	175,577	(12,142)
Instructional staff	4,489,756	4,469,135	30,621	-	-	-	224,114	228,895	(5,781)
General administration	2,634,061	2,669,515	(35,454)	-	-	-	77,617	79,969	(2,352)
School administration	5,317,738	5,230,934	86,804	-	-	-	303,771	256,482	47,309
Business	3,862,249	3,808,416	53,833	-	-	-	145,580	183,307	(37,727)
Transportation	54,089	69,195	(15,096)	4,608,695	4,737,419	(128,724)	31,305	38,703	(7,398)
Operations and maintenance	6,806,623	6,583,034	223,589	-	-	-	647,225	653,810	(6,585)
Central	1,913,080	1,970,388	(57,308)	-	-	-	178,609	163,236	9,373
Community Services	182,257	154,219	28,038	-	-	-	12,617	913	11,704
Payments to other governmental units	4,532,038	4,314,496	217,542	15,000	-	15,000	10,000	-	10,000
Capital outlay	1,092,745	1,146,857	(53,912)	10,000	10,096	(96)	-	-	-
<b>Total expenditures</b>	<b>97,854,921</b>	<b>96,178,590</b>	<b>1,676,331</b>	<b>4,633,695</b>	<b>4,747,515</b>	<b>(113,820)</b>	<b>2,813,361</b>	<b>2,730,855</b>	<b>82,506</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>377,680</b>	<b>949,357</b>	<b>571,677</b>	<b>(435,414)</b>	<b>593,157</b>	<b>1,028,571</b>	<b>(261,583)</b>	<b>(414,879)</b>	<b>(153,296)</b>
<b>Other financing sources (uses)</b>									
Transfers in	86,130	29,228	(56,902)	-	-	-	-	-	-
Total other financing sources and (uses)	86,130	29,228	(56,902)	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 463,810</b>	<b>\$ 978,585</b>	<b>\$ 514,775</b>	<b>\$ (435,414)</b>	<b>\$ 593,157</b>	<b>\$ 1,028,571</b>	<b>\$ (261,583)</b>	<b>(414,879)</b>	<b>\$ (153,296)</b>
<b>Fund balances at beginning of year</b>		<b>120,215,571</b>			<b>5,264,771</b>			<b>840,015</b>	
<b>Fund balances at end of year</b>		<b>\$ 121,194,156</b>			<b>\$ 5,857,928</b>			<b>\$ 425,136</b>	

See accompanying notes to budgetary comparison schedule.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 59  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2013

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**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, 2013:

<u>Fund</u>	<u>Amount</u>
Transportation Fund	\$ 113,820



**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.

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

### **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.

### **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.



COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59  
General Fund  
Balance Sheet - by Account  
June 30, 2013  
(With comparative actual totals for June 30, 2012)

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total 2013	Total 2012
<b>Assets</b>					
Cash and investments	\$ 80,533,558	\$ 4,911,167	\$ 19,030,146	\$ 104,474,871	\$ 105,093,454
Cash - restricted for insurance	6,162,222	-	-	6,162,222	5,375,796
Receivables:					
Interest receivable	145,679	-	-	145,679	255,891
Property tax receivable	28,070,225	2,475,826	-	30,546,051	32,700,457
Accounts receivable	4,140	360,091	-	364,231	138,670
Intergovernmental receivable	4,489,374	565,361	-	5,054,735	4,783,814
Prepays	455	-	-	455	902
Inventory	51,313	-	-	51,313	48,284
<b>Total assets</b>	<b>\$ 119,456,966</b>	<b>\$ 8,312,445</b>	<b>\$ 19,030,146</b>	<b>\$ 146,799,557</b>	<b>\$ 148,397,268</b>
<b>Liabilities, deferred inflows and fund balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,368,442	\$ 366,111	\$ -	\$ 1,734,553	\$ 1,598,545
Salaries and benefits payable	8,068,256	261,241	-	8,329,497	8,136,699
Unearned school fees	103,510	-	-	103,510	-
Insurance claims payable	435,234	-	-	435,234	443,928
Other current liabilities	23,619	8,486	-	32,105	43,088
<b>Total liabilities</b>	<b>9,999,061</b>	<b>635,838</b>	<b>-</b>	<b>10,634,899</b>	<b>10,222,260</b>
<b>Deferred inflows</b>					
Unavailable interest revenue	(31,615)	57,839	77,410	103,634	173,106
Unavailable grant revenue	2,433,750	-	-	2,433,750	2,943,810
Unavailable reimbursements	-	61,000	-	61,000	-
Unavailable property taxes	11,369,876	1,002,242	-	12,372,118	14,842,521
<b>Total deferred inflows</b>	<b>13,772,011</b>	<b>1,121,081</b>	<b>77,410</b>	<b>14,970,502</b>	<b>17,959,437</b>
<b>Fund balance</b>					
<b>Nonspendable:</b>					
Inventory	51,313	-	-	51,313	48,284
Prepays	455	-	-	455	902
<b>Assigned:</b>					
Insurance	5,471,109	-	-	5,471,109	4,707,079
Unassigned	90,163,017	6,555,526	18,952,736	115,671,279	115,459,306
<b>Total fund balance</b>	<b>95,685,894</b>	<b>6,555,526</b>	<b>18,952,736</b>	<b>121,194,156</b>	<b>120,215,571</b>
<b>Total liabilities, deferred inflows and fund balance</b>	<b>\$ 119,456,966</b>	<b>\$ 8,312,445</b>	<b>\$ 19,030,146</b>	<b>\$ 146,799,557</b>	<b>\$ 148,397,268</b>

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - by Account  
 Year Ended June 30, 2013  
 (With comparative actual totals for June 30, 2012)

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total 2013	Total 2012
Revenues					
Local sources					
Property taxes	\$ 59,704,911	\$ 5,123,376	\$ 3,301	\$ 64,831,588	\$ 80,879,851
Replacement taxes	576,556	3,054,033	-	3,630,589	3,914,519
Interest	(670,891)	(39,318)	(130,687)	(840,896)	265,019
Other local sources	2,057,671	147,541	-	2,205,212	1,979,721
State sources	8,978,541	-	-	8,978,541	7,917,563
Federal sources	5,023,982	-	-	5,023,982	4,395,181
On-behalf payments received from state	13,298,931	-	-	13,298,931	11,593,232
Total revenues	88,969,701	8,285,632	(127,386)	97,127,947	110,945,086
Expenditures					
Current:					
Instruction					
Regular programs	30,108,738	-	-	30,108,738	28,800,247
Special ed programs	7,364,053	-	-	7,364,053	6,796,817
Other instructional programs	10,117,377	-	-	10,117,377	9,318,339
State retirement contributions	13,298,931	-	-	13,298,931	11,593,232
Support services					
Pupils	4,873,502	-	-	4,873,502	4,794,800
Instructional staff	4,469,135	-	-	4,469,135	4,295,662
General administration	2,669,515	-	-	2,669,515	2,463,209
School administration	5,230,934	-	-	5,230,934	4,855,041
Business	3,808,416	-	-	3,808,416	3,732,600
Transportation	69,195	-	-	69,195	53,184
Operations and maintenance	(73,844)	6,656,878	-	6,583,034	6,619,989
Central	1,970,388	-	-	1,970,388	1,820,586
Community services	154,219	-	-	154,219	155,718
Payments to other governmental units	4,278,071	36,425	-	4,314,496	4,434,321
Capital outlay	266,867	879,790	-	1,146,657	1,122,086
Total expenditures	88,605,497	7,573,093	-	96,178,590	90,855,831
Excess (deficiency) of revenues over (under) expenditures	364,204	712,539	(127,386)	949,357	20,089,255
Other financing sources (uses)					
Transfers in	23,421	5,807	-	29,228	8,819
Transfers out	-	-	-	-	(3,075,280)
Total other financing sources and (uses)	23,421	5,807	-	29,228	(3,066,461)
Net change in fund balances	387,625	718,346	(127,386)	978,585	17,022,794
Fund balances at beginning of year	95,298,269	5,837,180	19,080,122	120,215,571	103,192,777
Fund balances at end of year	\$ 95,685,894	\$ 6,555,526	\$ 18,952,736	\$ 121,194,156	\$ 120,215,571

## 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, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
<b>Revenues</b>				
Local sources				
Property taxes				
General levy	\$ 59,270,250	\$ 58,848,151	\$ (422,099)	\$ 74,320,725
Tort immunity levy	-	(164)	(164)	(1,361)
Special education levy	780,000	856,924	76,924	1,006,413
Replacement taxes	576,556	576,556	-	2,353,454
Regular tuition from pupils or parents	68,890	57,433	(11,457)	49,235
Regular tuition from other LEA's	18,000	16,500	(1,500)	12,880
Summer school tuition from pupils or parents	17,070	13,061	(4,009)	3,144
Special education tuition from pupils or parents	200,000	183,789	(16,211)	202,154
Special education tuition from other LEA's	33,350	50,580	17,230	31,915
Interest	2,341,788	(670,891)	(3,012,679)	193,255
Sales to pupils - lunch	600,000	714,092	114,092	683,564
Contributions and donations from private sources	41,000	54,016	13,016	37,228
Refund of prior years' expenditures	-	54,026	54,026	105,695
Proceeds from vendor contracts	450	-	(450)	-
Textbook sales	-	-	-	485
Local fees	210,784	239,083	28,299	211,419
Other local sources	431,650	675,091	243,441	602,087
<b>Total local sources</b>	<b>64,589,788</b>	<b>61,668,247</b>	<b>(2,921,541)</b>	<b>79,812,292</b>
State sources				
General state aid	5,152,814	5,113,913	(38,901)	4,372,906
Special education - private facility tuition	27,400	134,591	107,191	30,599
Special education - extraordinary	717,752	1,138,314	420,562	938,880
Special education - personnel	814,506	1,408,309	593,803	1,090,197
Special education - summer school	5,000	5,818	818	5,472
Special education - orphanage	34,839	65,934	31,095	77,866
Special education - orphanage - summer	2,200	-	(2,200)	2,209
Bilingual education - downstate - TPI	1,000,000	716,297	(283,703)	738,853
National teacher certification	-	-	-	8,133
State free lunch & breakfast	47,033	36,646	(10,387)	59,143
Early childhood - block grant	365,655	349,287	(16,368)	523,655
State library grant	4,728	9,432	4,704	4,586
<b>Total state sources</b>	<b>8,171,927</b>	<b>8,978,541</b>	<b>806,614</b>	<b>7,852,499</b>
Federal sources				
National school lunch program	1,245,151	1,285,770	40,619	1,200,112
School breakfast program	151,715	209,509	57,794	196,350
Child nutrition commodity - salvage	-	130,216	130,216	135,100
Title I - low income	1,116,829	1,504,887	388,058	877,549
Fed - special education - IDEA - flow through/low incidence	1,168,797	1,165,722	(3,075)	1,141,365
Fed - special education - IDEA - room & board	3,380	2,636	(744)	3,380
Title I - low income - ARRA	-	-	-	71,174
Fed - special education - IDEA - preschool - ARRA	-	-	-	4,349
McKinney-Vento homeless education - ARRA	-	-	-	2,900
General state aid - education jobs - ARRA	-	-	-	5,021
Medicaid matching funds - administrative outreach	181,000	193,962	12,962	212,320
Title III - english language acquisition	373,920	369,480	(4,440)	352,753
Title II - teacher quality	162,281	161,800	(481)	160,638
<b>Total federal sources</b>	<b>4,403,073</b>	<b>5,023,982</b>	<b>620,909</b>	<b>4,363,011</b>
On-behalf payments received from state	13,202,515	13,298,931	96,416	11,593,232
<b>Total revenues</b>	<b>90,367,303</b>	<b>88,969,701</b>	<b>(1,397,602)</b>	<b>103,621,034</b>

(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, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
Expenditures				
Current:				
Instruction				
Regular programs				
Salaries	\$ 24,551,454	\$ 24,796,559	\$ (245,105)	\$ 24,332,187
Employee benefits	3,708,841	3,318,859	389,982	2,506,186
On-behalf payments to TRS from the State	13,202,515	13,298,931	(96,416)	11,593,232
Purchased services	371,518	411,342	(39,824)	427,180
Supplies and materials	1,399,521	889,887	509,634	999,346
Capital outlay	10,000	20,423	(10,423)	9,975
Other objects	1,370	2,565	(1,195)	2,642
Non-capitalized equipment	219,529	270,738	(51,209)	261,683
Total regular programs	<u>43,464,748</u>	<u>43,009,304</u>	<u>455,444</u>	<u>40,132,431</u>
Pre-K programs				
Salaries	420,519	480,998	(60,479)	355,821
Employee benefits	89,457	118,508	(29,051)	91,333
Purchased services	500	-	500	-
Supplies and materials	14,250	8,762	5,488	9,847
Total pre-k programs	<u>524,726</u>	<u>608,268</u>	<u>(83,542)</u>	<u>457,001</u>
Special education programs				
Salaries	4,115,104	4,082,546	32,558	3,931,569
Employee benefits	886,529	772,378	114,151	532,352
Purchased services	5,000	13,388	(8,388)	1,838
Supplies and materials	54,280	81,002	(26,722)	46,546
Non-capitalized equipment	5,000	12,336	(7,336)	2,272
Total special education programs	<u>5,065,913</u>	<u>4,961,650</u>	<u>104,263</u>	<u>4,514,577</u>
Special education programs pre-k				
Salaries	1,391,182	1,247,978	143,204	1,208,887
Employee benefits	341,603	304,898	36,705	330,155
Purchased services	900	180	720	625
Supplies and materials	36,100	27,066	9,034	7,875
Other objects	-	90	(90)	60
Non-capitalized equipment	-	1,736	(1,736)	993
Total special education programs pre-k	<u>1,769,785</u>	<u>1,581,948</u>	<u>187,837</u>	<u>1,548,595</u>
Educationally deprived/remedial programs				
Salaries	500,241	560,140	(59,899)	524,764
Employee benefits	211,259	226,523	(15,264)	184,657
Supplies and materials	45,195	47,865	(2,670)	27,489
Total educationally deprived/remedial programs	<u>756,695</u>	<u>834,528</u>	<u>(77,833)</u>	<u>736,910</u>
Interscholastic programs				
Salaries	419,849	419,707	142	410,250
Employee benefits	-	6,727	(6,727)	4,442
Purchased services	14,300	16,412	(2,112)	15,653
Supplies and materials	13,785	26,891	(13,106)	17,882
Other objects	100	3,464	(3,364)	1,170
Total interscholastic programs	<u>448,034</u>	<u>473,201</u>	<u>(25,167)</u>	<u>449,397</u>

(Continued)

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## 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, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
Summer school programs				
Salaries	\$ 148,555	\$ 154,334	\$ (5,779)	\$ 23,509
Employee benefits	36,666	1,340	35,326	256
Purchased services	-	44	(44)	-
Supplies and materials	45,039	29,044	15,995	24,049
Total summer school programs	230,260	184,762	45,498	47,814
Gifted programs				
Salaries	475,754	474,611	1,143	495,026
Employee benefits	78,000	64,425	13,575	56,074
Purchased services	1,500	-	1,500	1,080
Supplies and materials	4,500	3,371	1,129	3,339
Total gifted programs	559,754	542,407	17,347	555,519
Bilingual programs				
Salaries	7,204,809	7,119,299	85,510	6,813,319
Employee benefits	1,247,216	1,092,258	154,958	900,984
Purchased services	400	462	(62)	406
Supplies and materials	202,382	373,971	(171,589)	196,666
Total bilingual programs	8,654,807	8,585,990	68,817	7,911,375
Private education tuition				
Other objects	390,000	331,017	58,983	354,234
Total Instruction	61,864,722	61,113,075	751,647	56,707,853
Support services				
Pupils				
Attendance and social work services				
Salaries	1,020,649	1,026,693	(6,044)	940,746
Employee benefits	139,124	123,645	15,479	99,028
Purchased services	52,420	47,738	4,682	44,376
Supplies and materials	15,000	3,009	11,991	5,595
Capital outlay	12,000	11,033	967	-
Total attendance and social work services	1,239,193	1,212,118	27,075	1,089,745
Health services				
Salaries	771,166	708,793	62,373	737,110
Employee benefits	174,912	132,831	42,081	120,588
Purchased services	2,300	26,076	(23,776)	873
Supplies and materials	9,400	8,626	774	10,654
Other objects	-	240	(240)	-
Non-capitalized equipment	2,000	-	2,000	3,485
Total health services	959,778	876,566	83,212	872,710
Psychological services				
Salaries	890,711	897,107	(6,396)	1,018,759
Employee benefits	176,301	140,977	35,324	122,500
Purchased services	2,300	2,116	184	3,225
Supplies and materials	3,800	3,357	443	3,744
Non-capitalized equipment	1,100	-	1,100	-
Total psychological services	1,074,212	1,043,557	30,655	1,148,228

(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, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
Speech pathology and audiology services				
Salaries	\$ 1,647,572	\$ 1,402,031	\$ 245,541	\$ 1,260,478
Employee benefits	176,673	182,334	(5,661)	128,871
Purchased services	1,800	3,350	(1,550)	114,272
Supplies and materials	7,500	5,543	1,957	7,303
Non-capitalized equipment	3,000	-	3,000	1,996
Total speech pathology and audiology services	<u>1,836,545</u>	<u>1,593,258</u>	<u>243,287</u>	<u>1,512,920</u>
Other support services - pupils				
Salaries	152,127	127,207	24,920	145,901
Employee benefits	21,588	19,217	2,371	15,482
Purchased services	4,550	6,139	(1,589)	7,611
Supplies and materials	15,000	5,953	9,047	6,977
Other objects	600	520	80	707
Total other support services - pupils	<u>193,865</u>	<u>159,036</u>	<u>34,829</u>	<u>176,678</u>
Total pupils	<u>5,303,593</u>	<u>4,884,535</u>	<u>419,058</u>	<u>4,800,281</u>
Instructional staff				
Improvement of instruction services				
Salaries	646,255	671,166	(24,911)	626,147
Employee benefits	121,850	118,100	3,750	92,382
Purchased services	293,959	279,148	14,811	247,604
Supplies and materials	44,883	49,301	(4,418)	42,764
Other objects	135	262	(127)	-
Total improvement of instruction services	<u>1,107,082</u>	<u>1,117,977</u>	<u>(10,895)</u>	<u>1,008,897</u>
Educational media services				
Salaries	2,399,009	2,456,818	(57,809)	2,502,973
Employee benefits	581,831	492,811	89,020	398,641
Purchased services	8,250	2,044	6,206	5,775
Supplies and materials	229,909	208,442	21,467	205,916
Capital outlay	-	-	-	5,675
Other objects	750	429	321	583
Non-capitalized equipment	20,200	8,100	12,100	29,250
Total educational media services	<u>3,239,949</u>	<u>3,168,644</u>	<u>71,305</u>	<u>3,148,813</u>
Assessment and testing				
Salaries	41,000	65,283	(24,283)	40,948
Employee benefits	700	399	301	293
Purchased services	57,200	58,324	(1,124)	58,990
Supplies and materials	74,025	66,608	7,417	72,646
Total assessment and testing	<u>172,925</u>	<u>190,614</u>	<u>(17,689)</u>	<u>172,877</u>
Total instructional staff	<u>4,519,956</u>	<u>4,477,235</u>	<u>42,721</u>	<u>4,330,587</u>
General Administration				
Board of education services				
Salaries	73,451	53,452	19,999	53,083
Employee benefits	5,098	4,649	449	3,855
Purchased services	735,450	741,642	(6,192)	724,065
Supplies and materials	8,500	3,896	4,604	3,661
Other objects	20,000	15,833	4,167	9,470
Non-capitalized equipment	3,000	-	3,000	-

(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, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
Total board of education services	\$ 845,499	\$ 819,472	\$ 26,027	\$ 794,134
Executive administration services				
Salaries	551,457	616,820	(65,363)	528,474
Employee benefits	152,888	117,533	35,355	160,376
Purchased services	7,200	8,332	(1,132)	3,722
Supplies and materials	7,400	8,937	(1,537)	8,417
Other objects	6,000	5,884	116	5,558
Non-capitalized equipment	2,000	5,795	(3,795)	3,543
Total executive administration services	726,945	763,301	(36,356)	710,090
Special area administrative services				
Salaries	831,090	843,283	(12,193)	781,351
Employee benefits	197,827	222,636	(24,809)	215,921
Purchased services	29,400	20,406	8,994	32,701
Supplies and materials	7,300	5,383	1,917	7,395
Other objects	1,000	830	170	865
Non-capitalized equipment	-	-	-	2,724
Total special area administrative services	1,066,617	1,092,538	(25,921)	1,040,957
Total general administration	2,639,061	2,675,311	(36,250)	2,542,457
School Administration				
Office of the principal services				
Salaries	4,051,853	4,056,445	(4,592)	3,891,203
Employee benefits	1,198,314	1,115,967	82,347	661,661
Purchased services	38,696	23,045	15,651	27,470
Supplies and materials	27,100	33,832	(6,732)	33,167
Capital outlay	-	5,200	(5,200)	-
Other objects	1,775	1,645	130	423
Non-capitalized equipment	-	6,157	(6,157)	2,004
Total school administration	5,317,738	5,242,291	75,447	4,615,928
Business				
Direction of business support services				
Salaries	244,857	244,712	145	232,644
Employee benefits	70,212	65,284	4,928	56,840
Purchased services	66,331	52,706	13,625	54,434
Supplies and materials	1,120	1,122	(2)	485
Other objects	949	1,243	(294)	969
Total direction of business support services	383,469	365,067	18,402	345,372
Fiscal services				
Salaries	342,255	342,838	(583)	327,931
Employee benefits	69,493	(6,737)	76,230	52,849
Purchased services	11,480	13,576	(2,096)	10,974
Supplies and materials	1,300	1,424	(124)	1,160
Other objects	1,300	1,700	(400)	1,050
Total fiscal services	425,828	352,801	73,027	393,964
Pupil transportation services				
Salaries	-	1,717	(1,717)	940

(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, 2013  
(With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
Employee benefits	\$ -	\$ (5,134)	\$ 5,134	\$ 178
Purchased services	54,099	72,612	(18,513)	68,719
Total pupil transportation services	54,099	69,195	(15,096)	69,837
 Food services				
Salaries	513,059	546,187	(33,128)	503,213
Employee benefits	9,285	11,462	(2,177)	9,403
Purchased services	1,961,315	1,805,373	155,942	1,782,467
Supplies and materials	17,114	148,089	(130,975)	155,178
Non-capitalized equipment	15,500	4,590	10,910	32,409
Total food services	2,516,273	2,515,701	572	2,482,670
 Internal services				
Salaries	315,170	312,069	3,101	305,266
Employee benefits	64,040	56,987	7,053	28,449
Purchased services	122,309	91,404	30,905	141,503
Supplies and materials	50,030	44,101	5,929	50,372
Other objects	630	1,030	(400)	760
Non-capitalized equipment	4,500	685	3,815	-
Total internal services	556,679	506,276	50,403	526,350
Total business	3,931,848	3,808,355	123,493	3,818,193
 Central				
Planning, research, development and evaluation services				
Salaries	24,000	26,724	(2,724)	62,220
Employee benefits	2,000	243	1,757	1,357
Purchased services	53,000	48,561	4,439	47,283
Supplies and materials	3,600	2,318	1,282	3,358
Other objects	-	15	(15)	15
Total planning, research, development and evaluation services	82,600	77,861	4,739	114,233
 Information services				
Salaries	40,372	40,274	98	39,196
Employee benefits	4,618	4,129	489	3,258
Purchased services	56,300	50,594	5,706	55,349
Other objects	500	90	410	240
Total information services	101,790	95,087	6,703	98,043
 Staff services				
Salaries	531,479	554,306	(22,827)	529,790
Employee benefits	174,285	161,616	12,669	136,168
Purchased services	37,550	45,387	(7,837)	34,271
Supplies and materials	66,845	65,316	1,529	45,880
Other objects	700	409	291	789
Total staff services	810,859	827,034	(16,175)	746,898
 Data processing services				
Salaries	558,375	499,865	58,510	480,057
Employee benefits	102,474	88,955	13,519	70,141
Purchased services	100,726	85,503	15,223	87,750
Supplies and materials	129,486	108,561	20,925	117,309
Other objects	40	45	(5)	45

(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, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final budget	Actual	Variance from budget positive (negative)	2012 Actual
Non-capitalized equipment	\$ 10,000	\$ 1,332	\$ 8,668	\$ 10,845
Total data processing services	901,101	784,261	116,840	766,147
Total central	1,886,350	1,782,911	103,439	1,714,476
Other support services				
Salaries	17,330	16,759	571	7,524
Employee benefits	4,400	106	4,294	1,845
Purchased services	-	169,043	(169,043)	94,451
Supplies and materials	5,000	1,569	3,431	2,290
Total other support services	26,730	187,477	(160,747)	106,110
Total support services	23,639,776	23,060,132	579,644	21,941,601
Community services				
Salaries	64,626	74,083	(9,457)	73,033
Employee benefits	51,047	23,451	27,596	22,825
Purchased services	32,400	29,063	3,337	24,458
Supplies and materials	33,884	27,622	6,262	35,402
Non-capitalized equipment	-	-	-	4,824
Total community services	181,957	154,219	27,738	160,342
Payments for special education programs				
Purchased services	1,862,478	1,992,476	(129,998)	1,722,225
Tuitions	2,283,135	2,285,595	(2,460)	2,674,532
Total payments to other governmental units	4,145,613	4,278,071	(132,458)	4,396,757
Provision for contingencies	200,000	-	200,000	-
Total expenditures	90,032,068	88,605,497	1,426,571	83,206,553
Excess (deficiency) of revenues over (under) expenditures	335,235	364,204	28,969	20,414,481
Other financing sources (uses)				
Transfers in	86,130	23,421	(62,709)	8,819
Total other financing sources and (uses)	86,130	23,421	(62,709)	8,819
Net change in fund balance	\$ 421,365	\$ 387,625	\$ (33,740)	\$ 20,423,300
Fund balance at beginning of year		95,298,269		74,874,969
Fund balance at end of year		\$ 95,685,894		\$ 95,298,269

## 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, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
Revenues				
Local Sources				
Property taxes				
General levy	\$ 4,279,528	\$ 5,123,425	\$ 843,897	\$ 5,564,108
Tort immunity levy	-	(49)	(49)	(827)
Replacement taxes	2,695,000	3,054,033	359,033	1,561,065
Interest	241,693	(39,318)	(281,011)	18,925
Local fees	27,581	147,541	119,960	39,915
Total Local Sources	<u>7,243,802</u>	<u>8,285,632</u>	<u>1,041,830</u>	<u>7,183,186</u>
State Sources				
Misc grant revenue	-	-	-	65,064
Federal Sources				
Misc grant revenue	-	-	-	32,170
Total revenues	<u>7,243,802</u>	<u>8,285,632</u>	<u>1,041,830</u>	<u>7,280,420</u>
Expenditures				
Current:				
Operations and maintenance of plant services				
Salaries	3,805,659	3,633,423	172,236	3,639,895
Employee benefits	727,370	714,013	13,357	790,939
Purchased services	917,033	1,034,639	(117,606)	1,065,747
Supplies and materials	1,351,961	1,270,408	81,553	1,361,521
Capital outlay	771,186	835,549	(64,363)	702,544
Other Objects	4,600	4,395	205	3,004
Non-capitalized equipment	40,000	44,241	(4,241)	48,064
Total Operations and maintenance of plant services	<u>7,617,809</u>	<u>7,536,668</u>	<u>81,141</u>	<u>7,611,714</u>
Total Business	<u>7,617,809</u>	<u>7,536,668</u>	<u>81,141</u>	<u>7,611,714</u>
Community services				
Salaries	300	-	300	-
Total Community services	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>
Nonprogrammed charges				
Other Objects	36,425	36,425	-	37,564
Total nonprogrammed charges	<u>36,425</u>	<u>36,425</u>	<u>-</u>	<u>37,564</u>
Provision for contingencies	150,000	-	150,000	-
Total expenditures	<u>7,804,534</u>	<u>7,573,093</u>	<u>231,441</u>	<u>7,649,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(560,732)</u>	<u>712,539</u>	<u>1,273,271</u>	<u>(368,858)</u>
Other financing sources (uses)				
Transfers In	-	5,807	5,807	-
Transfers Out	-	-	-	(1,063,762)
Total other financing sources and (uses)	<u>-</u>	<u>5,807</u>	<u>5,807</u>	<u>(1,063,762)</u>
Net Change in Fund Balance	<u>\$ (560,732)</u>	<u>718,346</u>	<u>\$ 1,279,078</u>	<u>(1,432,620)</u>
Fund Balance at Beginning of Year		<u>5,837,180</u>		<u>7,269,800</u>
Fund Balance at End of Year		<u>\$ 6,555,526</u>		<u>\$ 5,837,180</u>

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

General Fund - Working Cash Account  
 Schedule of Revenues and Changes in Fund Balances - Budget and Actual  
 Year Ended June 30, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final budget	Actual	Variance from budget positive (negative)	2012 Actual
Revenues				
Local Sources				
Property taxes				
General levy	\$ -	\$ 3,301	\$ 3,301	\$ (9,207)
Interest	621,496	(130,687)	(752,183)	52,839
Total revenues	621,496	(127,386)	(748,882)	43,632
Excess of revenues	621,496	(127,386)	(748,882)	43,632
Other financing sources (uses)				
Transfers in	(171,888)	-	171,888	(2,011,518)
Total other financing sources and (uses)	(171,888)	-	171,888	(2,011,518)
Net change in fund balance	\$ 449,608	(127,386)	\$ (576,994)	(1,967,886)
Fund Balance at Beginning of Year		19,080,122		21,048,008
Fund Balance at End of Year		\$ 18,952,736		\$ 19,080,122

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Transportation Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013  
(With comparative actual totals for June 30, 2012)

	Original and final budget	Actual	Variance from budget positive (negative)	2012 Actual
<b>Revenues</b>				
Local Sources				
Property taxes				
General levy	\$ 2,766,562	\$ 3,366,298	\$ 599,736	\$ 4,485,088
Regular transportation fees from pupils or parents	5,440	8,070	2,630	5,735
Regular transportation fees from other districts	-	-	-	4,668
Interest	121,035	(37,744)	(158,779)	8,554
Total local sources	2,893,037	3,336,624	443,587	4,504,045
State Sources				
Early Childhood Block Grant	93,244	105,632	12,388	83,196
Transportation - Regular/Vocational	-	36,632	36,632	56,969
Transportation - Special Education	1,212,000	1,861,784	649,784	1,826,637
Total state sources	1,305,244	2,004,048	698,804	1,966,802
Total revenues	4,198,281	5,340,672	1,142,391	6,470,847
<b>Expenditures</b>				
Current:				
Support Services				
Pupil transportation services				
Salaries	265,492	264,002	1,490	259,308
Employee benefits	58,280	49,654	8,626	54,766
Purchased services	3,886,363	4,075,834	(189,471)	3,789,885
Supplies and materials	398,300	347,792	50,508	349,125
Capital outlay	10,000	10,096	(96)	20,470
Other Objects	260	137	123	85
Total Support services	4,618,695	4,747,515	(128,820)	4,473,639
Provision for contingencies	15,000	-	15,000	-
Total expenditures	4,633,695	4,747,515	(113,820)	4,473,639
Net Change in Fund Balance	\$ (435,414)	593,157	\$ 1,028,571	1,997,208
Fund Balance at Beginning of Year		5,264,771		3,267,563
Fund Balance at End of Year		\$ 5,857,928		\$ 5,264,771



## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

IMRF/Social Security Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year Ended June 30, 2013  
 (With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
<b>Revenues</b>				
Local Sources				
Property taxes				
General levy	\$ -	\$ 528,431	\$ 528,431	\$ (10,262)
Social security/medicare levy	1,667,250	943,232	(724,018)	1,921,753
Replacement taxes	850,000	850,000	-	470,691
Interest	<u>34,528</u>	<u>(5,687)</u>	<u>(40,215)</u>	<u>2,828</u>
Total revenues	<u>2,551,778</u>	<u>2,315,976</u>	<u>(235,802)</u>	<u>2,385,010</u>
<b>Expenditures</b>				
Current:				
Instruction				
Regular programs	424,512	257,534	166,978	367,410
Pre-K programs	-	137,886	(137,886)	9,429
Special ed programs	373,542	332,193	41,349	156,846
Special ed programs - Pre-K	-	-	-	146,938
Educationally deprived/remedial programs	6,813	-	6,813	144
Interscholastic programs	5,000	14,902	(9,902)	13,284
Summer school programs	3,500	8,013	(4,513)	747
Gifted programs	5,626	5,540	86	5,881
Bilingual programs	<u>200,095</u>	<u>186,915</u>	<u>13,180</u>	<u>180,820</u>
Total Instruction	<u>1,019,088</u>	<u>942,983</u>	<u>76,105</u>	<u>881,499</u>
Pupils				
Attendance and social work services	23,665	24,860	(1,195)	22,339
Health services	90,703	86,259	4,444	89,698
Psychological services	10,328	16,997	(6,669)	12,298
Speech pathology and audiology services	18,684	28,703	(10,019)	17,681
Other support services	<u>20,055</u>	<u>18,758</u>	<u>1,297</u>	<u>18,870</u>
Total Pupils	<u>163,435</u>	<u>175,577</u>	<u>(12,142)</u>	<u>160,886</u>
Instructional staff				
Improvement of instruction services	17,430	18,850	(1,420)	18,143
Educational media services	205,284	208,116	(2,832)	189,839
Assessment and testing	<u>1,400</u>	<u>2,929</u>	<u>(1,529)</u>	<u>1,632</u>
Total Instructional staff	<u>224,114</u>	<u>229,895</u>	<u>(5,781)</u>	<u>209,614</u>
General administration				
Board of education services	775	813	(38)	788
Executive administration services	30,808	31,860	(1,052)	28,804
Service area administrative services	<u>46,034</u>	<u>47,296</u>	<u>(1,262)</u>	<u>43,316</u>
Total General administration	<u>77,617</u>	<u>79,969</u>	<u>(2,352)</u>	<u>72,908</u>
School administration				
Office of the principal services	<u>303,771</u>	<u>256,462</u>	<u>47,309</u>	<u>230,413</u>
Business				
Direction of business support services	14,075	13,936	139	12,892
Fiscal services	62,979	62,434	545	56,368
Operations and maintenance of plant services	647,225	653,810	(6,585)	618,350
Pupil transportation services	31,305	38,703	(7,398)	35,875
Food services	11,453	50,082	(38,629)	42,786
Internal services	<u>57,073</u>	<u>56,855</u>	<u>218</u>	<u>52,551</u>
Total business	<u>824,110</u>	<u>875,820</u>	<u>(51,710)</u>	<u>818,822</u>
Central				
Planning, research, development, and evaluation	17,000	440	16,560	6,651
Information services	7,489	7,389	100	6,819
Staff services	<u>66,635</u>	<u>69,570</u>	<u>(2,935)</u>	<u>61,332</u>

(Continued)

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

IMRF/Social Security Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013  
(With comparative actual totals for June 30, 2012)

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	Original and final budget	Actual	Variance from budget positive (negative)	2012 Actual
Data processing services	\$ 87,485	\$ 91,837	\$ (4,352)	\$ 83,694
Total central	<u>178,609</u>	<u>169,236</u>	<u>9,373</u>	<u>158,496</u>
Community services	12,617	913	11,704	1,842
Provision for contingencies	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total expenditures	<u>2,813,361</u>	<u>2,730,855</u>	<u>82,506</u>	<u>2,534,480</u>
Net Change in Fund Balance	<u>\$ (261,583)</u>	<u>(414,879)</u>	<u>\$ (153,296)</u>	<u>(149,470)</u>
Fund Balance at Beginning of Year		<u>840,015</u>		<u>989,485</u>
Fund Balance at End of Year		<u>\$ 425,136</u>		<u>\$ 840,015</u>

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## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013  
(With comparative actual totals for June 30, 2012)

	Original and final budget	Actual	Variance from budget positive (negative)	2012 Actual
Revenues				
Local Sources				
Property taxes				
General levy	\$ 5,118,750	\$ 3,848,563	\$ (1,270,187)	\$ 6,597,103
Interest	86,130	(33,377)	(119,507)	8,820
Total revenues	<u>5,204,880</u>	<u>3,815,186</u>	<u>(1,389,694)</u>	<u>6,605,923</u>
Expenditures				
Debt service:				
Principal	4,705,000	4,705,000	-	4,510,000
Interest and fees	516,538	516,353	185	712,940
Total expenditures	<u>5,221,538</u>	<u>5,221,353</u>	<u>185</u>	<u>5,222,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,658)</u>	<u>(1,406,167)</u>	<u>(1,389,509)</u>	<u>1,382,983</u>
Other financing sources (uses)				
Transfers Out	(86,130)	(23,421)	62,709	(8,819)
Total other financing sources and (uses)	<u>(86,130)</u>	<u>(23,421)</u>	<u>62,709</u>	<u>(8,819)</u>
Net Change in Fund Balances	<u>\$ (102,788)</u>	<u>(1,429,588)</u>	<u>\$ (1,326,800)</u>	<u>1,374,164</u>
Fund Balances at Beginning of Year		<u>4,699,567</u>		<u>3,325,403</u>
Fund Balances at End of Year		<u>\$ 3,269,979</u>		<u>\$ 4,699,567</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, 2013  
(With comparative actual totals for June 30, 2012)

	Original and final <u>budget</u>	<u>Actual</u>	Variance from budget positive (negative)	2012 <u>Actual</u>
Revenues				
Local sources				
Interest	\$ -	\$ -	\$ -	\$ -
Federal sources				
Fed - Special Education - IDEA - Flow Through - ARRA	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Business				
Facilities acquisition and construction services				
Purchased services	-	-	-	2,500
Supplies and materials	-	-	-	23,673
Capital outlay	1,356,370	1,088,117	268,253	2,567,881
Total expenditures	1,356,370	1,088,117	268,253	2,594,054
Excess (deficiency) of revenues over (under) expenditures	(1,356,370)	(1,088,117)	268,253	(2,594,054)
Other financing sources (uses)				
Transfers in	171,888	-	(171,888)	3,075,280
Transfers out	-	(5,807)	(5,807)	-
Total other financing sources and (uses)	171,888	(5,807)	(177,695)	3,075,280
Net change in fund balance	\$ (1,184,482)	(1,093,924)	\$ 90,558	481,226
Fund Balance at Beginning of Year		1,093,924		612,698
Fund Balance at End of Year		\$ -		\$ 1,093,924

## **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.



## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

Agency Funds - Student Activity Funds  
Schedule of Changes in Assets and Liabilities  
Year Ended June 30, 2013

	July 1, 2012 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2013 <u>Balance</u>
<b>Assets</b>				
Cash	\$ 87,641	\$ 140,812	\$ 147,987	\$ 80,466
Receivable	-	13,957	-	13,957
<b>Total Assets</b>	<u>\$ 87,641</u>	<u>\$ 154,769</u>	<u>\$ 147,987</u>	<u>\$ 94,423</u>
<b>Liabilities</b>				
Due to student organizations				
Friendship Junior High School	\$ 10,886	\$ 36,908	\$ 29,110	\$ 18,684
Grove Junior High School	33,166	64,249	62,287	35,128
Holmes Junior High School	16,918	42,855	40,246	19,527
Salt Creek	595	1,587	1,876	306
<b>Total due to student organizations</b>	<u>61,565</u>	<u>145,599</u>	<u>133,519</u>	<u>73,645</u>
Due to supporting organizations				
Cahill Brown	704	200	-	904
Gifted and Talented Association	588	-	-	588
Jack Keehn Scholarship	6,093	-	122	5,971
Jaylen	2,389	200	1,322	1,267
John Jay Coat Fund	3,025	-	65	2,960
Jan's Memorial Fund	357	-	-	357
Ira Rupley Trust	498	-	362	136
Patrol	716	268	-	984
Sarbaugh Trust	105	-	-	105
Special Olympics	7,001	-	3,725	3,276
Student Council	-	2,116	1,451	665
Student Store	4,600	6,386	7,421	3,565
<b>Total due to supporting organizations</b>	<u>26,076</u>	<u>9,170</u>	<u>14,468</u>	<u>20,778</u>
<b>Total Liabilities</b>	<u>\$ 87,641</u>	<u>\$ 154,769</u>	<u>\$ 147,987</u>	<u>\$ 94,423</u>

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## **OTHER SUPPLEMENTARY INFORMATION**



## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

## SCHEDULE OF BONDS OUTSTANDING

June 30, 2013

**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>
2014	5.000%	\$ 1,325,000	\$ 66,250	\$ -
TOTAL		\$ 1,325,000	\$ 66,250	\$ -

**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>
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		\$ 7,425,000	\$ 446,478	\$ -

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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.



**Community Consolidated School District 59**  
**Net Position/Assets by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

SCHEDULE 1

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 70,809,782	\$ 68,881,912	\$ 65,660,775	\$ 59,345,607	\$ 61,798,424	\$ 57,978,930	\$ 56,823,122	\$ 54,094,571	\$ 51,296,587	\$ 48,343,234
Restricted (debt service)	3,174,604	4,528,588	3,088,944	3,422,275	3,048,004	3,002,740	2,708,806	2,406,313	2,185,138	-
Restricted (IMRF purposes)	844,800	1,318,523	1,962,019	2,389,101	-	-	-	-	-	-
Unrestricted	128,996,800	129,914,587	111,044,581	116,963,327	110,264,636	106,064,503	97,089,221	89,931,052	84,389,988	80,975,706
<b>Total net assets</b>	<b>\$ 203,825,986</b>	<b>\$ 204,643,610</b>	<b>\$ 181,755,319</b>	<b>\$ 182,120,310</b>	<b>\$ 175,111,064</b>	<b>\$ 167,046,173</b>	<b>\$ 156,621,149</b>	<b>\$ 146,431,936</b>	<b>\$ 137,871,713</b>	<b>\$ 129,318,940</b>

SOURCE OF INFORMATION: Statement of Net Position/Net Assets

**Community Consolidated School District 69**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
Governmental activities:										
Instruction										
Regular Programs <sup>k</sup>	\$ 31,135,330	\$ 29,931,859	\$ 31,791,528	\$ 29,691,214	\$ 26,753,399	\$ 26,259,087	\$ 25,532,859	\$ 25,390,637	\$ 26,256,167	\$ 25,588,906
Special Educational Programs	7,730,988	7,230,195	7,275,285	7,219,361	6,245,973	5,812,435	5,711,151	5,325,135	5,032,011	4,195,485
Other instructional programs <sup>j</sup>	10,409,386	9,528,164	9,732,226	10,039,540	8,640,830	7,655,317	6,908,496	6,297,002	5,900,015	5,468,830
State retirement contributions <sup>a</sup>	13,298,931	11,593,232	10,684,396	10,399,062	7,284,030	4,945,955	3,689,619	2,501,338	4,059,697	4,502,661
Support Services										
Pupils	5,063,173	4,988,735	4,627,169	4,596,881	4,261,415	3,865,893	3,637,060	3,425,564	3,146,608	2,899,188
Instructional Staff	4,754,920	4,572,462	4,799,775	4,599,131	4,390,893	4,283,129	4,038,965	3,673,204	3,713,539	3,401,733
Support Services - General Administration <sup>g</sup>	2,768,607	2,551,409	2,244,743	2,360,231	2,160,274	2,153,701	1,893,919	1,682,559	1,552,447	1,541,594
Support Services - School Administration	5,545,972	5,099,142	5,196,273	5,120,037	4,772,006	4,523,279	4,341,014	4,066,304	3,925,445	3,751,773
Business <sup>b</sup>	4,014,008	4,037,968	3,896,934	3,722,220	2,850,355	2,764,464	3,943,474	2,003,411	2,727,262	2,831,404
Facilities Acquisition and Construction	797,140	5,426,819	77,630	247,866	244,705	29,278	1,336,197	3,438,048	1,982,653	1,870,678
Operation & Maintenance of Plant Services	10,538,008	5,770,004	11,117,740	10,733,707	10,289,991	9,977,471	8,322,490	7,352,038	6,173,235	6,173,712
Pupil Transportation Services <sup>h</sup>	4,867,638	4,585,561	5,630,609	5,110,266	4,728,912	4,708,439	4,214,697	4,318,019	4,105,254	3,870,054
Central	2,317,703	2,141,281	2,303,772	2,163,798	2,674,675	2,336,647	2,430,548	2,371,225	1,733,543	1,599,295
Community services	156,080	162,208	134,313	181,528	134,158	188,698	162,689	118,713	78,779	86,048
Payments to other governmental units <sup>c</sup>	4,314,496	4,434,321	3,990,219	3,573,168	3,013,646	2,662,205	2,254,261	1,975,314	2,592,262	2,611,072
Interest on long-term debt	633,367	815,770	966,562	1,073,375	1,059,171	1,160,948	1,565,407	1,661,003	1,808,144	1,537,068
Total government expenses	\$ 108,343,747	\$ 102,869,130	\$ 104,469,174	\$ 100,831,385	\$ 89,504,433	\$ 83,326,946	\$ 79,782,846	\$ 75,602,514	\$ 74,787,061	\$ 71,929,501
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Special Programs	234,369	238,737	323,345	241,965	211,425	390,430	324,003	84,589	117,884	-
Business	714,092	683,564	673,686	676,494	755,183	799,965	805,125	786,380	790,270	-
Other	95,064	70,994	160,142	142,544	160,592	191,781	218,577	202,498	452,178	1,448,521
Operating grants and contributions <sup>a</sup>	23,191,959	20,801,435	22,229,839	21,527,652	17,253,293	13,432,201	11,536,171	9,728,212	10,924,636	10,644,172
Capital grants and contributions	-	-	-	-	-	-	-	-	-	1,214,154
Total government program revenues <sup>d</sup>	\$ 24,235,484	\$ 21,794,730	\$ 23,387,012	\$ 22,588,655	\$ 18,380,493	\$ 14,814,377	\$ 12,883,876	\$ 10,803,679	\$ 12,284,968	\$ 13,306,847
<b>Net (Expense)/Revenue</b>	\$ (84,108,263)	\$ (81,074,400)	\$ (81,082,162)	\$ (78,242,730)	\$ (71,123,940)	\$ (68,512,569)	\$ (66,898,970)	\$ (64,798,835)	\$ (62,502,093)	\$ (58,622,654)
<b>General Revenues and Other Changes in Net Position/Assets</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes <sup>e</sup>	73,518,112	93,873,533	70,579,004	75,242,779	68,127,537	65,456,909	64,324,268	61,390,041	62,137,186	51,973,956
Payments in lieu of taxes	4,480,589	4,385,210	4,766,892	3,675,835	4,543,723	5,194,188	4,857,231	4,452,034	3,349,025	2,859,042
Unrestricted grants and contributions	5,113,913	4,372,906	3,666,584	2,139,108	1,583,077	1,743,607	1,637,381	1,523,907	1,439,875	1,464,518
Miscellaneous	1,230,757	986,371	931,003	2,121,230	657,191	609,363	587,363	484,524	286,642	159,469
Investment earnings <sup>f</sup>	(987,176)	343,671	772,688	2,073,024	4,277,303	5,933,526	5,881,940	1,816,418	3,842,138	(347,388)
Total general revenues and other changes in net position	\$ 83,356,195	\$ 103,961,691	\$ 80,718,171	\$ 85,251,976	\$ 79,188,831	\$ 78,937,593	\$ 77,088,183	\$ 69,666,924	\$ 71,054,866	\$ 56,109,597
<b>Change in Net Position/Assets</b>	\$ (752,068)	\$ 22,887,291	\$ (363,991)	\$ 7,009,246	\$ 8,064,891	\$ 10,425,024	\$ 10,189,213	\$ 4,868,089	\$ 8,552,773	\$ (2,513,057)



**Community Consolidated School District 89**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

SCHEDULE 2

**Notes:**

<sup>a</sup> 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.

<sup>b</sup> In 2008, depreciation on district capital items was appropriately moved to Operations and Maintenance.

<sup>c</sup> 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.

<sup>d</sup> 2006 reflects a change in method of recording revenue for special education and transportation funding.

<sup>e</sup> 2005 marks the first year of tax collections for Series 2003 debt retirement. Also, in FY10, Cook County started collecting 55% of the levy during the Spring collections instead of 45%. This added to the

<sup>f</sup> Reflects fluctuation of market value as of June 30.

<sup>g</sup> 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.

<sup>h</sup> In 2008, additional outside placements for special education students, homeless students and suspended students required additional transportation expenditures.

<sup>i</sup> Reflects fluctuation of market value at June 30.

<sup>j</sup> In 2011, reflects a reduction in health insurance expenditures.

<sup>k</sup> In 2011, the District purchased laptop computers for all 6th, 7th and 8th grade students as part of the 1:1 Technology Initiative.

**SOURCE OF INFORMATION: Statement of Position/Activities**

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

SCHEDULE 3

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Nonspendable	\$ 51,768	\$ 49,186	\$ 64,580	\$ 59,879	\$ 1,690,306	\$ 967,359	\$ 750,181	\$ 1,810,110	\$ 210,359	\$ 221,317
Assigned:										
Insurance	5,471,109	4,707,079	1,800,977	121,759	-	-	-	-	-	-
Unassigned	115,671,279	115,459,306	101,327,220	82,511,449	78,603,260	76,522,884	71,103,491	64,102,516	60,998,360	57,678,518
Total general fund	\$ 121,194,156	\$ 120,215,571	\$ 103,192,777	\$ 82,693,087	\$ 80,293,566	\$ 77,490,243	\$ 71,853,672	\$ 55,912,626	\$ 61,208,719	\$ 57,899,835
All Other Governmental Funds										
Restricted:										
Debt service	\$ 3,269,979	\$ 4,699,567	\$ 3,325,403	\$ 3,711,296	\$ 3,311,096	\$ 3,313,928	\$ 3,050,789	\$ 2,783,085	\$ 2,590,260	\$ -
IMRF purposes	844,800	1,318,523	1,962,019	2,389,101	-	-	-	-	-	-
Assigned:										
Transportation	5,857,928	5,264,771	3,267,563	3,570,447	-	-	-	-	-	-
Construction	-	1,093,924	612,698	5,293,621	-	-	-	-	-	-
Unassigned	(419,664)	(478,508)	(972,534)	19,942,864	25,971,810	24,193,854	21,180,345	20,455,083	22,828,723	22,634,013
Total all other governmental funds	\$ 9,553,043	\$ 11,888,277	\$ 8,195,149	\$ 34,907,329	\$ 29,282,906	\$ 27,507,782	\$ 24,231,134	\$ 23,238,168	\$ 25,418,983	\$ 22,634,013
Grand total all fund balances	\$ 130,747,199	\$ 132,113,848	\$ 111,387,926	\$ 117,600,416	\$ 109,576,472	\$ 104,998,025	\$ 96,084,806	\$ 89,150,794	\$ 86,627,702	\$ 80,533,848

SOURCE OF INFORMATION: Governmental Funds Balance Sheet

Note: Due to the implementation of a new GASB statement during FY11, the working cash fund was reclassified from other governmental funds to the General Fund.

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

SCHEDULE 4

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Local sources:</b>										
Property taxes <sup>a</sup>	\$ 73,518,112	\$ 93,873,533	\$ 70,579,004	\$ 75,242,779	\$68,127,595	\$65,456,892	\$ 64,324,268	\$ 61,390,041	\$ 62,137,186	\$ 51,973,956
Replacement taxes	4,480,589	4,385,210	4,766,892	3,675,835	4,543,723	5,194,187	4,857,231	4,452,034	3,349,025	2,859,042
Interest <sup>b</sup>	(917,704)	285,221	828,240	2,073,024	4,277,534	5,886,757	5,681,940	1,816,418	3,924,033	(311,140)
Other	2,213,282	1,990,124	2,099,676	3,486,542	1,799,540	2,009,770	1,933,432	1,567,495	1,646,974	2,809,604
<b>Total local sources</b>	<b>79,294,279</b>	<b>100,534,088</b>	<b>78,273,812</b>	<b>84,478,180</b>	<b>78,748,392</b>	<b>78,547,606</b>	<b>76,796,871</b>	<b>69,225,988</b>	<b>71,057,218</b>	<b>57,331,462</b>
<b>State sources:</b>										
Unrestricted State Aid	5,113,913	4,372,906	3,668,584	2,139,108	1,583,077	1,743,607	1,637,381	1,523,907	1,439,875	1,464,518
Restricted State Aid	5,868,676	5,511,459	5,828,808	4,088,516	5,784,276	5,557,964	4,957,482	4,600,853	4,159,600	4,135,234
TRS On-behalf payments	13,298,931	11,593,232	10,684,396	10,399,062	7,284,030	4,945,955	3,689,619	2,501,338	4,059,697	4,502,661
<b>Total state sources</b>	<b>24,281,520</b>	<b>21,477,597</b>	<b>20,181,788</b>	<b>16,626,686</b>	<b>14,651,383</b>	<b>12,247,526</b>	<b>10,284,482</b>	<b>8,626,098</b>	<b>9,659,172</b>	<b>10,102,413</b>
<b>Federal sources:</b>										
Restricted Federal Aid <sup>c</sup>	5,023,982	4,395,181	5,696,685	5,290,934	3,923,502	2,614,385	2,390,673	2,456,257	2,705,339	2,025,277
<b>Total federal sources</b>	<b>5,023,982</b>	<b>4,395,181</b>	<b>5,696,685</b>	<b>5,290,934</b>	<b>3,923,502</b>	<b>2,614,385</b>	<b>2,390,673</b>	<b>2,456,257</b>	<b>2,705,339</b>	<b>2,025,277</b>
<b>Total revenues</b>	<b>\$ 108,599,781</b>	<b>\$ 126,406,866</b>	<b>\$ 104,152,285</b>	<b>\$ 106,395,800</b>	<b>\$ 97,323,277</b>	<b>\$ 93,409,517</b>	<b>\$ 89,472,026</b>	<b>\$ 80,308,343</b>	<b>\$ 83,421,729</b>	<b>\$ 69,459,152</b>

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

**Notes:**

<sup>a</sup> 2005 marks the first year of tax collections for Series 2003 debt retirement. Also, in FY10, Cook County started collecting 55% of the levy during the Spring collections instead of 45%. This added to the 55% for the fall collection of the previous year gave us almost 110% total for the fiscal year. Because of the timing of the release of the Fall 2011 tax bills, payments were received earlier than usual causing the recognition of approximately 80% of the 2011 tax levy receipts in FY12, rather than the usual 45%

<sup>b</sup> Reflects fluctuation of market value as of June 30.

<sup>c</sup> Fiscal Years 2010 and 2011 Federal Aid include funds from the American Recovery and Reinvestment Act of 2009 (ARRA).

**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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction										
Regular Programs	\$ 43,803,089	\$ 40,770,318	\$ 39,112,024	\$ 38,460,136	\$ 33,641,115	\$ 29,767,476	\$ 29,009,815	\$ 26,400,428	\$ 27,244,014	\$ 26,554,828
Special Programs	7,696,246	7,100,745	7,174,696	7,168,263	6,246,221	5,745,381	5,628,062	5,214,696	5,236,763	4,462,874
Other Instructional Programs <sup>a</sup>	10,332,747	9,519,071	9,810,797	10,024,811	8,640,640	7,626,422	6,945,306	6,260,184	5,900,362	5,483,784
Support Services										
Pupils	5,049,079	4,955,686	4,606,823	4,576,374	4,244,616	3,769,804	3,613,310	3,354,745	3,139,796	2,882,828
Instructional Staff <sup>b</sup>	4,699,030	4,505,276	4,700,845	4,555,578	4,341,338	4,081,727	4,039,889	3,567,066	3,705,882	3,383,693
Support Services - General Administration	2,749,484	2,536,117	2,218,808	2,344,964	2,145,568	2,147,688	1,690,830	1,677,072	1,541,011	1,546,842
Support Services - School Administration	5,487,396	5,085,454	5,133,226	5,106,947	4,748,386	4,500,734	4,316,086	4,001,691	3,923,408	3,746,234
Business <sup>d</sup>	16,073,884	15,703,937	16,745,481	16,175,201	15,204,488	14,995,850	14,384,014	13,765,290	12,918,421	12,716,696
Central	2,139,624	1,979,082	2,119,796	2,253,733	2,036,674	1,765,380	1,764,200	1,768,345	1,723,237	1,558,152
Community services	155,132	157,560	132,626	180,501	134,142	188,698	162,689	118,713	78,776	86,047
Payments to other governmental units <sup>c</sup>	4,314,496	4,434,321	3,980,220	3,573,168	3,013,646	2,662,205	2,254,261	2,053,734	2,592,862	2,948,711
Capital outlay	2,244,870	3,710,437	9,399,105	6,667,114	3,350,770	2,248,533	3,641,433	5,100,486	4,190,501	4,197,721
Debt service										
Principal	4,705,000	4,510,000	4,350,000	4,210,000	4,080,000	3,970,000	3,944,944	3,898,545	3,830,535	103,387
Interest	516,353	712,940	870,328	872,335	917,226	1,026,400	1,143,195	1,231,597	1,302,307	883,253
Total expenditures	\$ 109,966,430	\$ 105,680,944	\$ 110,364,775	\$ 106,169,125	\$ 92,744,830	\$ 84,496,298	\$ 82,538,014	\$ 78,412,592	\$ 77,327,875	\$ 70,555,050
Debt service as a percentage of noncapital expenditures	5.1%	5.4%	5.5%	5.4%	5.9%	6.5%	6.9%	7.5%	7.5%	1.5%
Debt service as a percentage of total expenditures	4.7%	4.9%	4.7%	4.8%	5.4%	5.9%	6.2%	6.5%	6.6%	1.4%

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

**Notes:**

<sup>a</sup> Reflects no growth in programming with a reduction in insurance benefit expenditures.

<sup>b</sup> District established internal self-contained special education programs in lieu of outside placements in 2005 and 2006 but they have increase in subsequent years.

<sup>c</sup> District bid transportation services for FY12 and realized significant savings from the prior transportation provider.

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

SCHEDULE 6

	General	Trans & IMR/Soc Sec	Debt Service	Capital Projects	Total
Beginning Balance July 1, 2004	\$ 76,312,891	\$ 4,220,957	\$ -	\$ -	\$ 80,533,848
Revenues	69,389,357	6,442,907	7,589,465	-	83,421,729
Expenditures	66,634,135	5,694,535	4,999,205	-	77,327,875
Transfers	606,434	(606,434)	-	-	-
Ending Balance June 30, 2005	\$ 79,674,547	\$ 4,362,895	\$ 2,590,260	\$ -	\$ 86,627,702
Beginning Balance July 1, 2005	\$ 79,674,547	\$ 4,362,895	\$ 2,590,260	\$ -	\$ 86,627,702
Revenues	68,662,957	6,366,596	5,278,790	-	80,308,343
Expenditures	67,272,115	6,144,512	4,995,965	-	78,412,592
Transfers	594,725	(504,725)	(90,000)	-	-
Other	627,341	-	-	-	627,341
Ending Balance June 30, 2006	\$ 82,287,455	\$ 4,080,254	\$ 2,783,085	\$ -	\$ 89,150,794
Beginning Balance July 1, 2006	\$ 82,287,455	\$ 4,080,254	\$ 2,783,085	\$ -	\$ 89,150,794
Revenues	77,318,591	6,761,372	5,392,063	-	89,472,026
Expenditures	71,508,635	6,033,464	4,995,915	-	82,538,014
Transfers	628,444	(500,000)	(128,444)	-	-
Ending Balance June 30, 2007	\$ 88,725,855	\$ 4,308,162	\$ 3,050,789	\$ -	\$ 96,084,806
Beginning Balance July 1, 2007	\$ 88,725,855	\$ 4,308,162	\$ 3,050,789	\$ -	\$ 96,084,806
Revenues	80,314,769	7,840,806	5,253,942	-	93,409,517
Expenditures	73,032,641	6,467,257	4,996,400	-	84,496,298
Ending Balance June 30, 2008	\$ 96,007,983	\$ 5,681,711	\$ 3,308,331	\$ -	\$ 104,998,025
Beginning Balance July 1, 2008	\$ 96,007,983	\$ 5,681,711	\$ 3,308,331	\$ -	\$ 104,998,025
Revenues	84,917,831	7,139,974	5,265,472	-	97,323,277
Expenditures	81,129,178	6,618,426	4,997,226	-	92,744,830
Transfers	265,481	-	(265,481)	-	-
Ending Balance June 30, 2009	\$ 100,062,117	\$ 6,203,259	\$ 3,311,096	\$ -	\$ 109,576,472
Beginning Balance July 1, 2009	\$ 100,062,117	\$ 6,203,259	\$ 3,311,096	\$ -	\$ 109,576,472
Revenues	94,469,447	6,367,667	5,558,686	-	106,395,800
Expenditures	91,446,970	7,233,441	5,082,335	2,406,379	106,169,125
Transfers	(7,623,849)	-	(76,151)	7,700,000	-
Other	7,797,269	-	-	-	7,797,269
Ending Balance June 30, 2010	\$ 103,258,014	\$ 5,337,485	\$ 3,711,296	\$ 5,293,621	\$ 117,600,416
Beginning Balance July 1, 2010	\$ 103,258,014	\$ 5,337,485	\$ 3,711,296	\$ 5,293,621	\$ 117,600,416
Revenues	91,298,459	6,812,224	4,895,117	1,146,485	104,152,285
Expenditures	91,424,378	7,892,661	5,220,328	5,827,408	110,364,775
Transfers	60,682	-	(60,682)	-	-
Ending Balance June 30, 2011	\$ 103,192,777	\$ 4,257,048	\$ 3,325,403	\$ 612,698	\$ 111,387,926
Beginning Balance July 1, 2011	\$ 103,192,777	\$ 4,257,048	\$ 3,325,403	\$ 612,698	\$ 111,387,926
Revenues	110,945,086	8,855,857	6,605,923	-	126,406,866
Expenditures	90,855,831	7,008,119	5,222,940	2,594,054	105,680,944
Transfers	(3,066,461)	-	(8,819)	3,075,280	-
Ending Balance June 30, 2012	\$ 120,215,571	\$ 6,104,786	\$ 4,699,567	\$ 1,093,924	\$ 132,113,848
Beginning Balance July 1, 2012	\$ 120,215,571	\$ 6,104,786	\$ 4,699,567	\$ 1,093,924	\$ 132,113,848
Revenues	97,127,947	7,656,648	3,815,186	-	108,599,781
Expenditures	96,178,590	7,478,370	5,221,353	1,088,117	109,966,430
Transfers	29,228	-	(23,421)	(5,807)	-
Ending Balance June 30, 2013	\$ 121,194,156	\$ 6,283,064	\$ 3,269,979	\$ -	\$ 130,747,199
Beginning Balance July 1, 2013	\$ 121,194,156	\$ 6,283,064	\$ 3,269,979	\$ -	\$ 130,747,199
Revenues	86,403,148	8,205,423	3,677,907	-	98,286,478
Expenditures	92,660,120	8,147,829	3,502,476	-	104,310,425
Transfers	77,200	-	(77,200)	-	-
Estimated Ending Balance June 30, 2014	\$ 115,014,384	\$ 6,340,658	\$ 3,368,210	\$ -	\$ 124,723,252

SOURCE OF INFORMATION: Governmental Funds Statement of Revenues, Expenditures & changes in Fund Balance and District 59 FY 2014 Final Budget Document

\* FY 2014 figures represent budget numbers.

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

SCHEDULE 7

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Residential	\$ 784,478,875	\$ 902,847,902	\$ 971,885,256	\$ 1,003,595,282	\$ 1,194,724,558	\$ 1,290,588,859	\$ 1,382,880,512	\$ 1,285,845,078	\$ 1,189,088,243	\$ 1,100,428,138
Farm	30,048	30,048	30,048	30,048	30,048	30,048	18,778	16,909	16,909	16,909
Commercial	785,553,559	831,328,326	883,731,913	839,470,168	964,789,778	965,968,345	850,205,280	766,268,576	651,238,616	586,141,024
Industrial	1,288,646,988	1,389,819,006	1,475,132,272	1,454,763,950	1,665,916,438	1,697,871,384	1,470,303,063	1,420,635,772	1,247,280,075	1,133,987,153
Railroad	786,704	844,717	780,680	774,706	836,711	942,852	1,138,193	1,460,448	1,576,817	1,730,380
Total	\$ 2,837,506,184	\$ 3,124,470,989	\$ 3,311,567,149	\$ 3,288,634,134	\$ 3,826,307,533	\$ 3,955,199,568	\$ 3,704,546,826	\$ 3,474,026,783	\$ 3,099,218,660	\$ 2,831,683,602
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The table below shows the effect of the multiplier and exemptions in tax years 2003 through 2012.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value	\$ 7,201,553,324	\$ 8,708,163,844	\$ 9,759,812,058	\$ 9,531,735,909	\$ 10,881,635,983	\$ 11,780,957,433	\$ 12,484,693,595	\$ 11,464,288,384	\$ 9,206,538,951	\$ 7,944,571,514
Equalization Factor	2.4598	2.5757	2.7320	2.7076	2.8439	2.9788	3.3701	3.3000	2.9706	2.8056
Pre-exemption EAV	\$ 2,927,688,725	\$ 3,380,892,124	\$ 3,572,442,188	\$ 3,520,363,388	\$ 3,826,307,533	\$ 3,955,199,568	\$ 3,704,546,826	\$ 3,474,026,783	\$ 3,099,218,660	\$ 2,831,683,602
Homeowners Exemption	61,590,301	198,007,328	199,369,339	180,843,488	362,437,351	322,389,688	278,519,605	168,205,695	94,275,450	104,902,446
Senior Citizen Exemption	10,210,000	12,993,000	13,012,688	15,001,000	15,791,751	18,542,829	18,348,823	16,650,430	17,130,727	23,220,878
Veterans Exemption	-	-	-	-	39,688	39,688	36,920	32,551	-	-
Senior Tax Freeze	18,402,240	45,420,797	48,493,031	45,784,766	76,349,253	85,380,704	82,482,733	71,852,688	52,056,343	44,162,998
Returning Veterans	-	-	-	-	-	-	15,000	10,000	-	-
Disabled Persons	-	-	-	-	62,000	136,000	224,000	268,000	302,000	373,857
Disabled Veterans	-	-	-	-	17,500	10,000	17,500	40,000	52,500	57,500
Total	\$ 2,837,506,184	\$ 3,124,470,989	\$ 3,311,567,150	\$ 3,288,634,134	\$ 3,826,307,533	\$ 3,955,199,568	\$ 3,704,546,826	\$ 3,474,026,783	\$ 3,099,218,660	\$ 2,831,683,602
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

**Community Consolidated School District 89**  
**School District Tax Rates by Purpose and Levies Extended**  
**Last Ten Years**

SCHEDULE 8

MAX RATE													
effective for													
1996-2004 the 2005 levy**													
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003		
Rates Extended*													
Educational	\$	1.7100	\$ 3.5000	\$ 2.1436	\$ 1.9295	\$ 1.6695	\$ 1.5454	\$ 1.4159	\$ 1.3982	\$ 1.5855	\$ 1.5099	\$ 1.5363	\$ 1.5533
Special Education		0.0200	0.4000	0.0318	0.0258	0.0230	0.0216	0.0202	0.0209	0.0188	0.0187	0.0165	0.0185
Liability Insurance		None	None	-	-	-	-	-	0.0065	0.0076	0.0075	0.0080	0.0088
Operations and Maintenance		0.2500	0.5500	0.1916	0.1409	0.1297	0.1164	0.1243	0.1126	0.0978	0.1071	0.0761	0.1762
Transportation		0.1200	None	0.1236	0.1049	0.1151	0.0675	0.0632	0.0653	0.0909	0.0921	0.0976	0.1075
Working Cash		0.0500	0.0500	-	-	-	0.0142	0.0133	0.0137	0.0227	0.0211	0.0304	0.0352
Social Security		None	None	0.0288	0.0516	0.0403	0.0189	0.0202	0.0183	0.0152	0.0091	0.0192	0.0211
Illinois Municipal Retirement		None	None	0.0238	-	-	0.0189	0.0202	0.0183	0.0152	0.0091	0.0192	0.0211
Limited Bonds		None	None	0.1296	0.1693	0.1511	0.1416	0.1327	0.1371	0.1590	0.1584	0.1679	0.1850
Total	\$	2.1500	\$ 4.5000	\$ 2.6728	\$ 2.4220	\$ 2.1287	\$ 1.9445	\$ 1.8100	\$ 1.7909	\$ 2.0127	\$ 1.9330	\$ 1.9712	\$ 2.1267

**Levies Extended**

Total Levies Extended	\$ 75,690,903	\$ 75,063,073	\$ 73,962,030	\$ 72,053,437	\$ 71,589,112	\$ 68,529,168	\$ 66,401,505	\$ 64,012,593	\$ 61,614,568	\$ 60,353,756
Total Collections	\$ 60,156,724	\$ 73,217,332	\$ 73,113,327	\$ 73,642,597	\$ 70,182,992	\$ 67,356,299	\$ 65,194,192	\$ 62,261,182	\$ 59,715,142	\$ 59,261,100
Percentage of Extensions Collected	79.48%	97.54%	98.85%	102.21%	98.04%	98.29%	98.18%	97.26%	96.92%	98.19%

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports for 2003 - 2012

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

**Community Consolidated School District 59  
Direct and Overlapping Tax Rates 2008-2013\***

SCHEDULE 9

<u>Taxing Agency</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Community Consolidated SD #59	\$ 2.673	\$ 2.422	\$ 2.129	\$ 1.945	\$ 1.810
County of Cook	0.531	0.462	0.423	0.394	0.415
Cook County Forest Preserve District	0.063	0.058	0.051	0.049	0.051
Cook TB Sanitorium	-	-	-	-	-
Consolidated Elections	-	0.025	-	0.021	-
Elk Grove Township	0.064	0.056	0.049	0.044	0.041
Elk GroveTwp General Assistance	0.014	0.012	0.011	0.010	0.009
Elk Grove Twp Road & Bridge	0.014	0.013	0.011	0.010	0.009
Metro Water Reclamation					
District of Chicago	0.370	0.320	0.274	0.261	0.252
Northwest Mosquito Abatement Dist.	0.011	0.010	0.009	0.008	0.008
Village of Arlington Heights**	1.532	1.385	1.254	1.108	1.072
City of Des Plaines**	1.483	1.389	1.279	1.174	1.091
Des Plaines Spec. Serv. Area 5	0.596	0.581	0.522	0.489	0.529
Des Plaines Spec. Serv. Area 9	0.388	0.366	0.330	0.334	0.295
Des Plaines Spec. Serv. Area 10	0.384	0.791	0.303	0.349	0.309
Des Plaines Spec. Serv. Area 13	0.501	0.434	-	-	-
Village of Mount Prospect**	1.697	1.518	1.348	1.204	1.173
Mount Prospect Spec. Serv. Area 5	0.122	0.114	0.105	0.095	0.096
City of Rolling Meadows**	1.917	1.706	1.417	1.158	1.030
Rolling Meadows Spec. Serv. Area 3	0.253	0.233	0.207	0.176	0.137
Village of Elk Grove Village**	1.147	1.015	0.866	0.749	0.657
Rolling Meadows Park District	0.607	0.546	0.486	0.420	0.411
Arlington Heights Park District	0.545	0.496	0.450	0.392	0.379
Mount Prospect Park District	0.557	0.502	0.453	0.411	0.407
Elk Grove Park District	0.711	0.634	0.563	0.524	0.490
Elk Grove Rural Fire Protection - Bond	1.096	1.121	1.055	1.032	0.971
Forest View Fire Protection District	0.033	0.139	0.146	0.159	0.201
Roselle Fire Protection District	0.559	0.546	0.546	0.493	0.262
Arlington Heights HSD #214	2.324	2.067	1.839	1.636	1.587
Harper Community College #512	0.373	0.334	0.295	0.258	0.256

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

\*\*Rates of municipalities include library funds.

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 <sup>a</sup>	Per Capita <sup>a</sup>
	State Tech Loans	General Obligation Bonds	Capital Leases				
2013	\$ -	\$ 8,750,000	\$ -		\$ 8,750,000	0.84%	262
2012	-	13,455,000	-		13,455,000	1.24%	404
2011	-	17,965,000	-		17,965,000	1.67%	542
2010	-	22,315,000	-		22,315,000	2.02%	674
2009	-	19,100,000	-		19,100,000	1.76%	578
2008	-	23,180,000	-		23,180,000	2.15%	700
2007	-	27,150,000	-		27,150,000	2.87%	818
2006	-	31,015,000	106,317		31,121,317	3.24%	924
2005	77,238	34,795,000	216,827		35,089,065	3.63%	1,036
2004	323,374	38,515,000	327,362		39,165,736	4.01%	1,142

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

<sup>a</sup> 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

<b>Principal Due (Mar 1)</b>	<b>Series 2003 Bonds</b>	<b>Series 2009 Bonds</b>	<b>Total</b>
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>\$ 1,325,000</u>	<u>\$ 7,425,000</u>	<u>\$ 8,750,000</u>

**Community Consolidated School District 59  
Tax Levies for Direct Bonded Debt**

<b>Tax Year</b>	<b>Series 2003 Debt Service</b>	<b>Series 2009 Debt Service</b>	<b>Total Outstanding Debt Service</b>
2013	\$ 1,391,250	\$ 2,104,876	\$ 5,766,602
2014	-	3,498,326	2,268,276
2015	-	2,268,276	-
	<u>\$ 1,391,250</u>	<u>\$ 7,871,478</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

<b>Fiscal Year</b>	<b>Bond Rate</b>	<b>Bonds Issued</b>	<b>Bonds Paid/ Refunded</b>	<b>Bonds Payable From Tax Levies</b>	<b>Interest Payable</b>
<i><b>Issue Dated July 1, 2003 Series</b></i>					
2014	5.000%	\$ 1,325,000	\$ -	\$ 1,325,000	\$ 66,250
		<u>\$ 1,325,000</u>	<u>\$ -</u>	<u>\$ 1,325,000</u>	<u>\$ 66,250</u>
<i><b>Issue Dated October 20, 2009 Series</b></i>					
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>\$ 446,478</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
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**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Population	33,350	33,272	33,161	33,124	33,019	33,092	33,208	33,694	33,876	34,290
Estimated Full Market Value of Taxable Property	\$ 2,831,683,602	\$ 10,422,080,349	\$ 11,113,640,778	\$ 11,865,598,704	\$ 11,478,922,599	\$ 10,561,090,164	\$ 10,561,090,164	\$ 10,717,326,564	\$ 10,142,676,372	\$ 8,783,096,175
Equalized Assessed valuation (EAV)	\$ 2,831,683,602	\$ 3,099,218,660	\$ 3,474,026,783	\$ 3,704,546,926	\$ 3,965,199,568	\$ 3,826,307,533	\$ 3,298,634,134	\$ 3,332,194,179	\$ 3,311,567,149	\$ 3,124,470,999
Statutory debt limitation (6.9% of EAV)	\$ 195,386,169	\$ 213,846,088	\$ 239,707,848	\$ 255,613,738	\$ 272,908,770	\$ 264,015,220	\$ 227,605,755	\$ 229,917,258	\$ 228,498,133	\$ 215,588,499
Bonded Debt June 30	8,750,000	13,455,000	17,965,000	22,315,000	19,100,000	23,180,000	27,150,000	31,015,000	35,089,065	39,165,737
Legal bonded debt margin	\$ 186,636,169	\$ 200,391,088	\$ 221,742,848	\$ 233,298,738	\$ 253,808,770	\$ 240,835,220	\$ 200,455,755	\$ 198,902,258	\$ 193,409,068	\$ 176,422,762

**Total net debt:**

as a percentage of Debt Limit	4.48%	6.29%	7.49%	8.73%	7.00%	8.78%	11.93%	13.48%	15.36%	18.17%
as a percentage of Full Mkt Value	0.31%	0.13%	0.16%	0.19%	0.17%	0.22%	0.26%	0.29%	0.35%	0.45%
as a percentage of EAV	0.31%	0.43%	0.52%	0.60%	0.48%	0.61%	0.82%	0.93%	1.06%	1.25%
per capita	\$ 262.37	\$ 404.39	\$ 541.75	\$ 673.88	\$ 578.45	\$ 700.47	\$ 817.57	\$ 920.49	\$ 1,035.81	\$ 1,142.19

**General Obligation Bonded Debt:**

District	\$ 8,750,000	\$ 13,455,000	\$ 17,965,000	\$ 22,315,000	\$ 19,100,000	\$ 23,180,000	\$ 27,160,000	\$ 31,015,000	\$ 35,089,065	\$ 39,165,737
Overlapping	275,682,525	244,096,005	233,403,602	258,084,529	216,921,208	203,493,128	184,247,563	185,359,069	195,641,434	205,945,295
Total District and Overlapping	\$ 284,432,525	\$ 257,551,005	\$ 251,368,602	\$ 278,399,529	\$ 236,021,208	\$ 226,673,128	\$ 211,397,563	\$ 216,374,069	\$ 230,730,499	\$ 245,111,032
as a percentage of Full Mkt Value	10.04%	2.47%	2.26%	2.35%	2.06%	2.15%	2.00%	2.02%	2.27%	2.79%
as a percentage of EAV	10.04%	8.31%	7.24%	7.52%	5.97%	5.92%	6.41%	6.49%	6.97%	7.84%
per capita	\$ 8,528.71	\$ 7,740.77	\$ 7,580.25	\$ 8,404.77	\$ 7,148.04	\$ 6,849.79	\$ 6,365.86	\$ 6,421.74	\$ 6,811.03	\$ 7,148.18

(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**

SCHEDULE 15

<u>Taxing District</u>	<u>2012 Equalized Assessed Valuation</u>	<u>Outstanding Bonds</u>	<u>Applicable to District</u>	
			<u>Percent</u>	<u>Amount</u>
Community Consolidated School Dist. 59	\$ 2,831,683,602	\$ 8,750,000	100.000%	\$ 8,750,000
Total Direct Debt				<u>8,750,000</u>
<u>Overlapping Districts:</u>				
Cook County	136,176,024,327	3,706,435,000	2.083%	77,205,041
Cook County Forest Preserve	136,176,024,327	131,500,000 (3)	2.083%	2,739,145
Metropolitan Water Reclamation District	133,397,995,365	2,492,761,543 (1)	2.126%	52,996,110
<u>Municipalities:</u>				
Village of Arlington Heights	2,859,958,555	43,330,000 (2)	13.436%	5,821,819
City of Des Plaines	2,039,939,367	800,000 (2)	16.270%	130,160
Village of Elk Grove Village	1,941,084,699	85,385,000	76.640%	65,439,064
Village of Mount Prospect	1,568,774,082	36,480,000	26.372%	9,620,506
City of Rolling Meadows	836,011,843	5,428,154 (2)	7.206%	391,153
<u>Park Districts:</u>				
Arlington Heights Park District	2,743,411,132	13,685,000 (3)	14.731%	2,015,937
Elk Grove Park District	1,696,836,827	15,285,000	83.227%	12,721,247
Mt. Prospect Park District	1,653,835,662	7,070,000 (3)	57.654%	4,076,138
Rolling Meadows Park District	668,807,892	620,000 (3)	9.081%	56,302
<u>School Districts:</u>				
Arlington Heights High School 214	8,656,533,697	46,530,000 (4)	32.708%	15,219,032
Harper Community College 512	19,011,750,509	182,990,000	14.892%	27,250,871
Total Overlapping Debt				<u>275,682,525</u>
Total Direct and Overlapping General Obligation Bonded Debt				<u>\$ 284,432,525</u>

(1) Includes IEPA 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.

(4) Excludes outstanding Debt Certificates

Sources: 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**

SCHEDULE 16

2012				2004			
Taxpayer	Taxable Value	Rank	Percentage of Total Village Taxable Assessed	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed
			Valuation				Valuation
Crane & Norcross	\$ 64,509,239	1	2.28%	Continental Towers	\$ 41,354,949	1	0.57%
1701 W. Golf Rd Holdings	29,323,856	2	1.04%	Trammel Crow Co.	32,641,557	2	0.45%
Draper & Kramer RIC	25,189,830	3	0.89%	United Airlines	31,979,331	3	0.44%
MLRP & Wille Road LLC	25,687,970	4	0.91%	Crane & Norcross	26,834,860	4	0.37%
Arthur J Rogers & Co.	16,487,176	5	0.58%	Home Properties Colony	25,166,400	5	0.35%
Golf Plaza I & II	16,227,377	6	0.57%	Marvin F Poer & Co.	24,555,039	6	0.34%
Home Properties Colony & Home Properties of New York	15,201,479	7	0.54%	Hamilton Partners	22,777,505	7	0.32%
Tarantula Ventures LLC	15,144,912	8	0.53%	Washington Capital	20,615,790	8	0.29%
United Air Lines	13,980,302	9	0.49%	Draper & Kramer	18,170,078	9	0.25%
John Buck Co.	13,366,033	10	0.47%	BBKI Northwest PT	17,704,135	10	0.25%
	<u>\$ 235,118,174</u>		<u>8.30%</u>		<u>\$ 261,799,644</u>		<u>3.64%</u>

\*The figures above are totals of numerous parcels with 2012 equalized assessed valuations of approximately \$375,000 and over as recorded in the Cook County Assessor's office. They were compiled from a meticulous page by page search of a listing of such records. It is possible, however, that certain parcels may have been overlooked.

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

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

SCHEDULE 17

2013				2004			
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	4,000	4.10%	United Airlines	1	3,732	3.73%
Alexian Bros. Medical Center	2	3,100	3.10%	Northwest Community Hospital	2	3,300	3.30%
Northrop Grumman Corp.	3	2,300	2.35%	Motorola, Inc.	3	3,000	3.00%
UOP, LLC	4	1,600	2.00%	3Com Corp	4	2,600	2.60%
Equity Services Inc.	5	1,500	2.00%	Northrop Grumman Corp	5	2,600	2.60%
Automatic Data Processing	6	1,500	1.50%	Alexian Bros. Medical Center	6	2,500	2.50%
Holy Family Medical Center	7	1,036	1.50%	UOP, LLC	7	2,000	2.00%
Wesley-Jessen Corp.	8	1,000	1.04%	Field Container Co.	8	1,750	1.75%
Wirtz Beverage Illinois, LLC	9	1,000	1.00%	High School District 214	9	1,600	1.60%
Swissport USA, Inc	10	1,000	1.00%	Siemens Building Technologies	10	1,500	1.50%
<b>TOTAL</b>			<u>19.59%</u>				<u>24.58%</u>
<b>TOTAL EMPLOYMENT (Est.)</b>			<u>100,000</u>				<u>100,000</u>

**Source of Information:** 2013 Illinois Manufacturers' Directory, 2013 Illinois Service Directory, 2013 Harris Illinois Industrial Directory



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

SCHEDULE 18

<u>Calendar Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Income Per Capita</u>	<u>Unemployment Rate</u>
2012	33,350	\$ 1,046,756,450	\$ 31,387	7.4%
2011	33,272	1,082,238,344	32,527	7.8%
2010	33,161	1,078,627,847	32,527	8.5%
2009	33,124	1,104,354,160	33,340	8.7%
2008	33,019	1,086,853,404	32,916	4.8%
2007	33,092	1,077,806,440	32,570	4.0%
2006	33,208	946,926,120	28,515	4.5%
2005	33,694	960,784,410	28,515	5.5%
2004	33,876	965,974,140	28,515	5.7%
2003	34,290	977,779,350	28,515	5.9%

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)*
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%
2011	5,659	79,399,054	14,031	-0.06%	72,966,761	12,894	-1.86%	448.0	15.1	49.20%
2012	5,835	78,615,589	13,473	-3.97%	72,540,591	12,432	-3.58%	451.0	15.5	51.50%
2013	5,913	84,463,713	14,284	6.02%	76,992,761	13,021	4.74%	451.0	19.7	52.20%

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

<b>Fiscal Year Ended June 30,</b>	<b>Peak Enrollment (1)</b>	<b>Average Daily Membership (2) (ADM)</b>	<b>Average Daily Attendance (3) (ADA)</b>	<b>Percent of ADA to ADM</b>
2013	6,690	6,220	5,913	95.06%
2012	6,469	6,014	5,835	97.02%
2011	6,263	5,841	5,659	96.88%
2010	6,211	5,769	5,630	97.60%
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%

(1) Fall Housing Report. Includes the pre-school and tuition students

(2) Includes calculations for Full Day Kindergarten

(3) Annual General State Aid Claim.

**Community Consolidated School District 59  
Historical and Projected Enrollment by Grade**

SCHEDULE 21

<b>Fiscal Year Ended June 30,</b>	<b>K</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>Total</b>
2016*	720	760	768	758	782	709	729	687	676	6,589
2015*	716	757	758	787	711	739	679	673	744	6,564
2014*	714	745	783	715	747	698	665	739	641	6,447
2013	724	775	713	750	703	699	749	652	702	6,467
2012	732	708	748	693	663	740	637	699	652	6,272
2011	660	710	674	666	725	636	679	644	670	6,064
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

SOURCE OF INFORMATION: ISBE Fall Housing Report and CCSD 59 Demographic Study. 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	48.0	-	-	-	-	48.0
District Administrators	12.6	12.6	-	-	-	-
Educational Services (Certified)	45.0	-	-	45.0	-	-
Maintenance	12.0	-	-	-	-	12.0
Non-negotiated	30.0	-	30.0	-	-	-
Nurse/Health Care Assistant	14.0	-	-	3.0	11.0	-
Secretary	46.6	-	-	-	46.6	-
Teacher Assistant	134.9	-	-	-	134.9	-
Teacher Elementary	278.5	-	-	278.5	-	-
Teacher Junior High	139.5	-	-	139.5	-	-
Teacher Special Education	52.0	-	-	52.0	-	-
<b>TOTAL</b>	<b>836.1</b>	<b>35.6</b>	<b>30.0</b>	<b>518.0</b>	<b>192.5</b>	<b>60.0</b>
	<b>Percent of Total Staff</b>	<b>4.3%</b>	<b>3.6%</b>	<b>62.0%</b>	<b>23.0%</b>	<b>7.2%</b>

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

SCHEDULE 23

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Elementary</b>										
<b>Brentwood (1963)</b>										
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)	395	368	360	363	385	377	407	405	465	443
Percent of Capacity	80.24%	74.76%	73.13%	73.78%	78.25%	76.63%	82.72%	82.32%	94.51%	90.04%
<b>Byrd (1967)</b>										
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	355	389	394	371	367	343	339	329	339	329
Percent of Capacity	81.03%	88.79%	89.93%	84.68%	83.77%	78.29%	77.38%	75.09%	77.38%	75.09%
<b>Clearmont (1961)</b>										
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	444	403	342	343	335	323	326	329	339	376
Percent of Capacity	89.33%	81.08%	68.81%	69.01%	67.40%	64.98%	65.59%	66.19%	68.20%	75.65%
<b>Devonshire (1963)</b>										
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	378	378	367	340	320	321	349	349	357	416
Percent of Capacity	85.26%	85.26%	82.78%	76.69%	72.18%	72.41%	78.72%	78.72%	80.53%	93.83%
<b>Forest View (1962)</b>										
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	334	357	307	328	336	361	392	374	393	397
Percent of Capacity	64.69%	69.14%	59.46%	63.53%	65.08%	69.92%	75.92%	72.43%	76.11%	76.89%
<b>Frost (1964)</b>										
Square feet	47,643	47,643	47,643	47,643	47,643	47,643	47,643	47,643	47,643	56,643
Capacity	433	433	433	433	433	433	433	433	433	515
Enrollment	368	379	360	370	390	397	418	442	460	493
Percent of Capacity	84.97%	87.50%	83.12%	85.43%	90.04%	91.66%	96.51%	102.05%	106.21%	95.73%
<b>John Jay (1967)</b>										
Square feet	42,436	42,436	42,436	46,500	46,500	46,500	46,500	46,500	46,500	46,500
Capacity	386	386	386	423	423	423	423	423	423	423
Enrollment	322	345	338	338	316	305	318	322	373	358
Percent of Capacity	83.47%	89.43%	87.61%	79.96%	74.75%	72.15%	75.23%	76.17%	88.24%	84.69%
<b>Low (1965)</b>										
Square feet	62,212	62,212	62,212	62,212	62,212	62,212	62,212	75,713	75,713	75,713
Capacity	566	566	566	566	566	566	566	688	688	688
Enrollment	331	346	309	347	378	366	393	379	377	403
Percent of Capacity	58.53%	61.18%	54.64%	61.35%	66.84%	64.71%	69.49%	55.06%	54.77%	58.55%
<b>Ridge (1959)</b>										
Square feet	39,781	39,781	39,781	39,926	39,926	39,926	39,926	39,926	46,426	46,426
Capacity	362	362	362	363	363	363	363	363	422	422
Enrollment	347	352	308	312	315	290	290	259	340	276
Percent of Capacity	95.95%	97.33%	85.17%	85.96%	86.79%	79.90%	79.90%	71.36%	80.56%	65.39%
<b>Rupley (1958)</b>										
Square feet	50,882	50,882	50,882	50,882	50,882	50,882	50,882	50,882	59,382	59,382
Capacity	463	463	463	463	463	463	463	463	540	540
Enrollment	367	352	336	323	371	425	438	453	413	470
Percent of Capacity	79.34%	76.10%	72.64%	69.83%	80.21%	91.88%	94.69%	97.93%	76.50%	87.06%
<b>Salt Creek (1968)</b>										
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	574	549	551	554	500	452	419	430	436	403
Percent of Capacity	85.26%	81.55%	81.84%	82.29%	74.27%	67.14%	62.24%	63.87%	64.76%	59.86%
<b>Junior High</b>										
<b>Friendship (1971)</b>										
Square feet	101,668	101,668	101,668	101,668	101,668	101,668	101,668	101,668	101,668	101,668
Capacity	813	813	813	813	813	813	813	813	813	813
Enrollment	636	639	623	652	657	635	639	666	662	729
Percent of Capacity	78.20%	78.56%	76.60%	80.16%	80.78%	78.07%	78.56%	81.88%	81.39%	89.63%
<b>Grove (1960)</b>										
Square feet	116,274	116,274	116,274	116,274	116,274	116,274	116,274	116,274	116,274	116,274
Capacity	930	930	930	930	930	930	930	930	930	930
Enrollment	990	942	926	946	913	913	889	844	862	832
Percent of Capacity	106.43%	101.27%	99.55%	101.70%	98.15%	98.15%	95.57%	90.73%	92.67%	89.44%
<b>Holmes (1966)</b>										
Square feet	86,492	86,492	86,492	86,492	86,492	86,492	86,492	86,492	86,492	86,492
Capacity	692	692	692	692	692	692	692	692	692	692
Enrollment	486	480	402	428	439	438	460	483	508	542
Percent of Capacity	70.24%	69.37%	58.10%	61.86%	63.45%	63.30%	66.48%	69.80%	73.42%	78.33%

**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.