

**Community Consolidated  
School District 181  
Westmont, Illinois**

**Comprehensive Annual  
Financial Report for the  
Fiscal Year Ended  
June 30, 2010**

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181  
Westmont, Illinois**

**Comprehensive Annual Financial Report**

**Fiscal year ended  
June 30, 2010**

**Prepared by:  
Troy Whalen  
Assistant Superintendent for Business**



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Comprehensive Annual Financial Report

June 30, 2010

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## Comprehensive Annual Financial Report

June 30, 2010

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181  
Principal Officers and Advisors  
For the Fiscal Year Ended June 30, 2010

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**Board of Education**

Linda Rio Reichmann	President	2011
Roseanne Rosenthal	Vice President	2011
Russell Rhoads	Secretary	2013
Sarah Lewnsohn	Member	2013
Yvonne Mayer	Member	2013
Marc Monyek	Member	2011
Andrew Schmidt	Member	2011

**District Administration and Officials**

Dr. Renée Schuster, Superintendent  
Mary Ticknor, Associate Superintendent

Dr. Troy Whalen, Asst. Superintendent for Business  
Carolann Kwiat, Assistant Business Manager

Dr. Janet Stutz, Asst. Superintendent for Instruction  
Eric Danley, Director of Technology

Pamela Kazee, Asst. Superintendent for Pupil Personnel Services

Rita DuChateau, Director of Communications

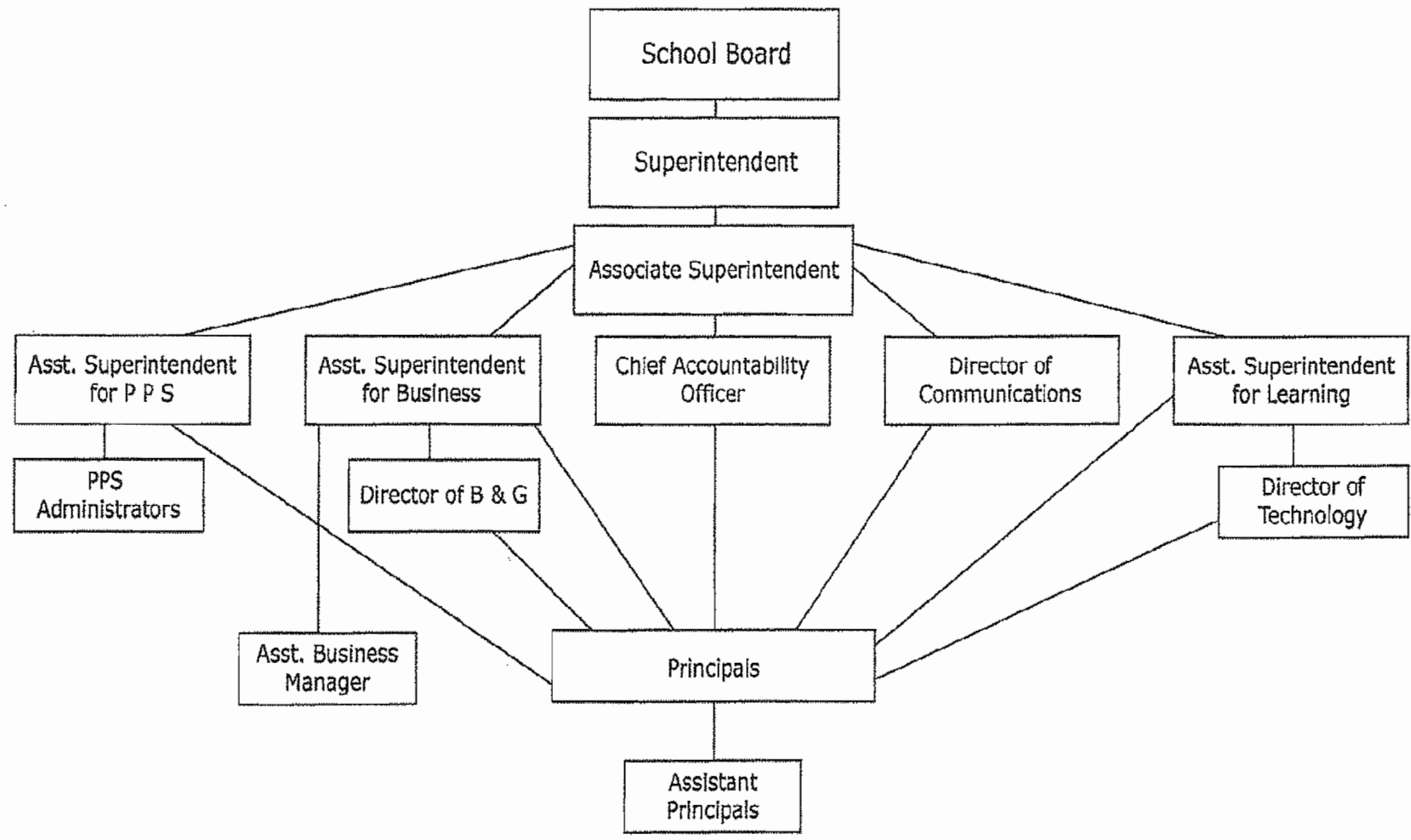
**Officials Issuing Report**

Dr. Renée Schuster, Superintendent  
Mary Ticknor, Associate Superintendent  
Dr. Troy Whalen, Asst. Superintendent for Business

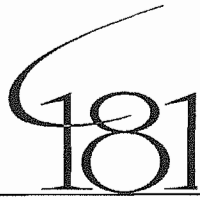
**Department Issuing Report**

Business Office





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## Community Consolidated School District 181

Administration Building  
6010 S. Elm Street  
Burr Ridge, IL 60527  
630-887-1070 • FAX 630-887-1079

December 8, 2010

Citizens of Community Consolidated School District 181  
and President and Members of the Board of Education  
Community Consolidated School District 181  
Hinsdale, Illinois

The Comprehensive Annual Financial Report of Community Consolidated School District 181 (“the District”), Hinsdale, Illinois, for the fiscal year ended June 30, 2010 is submitted herewith. The District’s Business Office prepared the report. The audit was completed on September 3, 2010, and the report was subsequently issued. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that 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 for the reader to gain maximum understanding of the District’s financial affairs have been incorporated within this report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes a list of principal officials, the District’s organizational chart and this transmittal letter. The financial section includes the management’s discussion and analysis, the basic financial statements and schedules, as well as the independent auditor’s report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **Reporting Entity and Its Services**

Community Consolidated School District 181 is located about 20 miles west of downtown Chicago, Illinois. The District encompasses an area of approximately 7.1 square miles of land in Eastern DuPage County and Western Cook County and includes most of the Villages of Hinsdale and Clarendon Hills and portions of the Villages of Oak Brook, Willowbrook and Burr Ridge. The estimated population served within its boundaries is 26,000 and is composed of predominately residential communities.

Within these communities, the District operates seven (7) elementary schools (grades K-5) and two middle schools (grades 6 – 8). The elementary schools are: Elm School, Burr Ridge, Illinois; Madison, Monroe, Oak, and The Lane Schools in Hinsdale, Illinois; and Prospect and Walker schools in Clarendon Hills, Illinois. The middle schools are: Hinsdale Middle School in Hinsdale, Illinois; and Clarendon Hills Middle School in Clarendon Hills, Illinois. Founded in 1947, the District provides public education to students in grades K-8 who reside within its boundaries. The District offers a rigorous curriculum that challenging opportunities for all students to succeed. Eight of our nine schools were noted as Illinois Honor Roll Schools.

The District's governing body consists of a seven-member Board of Education elected from within the District's boundaries. Based on legislative authority codified in The School Code of Illinois the Board of Education:

- a) Has the corporate power to sue and be sued in all courts.
- b) Has the power to levy and collect taxes and to issue bonds.
- c) Can contract for appointed administrators, teachers and other personnel as well as for goods and services.

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

On February 25, 2002, the Board of Education adopted a Mission statement for the District. Based on this statement, the Board of Education further defined the vision, values and core ideologies for the District. They are as follows:

- Mission
  - To educate each child in an environment of excellence that provides a foundation for living in a complex world
- Vision
  - To be a school district where all children experience success and exhibit excellence
- Values
  - To realize excellence through: Leadership, Achievement, Accountability, Responsibility, Integrity, and Community Involvement
- Core Ideologies
  - District 181 commits to an environment for excellence in education by:
    - Providing each child a challenging and safe learning environment
    - Developing lifelong learners and productive citizens
    - Building self-confidence and developing character.

- Encouraging creativity
- Demanding continuous improvement
- Expecting innovation and professional development
- Assuring accountability
- Communicating effectively
- Working with the community in a spirit of collaboration, trust and respect.
- An environment of educational excellence will result in:
  - Engaged learners who demonstrate proficiency in basic academic skills, exhibit competency in current technology, and succeed in the educational program.
  - Critical thinkers, who apply their knowledge and skills to identify, gather, analyze, synthesize and evaluate information to plan action and solve problems.
  - Collaborative team members who cooperate and contribute in a variety of settings and roles.
  - Effective communicators who are able to express and understand thoughts or ideas in a variety of ways.
  - Responsible people who respect diversity, are considerate of others, and accept the consequences of their actions.
  - Informed citizens who recognize the importance of democratic principles and understand different social, historical, cultural and environmental perspectives.

## **Economic Outlook**

Community Consolidated School District 181 has a tax base comprised of 94.87% residential, 5.10% commercial, and .03% industrial and railroad property. The 2009 total current equalized assessed valuation (EAV) of properties within the District is \$2,785,614,964. According to the 2000 Census, the median family income for the Village of Hinsdale is \$104,551 and \$67,887 for DuPage County.

The 2010 enrollment of 4,021 is 1.1% higher than 2009. Teardowns of existing homes, which are then replaced with larger homes that are more desirable for families with young children, have continued to decline due to the weak economy. According to the 2000 census, over 75% of the homes in the Village of Hinsdale have a value of \$300,000 or more.

In 1991, the Illinois General Assembly imposed property tax limitation legislation (Tax Cap) on Cook County and the collar counties which includes DuPage County. The legislation limits the tax levy increase to whichever is less, 5% or the increase in Consumer Price Index for all Urban Consumers (CPI-U), during the calendar year prior to the levy year. For the 2009 levy the CPI-U was 0.01%. The legislation permits exclusion of equalized assessed valuation attributable to new construction or annexation each year. New Construction for the tax year 2009 was \$38,177,593. Historically, the average new construction amount has been between \$45 and \$55 million. In the spring of each year the EAV amounts are finalized and the District is given an opportunity to adjust the individual levies, not to exceed individual maximum rates, original levy or the aggregate levy allowed under the tax limitation calculation.

When the Tax Cap was implemented for the 1991 Levy Year, the District had no outstanding debt and all tax rates were well below the maximum rates allowed. Therefore, over the years as the EAV has increased, the overall tax rates have been declining. On November 5, 2002, the voters approved a tax rate increase of \$0.31 of \$100 of equalized assessed valuation in the General Fund.

### **Major Initiatives**

The District adopted a comprehensive strategic plan in April 2002, following sessions with Board Members, administrators and a facilitator. The plan provides direction for the next several years in the areas of finance, facilities and curriculum. It directs financial reporting to include a five-year planning model as well as monthly updates for the Board of Education. It provides the necessary framework for maintaining the District's programs, reviewing and improving curriculum, and addressing facilities needs, all in a fiscally responsible manner. The plan guided the Board's decision to place two referenda on the November 5, 2002 ballot, one to increase the educational tax rate and another to address facilities needs at two schools which were completed for the 2005 school year. An additional building bond referendum was passed in 2004 which provided for the final phase of the facilities plan. This phase was completed for the opening of school for the 2006-07 school year. In the spring of 2010 the School Board approved a deficit reduction plan that will reduce expenditures by \$1.8 million for fiscal year 2011.

### **Accounting Systems**

Community Consolidated School District 181 conforms to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The District reports on a modified accrual basis of accounting. The notes to financial statements expand upon all accounting policies. All the District's funds are presented in their report and have been audited by the District's Certified Public Accountants, Klein, Hall & Associates, LLC. Their opinion is unqualified.

In developing and evaluating the District's accounting system, much consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with

applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by District management.

### **Budgetary Controls**

The District maintains budgeting controls to ensure compliance with legal provisions embodied in the annual appropriated budget.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. Actual activity compared to the budget is reported to the District's management on a monthly basis. Full disclosures are made if extraordinary variances appear during the year.

The District's actual expenditures in the Municipal Retirement/Social Security, Bond and Interest and Transportation Funds exceeded budgeted expenditures. However additional resources are available to finance these excess expenditures as allowed under the State Budget Act.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### **Cash Management**

The Board of Education policy for the District states that all surplus funds are to be invested to realize the largest gain for the District. The District is bound by this policy and the Illinois Revenue Code as to what investment instruments can be used to facilitate this directive. Investments are made in Certificates of Deposit, Treasury Bills and Bonds, and Prime Commercial Paper. All non-treasury investments are purchased as collateralized or insured products so the principal amount of the investment is not in jeopardy of loss.

### **Risk Management**

As a member of an insurance cooperative, the District purchases liability and workers' compensation insurance from private companies. For both of these coverages, the District is a member of CLIC (Collective Liability Insurance Cooperative). The insurance is adequate to protect against loss or liability to the District or any agent, employee, teacher, Board of Education member, administrator or member of the supervisory staff, resulting from the wrongful or negligent act of such agent in the discharge of his/her duties, within the scope of his/her employment and/or direction of the Board of Education. Premiums for these coverages are included in the expenditures of the District in the appropriate funds. The District also operates a self-insured medical plan for the medical, dental and vision coverages for the eligible employees of the District. The notes to the financial statements present more information related to the self-insurance program. No material decreases in insurance coverage have occurred nor have any insurance claims in excess of insurance coverage been paid or reported.

## **Independent Audit**

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The audit is conducted by an independent certified public accountant selected by the District's Board of Education. The auditor's opinions have been included in 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 181 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This certificate is a prestigious national award recognizing standards for preparation of state and local government financial reports. This year's Comprehensive Annual Financial Report will again be submitted for the ASBO Certificate of Excellence 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 generally accepted accounting principles and applicable legal requirements.

We believe that our current report conforms to the Certificate requirements and we are submitting it to ASBO International to determine its eligibility for the Certificate.

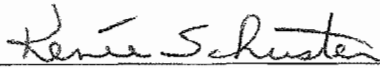
## **Closing Statement**

It is our belief that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with a most meaningful presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2010.

## Acknowledgement

The preparation of the report on a timely basis could not have been accomplished without the efficient and dedicated services of all the members of the Business Office who assisted in the closing of the District's financial records and the preparation of this report. We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible, progressive manner.

Respectfully Submitted,



Dr. Renée Schuster  
Superintendent of Schools



Dr. Troy J. Whalen  
Assistant Superintendent for Business



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

**For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2009**

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

President

Executive Director

Independent Auditors' Report

Board of Education  
Community Consolidated School District 181  
Burr Ridge, Illinois

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 181 as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 181 as of June 30, 2010, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2010, on our consideration of the Community Consolidated School District 181's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of

Board of Education

an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Community Consolidated School District 181's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Klein, Hall & Associates, LLC". The signature is written in a cursive, flowing style.

Klein, Hall & Associates, LLC  
Aurora, Illinois  
September 3, 2010

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
In Accordance with *Government Auditing Standards*

Board of Education  
Community Consolidated School District 181  
Burr Ridge, Illinois

We have audited the financial statements of Community Consolidated School District 181 as of and for the year ended June 30, 2010, and have issued our report thereon dated September 3, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Consolidated School District 181 internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Consolidated School District 181's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether Community Consolidated School District 181 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an

Board of Education

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In accordance with SAS No. 114 *The Auditor's Communication With Those Charged With Governance* we have issued a separate letter dated September 3, 2010 to the Board of Education addressing those required communications.

We noted certain matters that we reported to management of Community Consolidated School District 181 in a separate letter dated September 3, 2010.

This report is intended solely for the information and use of the audit committee, management and the Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Klein, Hall & Associates, LLC". The signature is written in a cursive, slightly slanted style.

Klein, Hall & Associates, LLC  
Aurora, Illinois  
September 3, 2010

# **Community Consolidated School District 181**

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

### **For the Year Ended June 30, 2010**

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The discussion and analysis of Community Consolidated School District 181's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2010. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

#### **Financial Highlights**

- Total assets increased \$1.2 or 1.0% from 2009.
- The end of year net assets were \$1.6.
- Total revenues for 2010 were \$66.5. Program specific revenues in the form of charges for services, grants and contributions accounted for \$11.4 or 17.1% of total revenues.
- General revenues accounted for \$55.1 or 82.9% of total revenue. General revenues consisted of property tax revenues of \$53.9, other local revenues of \$0.6 and Federal and State aid not restricted to specific purposes of \$0.7.
- The District had \$64.0 in expenses related to government activities, of which \$11.4 were offset by program specific charges, grants and contributions.
- The District continued to pay down its general obligation debt bonds, retiring \$1.2 in fiscal 2010.
- Interest income decreased by \$0.6 in 2010, reflecting the continued recession and resulting low interest rates.

#### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements.

#### ***Government-wide financial statements***

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

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

# **Community Consolidated School District 181**

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

### **For the Year Ended June 30, 2010**

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

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

#### ***Fund financial statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

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

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

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Debt Service Funds, which are considered to be major funds. The Transportation, Municipal Retirement, Working Cash, Site and Construction and Fire Prevention and Safety Fund are considered non-major funds.

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

**Community Consolidated School District 181**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2010**

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

*Notes to the financial statements*

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

*Other information*

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



# **Community Consolidated School District 181**

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

### **For the Year Ended June 30, 2010**

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#### **Government-Wide Financial Analysis**

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

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

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

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

#### **Fund Financial Statements**

The District'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 debts) 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 readily be converted to cash flow in and out and (2) the balance left at year-end that is available for spending. Consequently, the governmental funds statements provide a detailed short-term view that can help 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 at the bottom of the governmental funds statements explains the relationship (or differences) between them.

**Community Consolidated School District 181**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2010**

- **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.

**Government-Wide Financial Analysis**

Net Assets: The District's total assets are \$118.7, total liabilities are \$117.1 and the total net assets for the year ending June 30, 2010 are a positive \$1.6.

<b>Table 1</b>		
<b>Condensed Statement of Net Assets</b>		
<i>(in millions of dollars)</i>		
	<u>2009</u>	<u>2010</u>
<b>Assets:</b>		
Current assets	\$60.5	\$55.9
Capital assets	59.5	62.8
Total assets	<u>120.0</u>	<u>118.7</u>
<b>Liabilities:</b>		
Current liabilities	31.3	30.2
Long-term debt outstanding	2.5	2.7
Current long-term debt outstanding	87.1	84.2
Total liabilities	<u>120.9</u>	<u>117.1</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	0.0	0.0
Restricted	7.4	1.6
Unrestricted	(8.3)	0.0
Total net assets	<u><u>\$(0.9)</u></u>	<u><u>\$1.6</u></u>

**Community Consolidated School District 181**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2010**

Changes in net assets: The District's total revenues were \$66.5. (See Table 2)

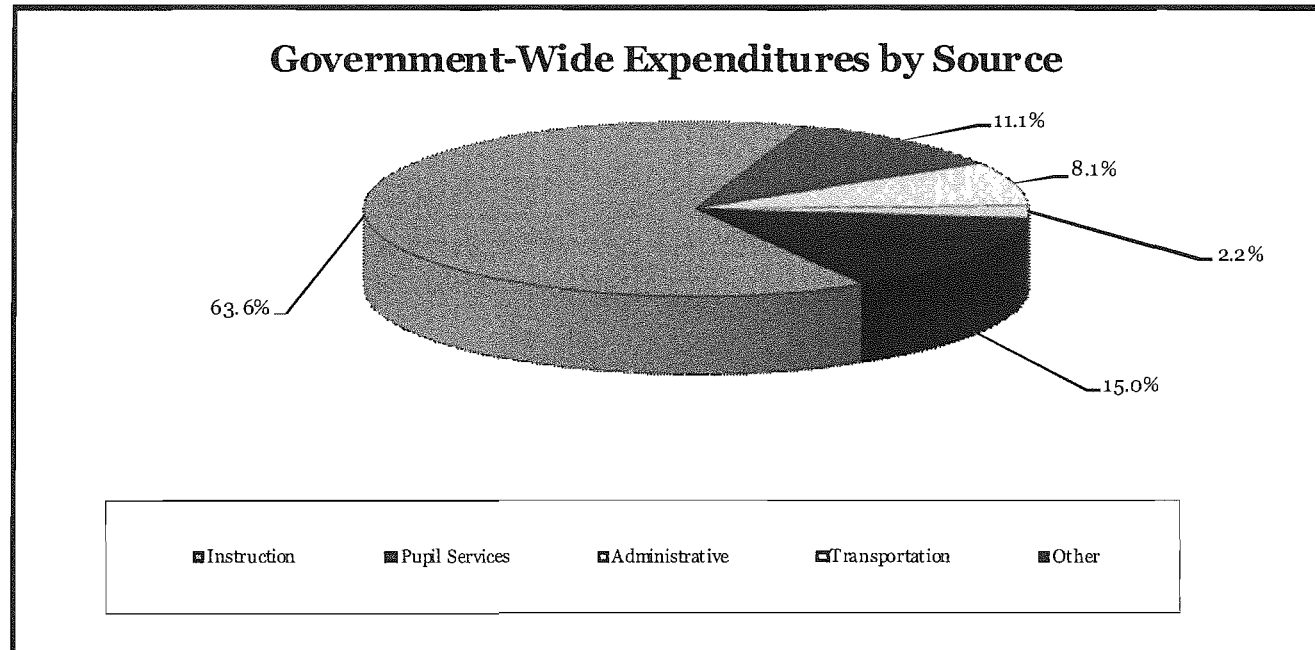
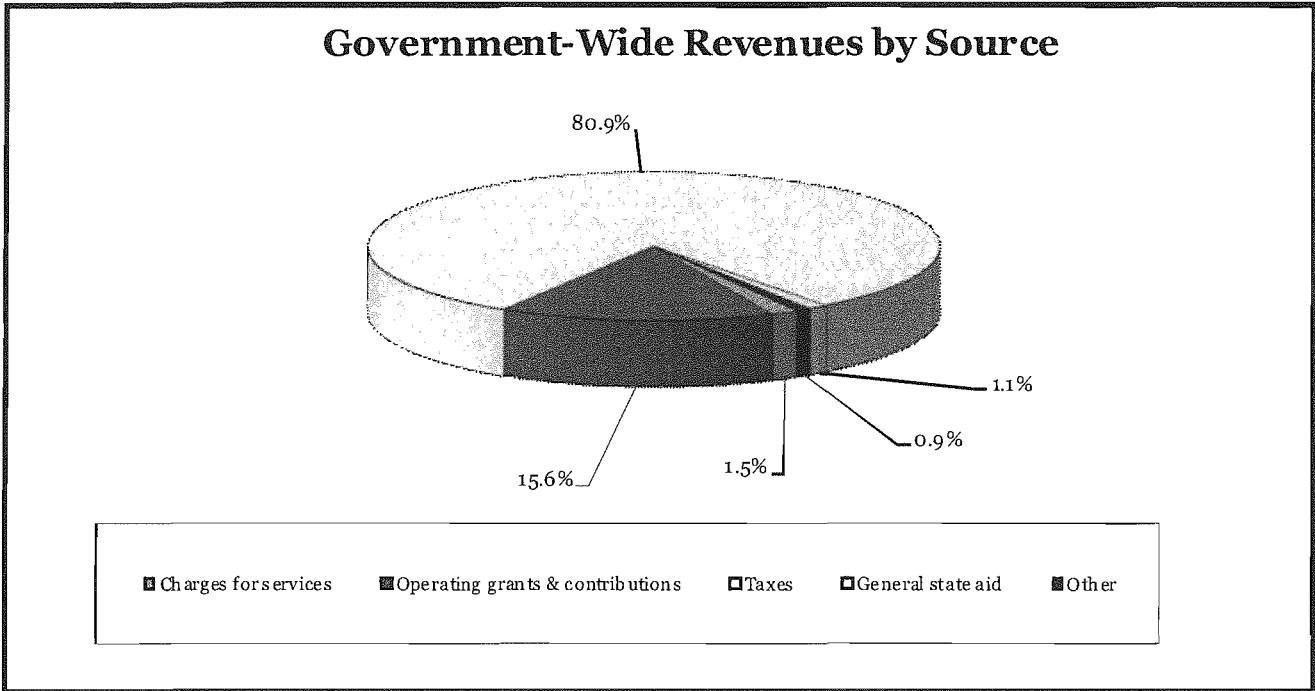
**Table 2**  
**Changes in Net Assets**  
*(in millions of dollars)*

	<u>2009</u>	<u>2010</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 0.7	\$ 1.0
Operating grants & contributions	7.2	10.4
General revenues:		
Taxes	51.3	53.8
General state aid	0.8	0.7
Other	1.4	0.6
Total revenues	<u>\$61.4</u>	<u>\$66.5</u>
<b>Expenses:</b>		
Instruction	\$38.3	\$40.7
Pupil & instructional services	6.7	7.1
Administration & business	8.2	5.2
Transportation	1.5	1.4
Operations and maintenance	5.4	5.3
Other	4.1	4.3
Total expenses	<u>\$64.2</u>	<u>\$64.0</u>
<b>Increase (decrease) in net assets</b>	<b>\$(2.8)</b>	<b>\$2.5</b>

Property taxes accounted for most of the District's revenue, contributing about 81 cents of every dollar raised. The remainder comes from restricted and unrestricted state and federal, fees charged for services and miscellaneous sources. The total cost of all programs and services was \$64.0. The District's expenses are predominantly (76.9%) related to instruction, pupil services and transportation of students.

**Community Consolidated School District 181  
 Management's Discussion and Analysis  
 For the Year Ended June 30, 2010**

The District's administrative and business activities accounted for 8.1% of total costs.



# **Community Consolidated School District 181**

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

### **For the Year Ended June 30, 2010**

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#### **Financial Analysis of the District's Funds**

The statement of net assets includes capital assets and long-term liabilities and therefore presents a financial picture that is different from the traditional modified accrual statements. The bulk of the long-term liabilities are bonds (\$86.4), which will not be paid off with operating funds, but are supported by the specific ability to levy property taxes to meet the payment commitments. The modified accrual financial statements reflect strong financial performance of the District as a whole during the fiscal year. As the District completed the year, the ending fund balance in all funds was \$25.2, a \$3.6 decrease for the year.

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

- To counter the loss of revenue due to a weak economy the district made reductions in its operational expenditures in an attempt to reduce the overall deficit.
- The General Fund had an overall surplus of \$0.1 for the year ended June 30, 2010.
- The General Fund's Education Account had a surplus of \$1.0 after transfers out of \$0.7.
- The General Fund's Operations and Maintenance Account continues to support the ongoing needs of the District facilities and is providing the funding obtained from expected energy savings for the Debt Certificates issued to fund HVAC improvements at Hinsdale Middle School. The deficit this year of \$0.9 represents a planned transfer of funds to the Capital Projects and Debt Service Funds in compliance with IPAM guidelines.
- The Working Cash Fund (included in the non major funds) continues to grow through investment income. The District has no intention to transfer or abolish the fund in the near future.

**Community Consolidated School District 181**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2010**

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**Capital Asset and Debt Administration**

*Capital assets*

The District's capital outlay expenditures increased from \$1.1 million in 2009 to \$1.3 in 2010. Total depreciation expense for the year was \$2.1. More detailed information about capital assets can be found in Note 3 to the basic financial statements.

<b>Table 3</b>		
<b>Capital Assets (net of depreciation)</b>		
<i>(in millions of dollars)</i>		
	<u>2009</u>	<u>2010</u>
Land	\$2.2	\$2.2
Construction in progress	0.9	5.0
Land improvements	0.5	0.6
Buildings	53.9	53.4
Equipment & furniture	2.0	1.6
Total	<u>\$59.5</u>	<u>\$62.8</u>

*Long-term debt*

In 2010 the District retired \$1.0 in bonds and decreased other long-term liabilities by \$1.9. At the end of fiscal year 2010, the District had a debt margin of \$117.1. More detailed information can be found in Note 4 of the basic financial statements.

<b>Table 4</b>		
<b>Outstanding Long-Term Debt</b>		
<i>(in millions of dollars)</i>		
	<u>2009</u>	<u>2010</u>
General obligation bonds & notes	\$79.8	\$78.8
Debt certificates	6.6	6.4
Capital leases and other	2.9	1.2
Total	<u>\$89.3</u>	<u>\$86.4</u>

**Community Consolidated School District 181**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2010**

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**Factors Bearing on the District's Future**

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

In fiscal year 2011 the District expects to experience another operating fund deficit of \$2.7. The summer of 2010, improvements to the heating and air conditioning system made at the Hinsdale Middle School exceeded \$4.7 which should be offset by energy savings achieved by the upgraded equipment. In 2010 property taxes accounted for 84% of the District's total revenue. Property tax levies, with the exception of those for bond and interest, are limited under Illinois law to a specific increase (lesser of 5% or the prior year CPI) over the prior year. The 2010 levy will be limited by an all time low CPI of .1% affecting both the FY 2011 and 2012 budgets.

**Requests for Information**

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

Community Consolidated School District 181  
1010 Executive Court, Suite 100  
Westmont, Illinois 60559.  
(630) 887-1070

## **BASIC FINANCIAL STATEMENTS**



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

	Governmental Activities
<b>Assets:</b>	
Cash and investments	\$ 25,806,738
Receivables:	
Property taxes	28,354,818
Replacement taxes	61,641
Due from other governments	1,195,149
Deferred charges	526,570
Capital assets:	
Land and construction in progress	7,257,974
Other capital assets, net of depreciation	55,549,732
Total Assets	118,752,622
<b>Liabilities:</b>	
Accounts payable	223,086
Accrued salaries and related payables	3,800,815
Self insurance claims payable	320,000
Unearned revenue	25,870,817
Noncurrent liabilities:	
Due within one year	2,676,901
Due in more than one year	83,749,287
Other post employment benefits	506,570
	117,147,476
<b>Net Assets:</b>	
Restricted for:	
Employee healthcare costs	1,604,254
Unrestricted	892
Total net assets	\$ 1,605,146

See accompanying notes to basic financial statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2010**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Assets
					<u>Total Governmental Activities</u>
<b>Governmental Activities:</b>					
Instructional services:					
Regular programs	\$ 33,642,208	\$ 792,605	\$ 8,005,488	\$ 78	\$ (24,844,037)
Special programs	6,518,478	-	2,175,501	-	(4,342,977)
Tuition, learning disabilities	557,193	-	-	-	(557,193)
Support services:					
Pupils	2,991,466	-	-	-	(2,991,466)
Instructional staff	4,082,288	-	34,231	-	(4,048,057)
General administration	1,827,992	-	-	-	(1,827,992)
School administration	2,296,623	-	-	-	(2,296,623)
Business	1,133,967	-	8,552	-	(1,125,415)
Operation and maintenance of facilities	5,319,726	156,291	-	-	(5,163,435)
Transportation	1,421,632	23,080	189,867	-	(1,208,685)
Central	243,690	-	-	-	(243,690)
Community services	33,690	-	-	-	(33,690)
Interest on long-term liabilities	3,975,719	-	-	-	(3,975,719)
Total school district	<u>\$ 64,044,672</u>	<u>\$ 971,976</u>	<u>\$ 10,413,639</u>	<u>\$ 78</u>	<u>(52,658,979)</u>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					46,641,618
Transportation					885,396
Retirement					1,326,167
Debt service					5,061,651
Federal and state aid not restricted to specific purposes					702,616
Earnings on investments					155,370
Miscellaneous					411,761
					<u>55,184,579</u>
					Change in net assets
					2,525,600
					Net assets - beginning
					<u>(920,454)</u>
					Net assets - ending
					<u>\$ 1,605,146</u>

See accompanying notes to basic financial statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

<u>ASSETS</u>	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 16,984,993	\$ 3,763,608	\$ 5,058,137	\$ 25,806,738
Receivables:				
Property taxes	24,408,016	2,773,465	1,173,337	28,354,818
Replacement taxes	61,641	-	-	61,641
Due from other governments	1,096,235	-	98,914	1,195,149
<b>TOTAL ASSETS</b>	<u>\$ 42,550,885</u>	<u>\$ 6,537,073</u>	<u>\$ 6,330,388</u>	<u>\$ 55,418,346</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 131,530	\$ -	\$ 91,556	\$ 223,086
Self insurance claims payable	320,000	-	-	320,000
Accrued salaries and related expenditures	3,732,485	-	68,330	3,800,815
Deferred revenue	22,271,431	2,532,036	1,067,350	25,870,817
Total Liabilities	<u>26,455,446</u>	<u>2,532,036</u>	<u>1,227,236</u>	<u>30,214,718</u>
<b>Fund Balances:</b>				
Reserved:				
Reserved for employee healthcare costs	1,604,254	-	-	1,604,254
Unreserved - undesignated	14,491,185	4,005,037	-	18,496,222
Unreserved - undesignated reported in:				
Special Revenue Funds	-	-	3,776,966	3,776,966
Capital Project Funds	-	-	1,326,186	1,326,186
Total Fund Balances	<u>16,095,439</u>	<u>4,005,037</u>	<u>5,103,152</u>	<u>25,203,628</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 42,550,885</u>	<u>\$ 6,537,073</u>	<u>\$ 6,330,388</u>	<u>\$ 55,418,346</u>

See accompanying notes to basic financial statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

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<b>Total fund balances - governmental funds</b>	<b>\$ 25,203,628</b>
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$87,833,068 and the accumulated depreciation is \$25,025,362.	62,807,706
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Deferred charges included in the statement of net assets are not available to pay for current period expenditures and accordingly, are not included in the governmental funds balance sheet.	526,570
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of:

Long term debt	\$ (86,426,188)	
Other post employment benefits	(506,570)	(86,932,758)

<b>Net assets of governmental activities</b>	<b><u><u>\$ 1,605,146</u></u></b>
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**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 48,100,129	\$ 5,072,079	\$ 2,295,449	\$ 55,467,657
State sources	9,654,407	-	189,867	9,844,274
Federal sources	1,258,341	-	-	1,258,341
<b>Total Revenues</b>	<b>59,012,877</b>	<b>5,072,079</b>	<b>2,485,316</b>	<b>66,570,272</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	38,856,846	-	601,281	39,458,127
Supporting services	16,791,963	-	2,343,524	19,135,487
Community services	47,705	-	-	47,705
Non-programmed charges	557,193	-	-	557,193
Debt service:				
Principal	-	2,086,091	-	2,086,091
Interest and other	-	3,828,431	-	3,828,431
Capital Outlay	-	-	5,011,415	5,011,415
<b>Total Expenditures</b>	<b>56,253,707</b>	<b>5,914,522</b>	<b>7,956,220</b>	<b>70,124,449</b>
Excess of revenues over expenditures	2,759,170	(842,443)	(5,470,904)	(3,554,177)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bond issues	-	5,710,000	-	5,710,000
Premium from bond issues	-	185,115	-	185,115
Deposits into refunding escrow and costs	-	(5,887,851)	-	(5,887,851)
Transfers in	-	1,153,380	1,501,178	2,654,558
Transfers out	(2,654,558)	-	-	(2,654,558)
<b>Total other financing sources (uses)</b>	<b>(2,654,558)</b>	<b>1,160,644</b>	<b>1,501,178</b>	<b>7,264</b>
Net changes in fund balance	104,612	318,201	(3,969,726)	(3,546,913)
Fund Balances at beginning of year	15,990,827	3,686,836	9,072,878	28,750,541
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 16,095,439</b>	<b>\$ 4,005,037</b>	<b>\$ 5,103,152</b>	<b>\$ 25,203,628</b>

See accompanying notes to basic financial statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2010**

**Net change in fund balances - total governmental funds** **\$ (3,546,913)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,500 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 5,463,396	
Depreciation expense	<u>(2,131,500)</u>	3,331,896

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

Decrease in early retirement obligations	1,081,051	
Increase in compensated absences	(23,024)	
Increase in other post employment benefits	<u>(248,949)</u>	809,078

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

Bond and debt certificate proceeds	(5,895,115)	
Repayment of bond principal	1,183,865	
Repayment of debt certificate principal	255,000	
Repayment of capital lease	647,226	
Deposits into refunding escrow and costs	5,887,851	
Bond premium amortization	76,820	
Issuance cost amortization	(49,966)	
Refunding charge amortization	<u>(174,142)</u>	1,931,539

**Change in net assets of governmental activities** **\$ 2,525,600**

See accompanying notes to basic financial statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND - ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2010**

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**Assets:**

Cash	<u>\$ 263,828</u>
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**Liabilities:**

Due to organizations	<u>\$ 263,828</u>
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See accompanying notes to basic financial statements

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements

June 30, 2010

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Community Consolidated School District 181 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

In June 1999 the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include;

- A Management’s Discussion and Analysis (MD&A) providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using the full-accrual basis of accounting for all the District’s activities.
- A change in the fund financial statements to focus on major funds.

#### **a. Reporting Entity**

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is legally separate organization for which the District is financially accountable and other organizations for which nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District’s reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.



# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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

### **b. Basis of Presentation**

#### **Government-wide Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues included (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as a general revenues instead.

#### **Governmental Fund Financial Statements**

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

Separate financial statements are provided for all governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual government funds are reported as separate columns in the fund financial statements.

#### **Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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are recognized as revenues in the year for which they are levied. Grants similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, unmatured principal and interest on general long-term debt is recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

In accordance with GASB No. 24, on-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It is used to account for all financial resources of the District, except those required to be accounted for in another fund. The General Fund consists of the Educational Account and Operations and Maintenance Account that are legally mandated by the State of Illinois.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related cost. The primary revenue source is local property taxes levied specifically for debt service.

Additionally, the District reports the following fund type:

The Fiduciary Fund (Student Activity Agency Fund) accounts for assets held by the District in a trustee capacity on behalf of student groups.

Private-sector standards of accounting, and financial reporting issued prior to December 1,

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Revenues – Exchange and nonexchange transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 that specify the year when the resources are required to be used or the fiscal 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. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, grants, entitlements and student fees.

### **Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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### **Expenses / Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

### **c. Deposits and Investments**

Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Funds. (A state sponsored investment pool.)
- Repurchase agreements which meet instrument transactions requirements of Illinois law.

### **d. Property Tax Revenues**

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2009 levy ordinance was approved during the December 14, 2009 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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exceeded to the extent there is “new growth” in the District’s tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments; the first due on June 1 and the second due on September 1 for property located in DuPage County and March 1 and August 1 for Cook County. Property taxes are normally collected by the District within 60 days of the respective installments dates. Due to the allocation method used, individual fund rates for Cook County may exceed the statutory limits; however, the combined extension is limited to the statutory rate limits extended on the combines equalized assessed valuation.

The 2009 property tax levy is recognized as a receivable in fiscal 2010. The District considers that the first installment of the 2009 levy is to be used to finance operations in fiscal 2010. This District has determined that the second installment of the 2009 levy is to be used to finance operations in fiscal 2011 and has deferred the corresponding receivable.

### **e. Personal Property Replacement Taxes**

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

### **f. Capital Assets**

Capital assets, which include land, buildings, buildings improvements, vehicles, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,500 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

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

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Notes to Financial Statements (Continued)

June 30, 2010

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Assets	Years
Buildings and building improvements	50 years
Land improvements	20 years
Furniture, equipment and vehicles	5-15 years

**g. Compensated Absences**

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken during the following fiscal year. Administrative employees may carry over unused vacation days to subsequent years; however unused days may not accumulate beyond 60 days. The entire liability for unused compensated absences is reported on the government-wide financial statements.

For governmental funds, the current portion of the compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid.

All certified employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between the Board of Education and the Education Association. Unused sick leave days accumulate to a maximum of 340 days. Upon retirement, if certain conditions are met, the employee may be reimbursed for up to 20 unused sick days, if these are not applied towards credited service for one of the District's retirement plans. Also upon retirement, a certified employee may apply up to 340 days of unused sick leave towards service credit for TRS.

Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated sick leave.

**h. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the full amounts of discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs,

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **i. Restricted Net Assets**

In the government-wide financial statements, net assets are reported as restricted when constraints placed on net assets use either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, reservations of fund balance represent amounts that are not available for other appropriations, or are legally segregated for a specific purpose.

### **j. Comparative Data**

Comparative totals for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

### **k. Reserved and Designated Fund Balances**

In the governmental funds financial statements, the District reserves those portions of fund balances which are legally segregated for a specific purpose or do not represent amounts available for other appropriations.

Designations of fund balance represent tentative management plans that are subject to change. The Board of Education has designated \$1,466,078 of the General Fund to pay for insurance expenditures. The Board of Education also designates the first installment of the current year real estate taxes for DuPage County for subsequent expenditures in the General and Special Revenue Fund balances. The taxes, which are received in June, are considered for budgetary purposes to be unavailable until the following fiscal year.

### **l. Eliminations and Reclassifications**

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

### **n. 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 amounts of assets and liabilities and disclosure of contingent assets and

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

Notes to Financial Statements (Continued)

June 30, 2010

liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2. CASH AND INVESTMENTS**

**Custodial Credit Risk – Deposits**

At June 30, 2010 the carrying amount of the District's deposits, excluding student activity funds of \$236,828 and petty cash of \$300, which include both cash and certificate of deposits totaled \$16,450,745 and the bank balances totaled \$18,594,014. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2010 all deposits were either collateralized or insured.

**Investments**

As of June 30, 2010, the District has the following investments and maturities:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Maturities (in years) Less than 1</i>	<i>Percent of Portfolio</i>	<i>Applicable Agency Rating</i>
<b>Other Investments:</b>				
Illinois School District Liquid Asset Fund	\$ 8,949,012	\$ 8,949,012	95.6%	AAAm
Federated Tax Free Obligation Fund	406,681	406,681	4.4%	N/A
<b>Total Investments</b>	<b>\$ 9,355,693</b>	<b>\$ 9,355,693</b>	<b>100%</b>	

The Illinois School District Liquid Asset Fund is an investment pool. The value of the position in this SEC registered investment pool is the same as the value of the pool shares.

*Interest Rate Risk.* The District's investment policy seeks to ensure the 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.* The District's investments are rated, as shown above, by the applicable rating agency.



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Notes to Financial Statements (Continued)

June 30, 2010

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*Concentration of Credit Risk.* The District places no limit on the amount of the District may invest any one issuer. More than 5 percent of the District's investments are concentrated in specific individual investments. The above table indicates the percentage of each investment to the total investments of the District.

*Custodial Credit Risk.* With respect to investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

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

Occasionally certain funds participating in the common bank accounts will incur overdrafts (deficits) in the account. The overdrafts results from expenditures that have been approved by the Board of Education.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Notes to Financial Statements (Continued)

June 30, 2010

**NOTE 3. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<i>Balance June 30, 2009</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2010</i>
Capital assets, not being depreciated:				
Land	\$ 2,246,559	\$ -	\$ -	\$ 2,246,559
Construction in Process	864,000	5,011,415	864,000	5,011,415
Total capital assets not being depreciated	<u>3,110,559</u>	<u>5,011,415</u>	<u>864,000</u>	<u>7,257,974</u>
Capital assets, being depreciated:				
Land Improvements	963,358	157,929	-	1,121,287
Buildings	71,334,342	864,000	-	72,198,342
Equipment and Vehicles	6,961,413	294,052	-	7,255,465
Total capital assets being depreciated	<u>79,259,113</u>	<u>1,315,981</u>	<u>-</u>	<u>80,575,094</u>
Accumulated depreciation for:				
Land Improvements	476,441	56,500	-	532,941
Buildings	17,413,531	1,450,000	-	18,863,531
Equipment and Vehicles	5,003,890	625,000	-	5,628,890
Total accumulation depreciation	<u>22,893,862</u>	<u>2,131,500</u>	<u>-</u>	<u>25,025,362</u>
Total capital assets being depreciated, net	<u>56,365,251</u>	<u>(815,519)</u>	<u>-</u>	<u>55,549,732</u>
<b>Total capital assets, net</b>	<u><b>\$ 59,475,810</b></u>	<u><b>\$ 4,195,896</b></u>	<u><b>\$ 864,000</b></u>	<u><b>\$ 62,807,706</b></u>

Depreciation expense was charged to functions of the District as follows:

<i>Instructional Services:</i>	
Regular Programs	\$ 1,214,955
Special Programs	341,040
<i>Supporting Services:</i>	
Pupils	63,945
School Administration	42,630
Business	85,260
Operations & Maintenance	383,670
	<u><b>\$ 2,131,500</b></u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Notes to Financial Statements (Continued)

June 30, 2010

**NOTE 4. GENERAL LONG-TERM DEBT**

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2010:

	<i>Balance</i> <i>July 1,</i> <i>2009</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance</i> <i>June 30,</i> <i>2010</i>	<i>Amount due</i> <i>in one year</i>
<b>General Obligation Bonds Payable:</b>					
Series dated January 1, 1998	\$ 900,000	\$ -	\$ 900,000	\$ -	\$ -
Series dated August 1, 2001	5,085,000	-	5,085,000	-	-
Series dated December 1, 2002	7,500,000	-	-	7,500,000	-
Series dated January 15, 2003	5,405,000	-	-	5,405,000	-
Series dated May 1, 2004	31,900,000	-	-	31,900,000	-
Series dated July 21, 2005	9,840,000	-	135,000	9,705,000	385,000
Series dated December 20, 2006	9,855,000	-	55,000	9,800,000	55,000
Series dated March 1, 2007	9,775,000	-	35,000	9,740,000	35,000
Series dated June 15, 2010	-	4,980,000	-	4,980,000	1,310,000
District 101 Bond	65,414	-	8,865	56,549	9,259
Deferred Refunding	(1,333,758)	(59,095)	(174,142)	(1,218,711)	-
Unamortized Premium	838,690	185,115	76,820	946,985	-
<b>Total Bonds Payable</b>	<b>\$ 79,830,346</b>	<b>\$ 5,106,020</b>	<b>\$ 6,121,543</b>	<b>\$ 78,814,823</b>	<b>\$ 1,794,259</b>
Debt Certificates Series 2001	880,000	-	805,000	75,000	75,000
Debt Certificates Series 2009	5,760,000	-	160,000	5,600,000	155,000
Debt Certificates Series 2010	-	730,000	-	730,000	-
Capital Lease	1,425,859	-	647,226	778,633	530,777
Early Retirement Incentive Obligations	1,386,918	305,867	1,386,918	305,867	-
Compensated Absences	98,841	121,865	98,841	121,865	121,865
<b>Total Long-Term Debt</b>	<b>\$ 89,381,964</b>	<b>\$ 6,263,752</b>	<b>\$ 9,219,528</b>	<b>\$ 86,426,188</b>	<b>\$ 2,676,901</b>

Long Term Debt at June 30, 2010 is comprised of the following:

**General Obligation Bonds Payable**

January 1, 1998, Building Bonds due in annual installments varying from \$75,000 to \$455,000 through 2013, interest rates varying from 4.00% to 5.88% per annum.

August 1, 2001, Refunding Bonds, due in annual installments varying from \$530,000 to \$1,050,000 through 2015, interest rates varying from 4.15% to 4.65% per annum.

December 1, 2002, Building Bonds due in installments varying from \$3,500,000 to \$4,000,000 through 2022, interest rates varying from 4.75% to 5.25% per annum.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

January 15, 2003, Building Bonds, due in installments varying from \$405,000 to \$3,500,000 through 2018, interest rates varying from 3.50% to 6.00% per annum.

May 1, 2004, Building & Refunding Bonds, due in installments varying from \$1,160,000 to \$8,730,000 through 2024, interest rates varying from 5.00% to 6.00% per annum.

July 21, 2005, Refunding Bonds, due in installments varying from \$135,000 to \$2,795,000 through 2017, interest rates varying from 3.25% to 3.60%.

December 20, 2006, Refunding Bonds, due in annual installments varying from \$50,000 to \$3,795,000 through 2021, interest rate at 3.00% per annum.

March 1, 2007, Refunding Bonds due in annual installments varying from \$30,000 to \$8,050,000 through 2024, interest rate at 4.00% per annum.

June 15, 2010, Refunding Bonds due in annual installments varying from \$790,000 to \$1,310,000 through 2015, interest rate at 2.09% to 3.0% per annum.

December 15, 1996 District 101 Annexation Bonds due in annual installments varying from \$4,334 to \$11,623 through 2016, interest rates varying from 5.30% to 5.60% per annum.

At June 30, 2010 the annual debt service requirements to maturity for general obligation bonds were as follows for governmental type activities:

Fiscal year ending June 30,	Principal	Interest	Total
2011	\$ 1,794,259	\$ 3,400,548	\$ 5,194,807
2012	2,024,850	3,361,626	5,386,476
2013	2,370,441	3,302,812	5,673,253
2014	2,711,032	3,232,745	5,943,777
2015	3,111,623	3,140,887	6,252,510
2016 – 2020	29,364,344	12,935,741	42,300,085
2021 – 2024	37,710,000	4,526,820	42,236,820
<b>Total</b>	<b>\$ 79,086,549</b>	<b>\$ 33,901,179</b>	<b>\$ 112,987,728</b>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2010, the statutory debt limit for the District was \$192,207,433, providing a debt margin of \$117,125,921 after taking into account amounts available in the Debt Service Fund. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2010, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

### Debt Certificates

On August 1, 2001, the District issued \$1,500,000 of debt certificates. Principal payments are due December 1, beginning in 2002, with interest payments at rates from 4.25% to 4.80% due June 1 and December 1, through the fiscal year ending June 30, 2017.

On June 15, 2009, the District issued \$5,760,000 of debt certificates. Principal payments are due December 1, beginning in 2010, with interest payments at rates from 2.00% to 4.35% due June 1 and December 1, through the fiscal year ending June 30, 2028.

On June 15, 2010, the District issued \$730,000 of debt certificates. Principal payments are due December 1, beginning in 2011, with interest payments at rates from 2.00% to 2.75% due June 1 and December 1, through the fiscal year ending June 30, 2016.

At June 30, 2010 the annual debt service requirements to maturity for debt certificates were as follows for governmental type activities:

Fiscal year ending June 30,	Principal	Interest	Total
2011	\$ 230,000	\$ 226,269	\$ 456,269
2012	280,000	220,950	500,950
2013	280,000	215,144	495,144
2014	290,000	208,812	498,812
2015	295,000	201,512	496,512
2016-2020	1,635,000	861,318	2,496,318
2021-2025	1,985,000	513,672	2,498,672
2026-2028	1,410,000	93,166	1,503,166
<b>Total</b>	<b>\$ 6,405,000</b>	<b>\$ 2,540,843</b>	<b>\$ 8,945,843</b>

### Early Retirement Incentive Obligations.

At June 30, 2010, the District was obligated for \$305,867 in early retirement benefits. The liability is for the TRS health insurance plan (THIS) for retired employees as well as early retirement contracts and health insurance benefits. This additional District plan may phase out in future fiscal years as current contract negotiations will not likely include this plan in the resulting teacher contracts.

### Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of copier and technology equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2010, \$1,954,504 of amounts included in capital assets acquired were through capital leases. The obligations for the capital leases

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Notes to Financial Statements (Continued)

June 30, 2010

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will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2011	\$ 547,559
2012	<u>255,044</u>
Total minimum lease payments	802,603
Less: amount representing interest	<u>(23,970)</u>
Present value of minimum lease payments	<u>\$ 778,633</u>

The payments to retire the early retirement obligations and compensated absences will be provided by future tax levies within the General Fund's Educational and Operations and Maintenance Accounts. Payments to retire bonds payable and debt certificates will be made from debt service levies in future periods. There is \$4,005,037 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

**Defeased Bonds**

During the fiscal year ended June 30, 2010 the District defeased \$1,025,000 of general obligation leasing certificates. Although the District remains liable for the principal and interest of these bonds, these bonds are no longer included in the bonded indebtedness of the District; a bond counsel has actuarially determined that the defeasance escrow will provide these payments. There is no economic gain recognized. As of June 30, 2010 the amount considered defeased is \$875,000.

On June 15, 2010, the District issued \$4,980,000 in General Obligation Refunding School Bonds and \$730,000 in Debt Certificates to partially advance refund a portion of the Series 1998 and 2001 General Obligation bonds and the 2001 Debt Certificate. Proceeds of \$5,804,095 were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. As a result these bonds are considered defeased and the liability has been removed from the general long-term debt. There was no economic gain recognized. As of June 30, 2010, the outstanding debt considered defeased is \$5,745,000.

**NOTE 5. RETIREMENT FUND COMMITMENTS**

**Retirement Plans**

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

Notes to Financial Statements (Continued)

June 30, 2010

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

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

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees. The District's total payroll reported to TRS for the year ended June 30, 2010 was \$30,161,575.

**On-behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$6,973,476 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009, and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$4,896,425) and 13.11 percent (\$3,398,011), respectively.

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

**2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2010 were \$174,937. Contributions for the years ending June 30, 2009, and June 30, 2008, were \$167,699 and \$151,530, 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 in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS.

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

### Notes to Financial Statements (Continued)

June 30, 2010

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For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2009 and 2008 the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$334,903 were paid from federal and special trust funds that required employer contributions of \$78,300. For the years ended June 30, 2009 and June 30, 2008, required district contributions were \$42,015 and \$27,101, respectively.

**Early Retirement Option (ERO).** 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.

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under the current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2010, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the district paid \$72,560 and \$38,549 in employer ERO contributions, respectively.

**Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.

If an employer grants salary increases over 6 percent 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 the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2010, the District paid \$6,935 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2009 and 2008, the District paid \$6,935 and \$296, respectively in employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2009).



# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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For the year ended June 30, 2010, the District paid \$1,124 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2009 and 2008, the District paid \$1,085 and \$0, respectively in payments for employer contributions granted for sick leave days.

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, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at [www.trs.illinois.gov](http://www.trs.illinois.gov).

### **Teacher Health Insurance Security (THIS)**

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

The State Employees Group Insurance Act of 1971 (5ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums from annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the 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 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$253,357, and the district recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

June 30, 2009 and 2008 were 0.84 percent of pay. State contributions on behalf of district employees were \$242,874, and 219,458 respectively.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009 and 2008. For the year ended June 30, 2010, the District paid \$190,018 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the District paid \$182,156 and \$164,593, respectively, which was 100 percent of the required contribution.

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

### **Illinois Municipal Retirement Fund:**

*Plan Description.* The District's defined benefit pension plan for Regular employees provides retirements and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The 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 statement and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes required employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District contribution rate for calendar year 2009 was 10.4 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirements 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 2009, the District's annual pension cost of \$533,867 for the Regular plan was equal to the District's required and actual contributions.

### **Three-Year Trend Information for the Regular Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$ 533,867	100%	\$0
12/31/2008	525,648	100%	0
12/31/2007	460,602	100%	0

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Financial Statements (Continued)

June 30, 2010

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The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 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 Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years.

*Funded Status and Funding Progress.* As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 65.21 percent funded. The actuarial accrued liability for benefits was \$9,436,033 and the actuarial value of assets was \$6,153,127, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,282,906. The covered payroll (annual payroll of active employees covered by the plan) was \$5,133,337 and the ratio of the UAAL to the covered payroll was 64 percent. In conjunction with the December 2009 actuarial valuation the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### **NOTE 6. POSTEMPLOYMENT HEALTHCARE PLAN**

#### **Plan Description**

The medical and dental benefit plans for the District are single-employer defined benefit plans administered by the District. The District has the authority to establish and amend benefit provisions of the medical and dental benefit plans. The District has the authority to establish and amend benefit provisions of the medical and dental benefit plans. The District issues a publicly available financial report that includes financial statements and required supplementary information for the medical and dental benefit plans.

#### **Monthly Retiree Contributions**

Retirees make no contributions toward the cost of District postretirement benefit plans.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

Notes to Financial Statements (Continued)

June 30, 2010

**Employer Contributions**

The postretirement benefit plans for the District are funded on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The Annual OPEB Cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of Annual OPEB Cost:

	<u>FY 2009</u>	<u>FY 2010</u>
Annual Required Contribution	\$ 406,949	\$ 421,804
Interest on net OPEB obligations	0	6,441
Adjustment to annual required contribution	0	(12,008)
Annual OPEB cost (expense)	\$ 406,949	416,336
Estimated Contributions made by the District	\$ 149,328	167,387
Increase in net OPEB obligation	\$ 257,621	248,949
Net OPEB obligation – Beginning of Year	0	257,621
Net OPEB obligation – End of Year	\$ 257,621	506,570

Note: The Net OPEB obligation at the beginning of the year is zero because GASB Statement No. 45 was implemented prospectively, effective July 1, 2009.

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the Net OPEB obligation at the end of the year is as follows:

	<u>FY 2009</u>	<u>FY 2010</u>
Annual OPEB cost (expense)	\$ 406,949	\$ 416,336
Estimated contributions made by District	149,328	167,387
Percentage of Annual OPEB Cost Contributed	36.7%	40.2%
Net OPEB Obligation as of December 31, 2010	\$ 257,621	\$ 506,570

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

Notes to Financial Statements (Continued)

June 30, 2010

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## Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

### Valuation Method

The method used for the medical and dental benefit plans is called the projected Unit Credit Method. According to this method an equal amount of an employee's projected benefit is allocated to each year from the date the employee first enters the plan until the date the employee is first eligible to receive benefits.

### Valuation of Assets

There are no assets that have been set aside to fund the liabilities for this plan. These plans are funded on a pay-as-you-go basis.

### Eligible Plan Participants

All active and retired employees who are participants in the medical and dental benefit plans as of the date this valuation was performed are included in the calculations in this report.

### Actuarial Assumptions

These are the actuarial assumptions used for this valuation.

Valuation Date	July 1, 2009
Interest Rate	2.5%
Amortization Method	Level Dollar Amount, Open
Amortization Period for Actuarial Accrued Liability	30 Years
Amortization Factor	21.454
Percent of Current Spouses Electing Coverage	N/A
Mortality Table	RP-2000 with a 2 year setback

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

Notes to Financial Statements (Continued)

June 30, 2010

**NOTE 7. EXCESS OF EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

Expenditures exceeded the budgeted amount in the following funds:

	Budget	Actual	Excess
General Fund – Educational Account	\$44,420,496	\$51,463,732	\$7,043,236
Bond and Interest Fund	5,392,237	5,914,522	522,285

**NOTE 8. RISK MANAGEMENT**

The District has purchased insurance through a risk pool (see Note 10) and from private insurance companies. Risks covered include general liability, workers compensation and other. Premiums have been displayed as expenditures in appropriate funds. The District also operates a self insurance program for medical coverage for employees (see Note 9). No significant reductions in insurance coverage have occurred from the prior year, and no settlements have been made in the last three years which exceeded any insurance coverage.

**NOTE 9. SELF-INSURANCE PLAN/RESERVED FUND BALANCE**

The District maintains a self-insurance plan to provide medical insurance to its employees. An outside administrator administers claims for a fixed fee per enrolled employee. The District makes periodic payments to an escrow account established by the plan administrator. The administrator pays employee claims from this escrow account and requires the District to cover any deficiencies. The District liability is limited by private insurance which provides a \$100,000 specific stop loss and a minimum aggregate stop loss of \$4,079,648.

Cumulative employee and District contributions have exceeded claims paid to the plan as of June 30, 2010, and consequently the General Fund's Education Account fund balance is reserved for the excess of \$1,604,254.

A summary of the changes in the Districts claim liability is as follows:

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2010</u>
Claims liability at July 1	\$ 133,901	\$ 261,000
Current year claims and changes in estimates	3,326,360	4,476,052
Claim payments	<u>(3,199,261)</u>	<u>(4,417,052)</u>
Claims liability at June 30	<u>\$ 261,000</u>	<u>\$ 320,000</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

Notes to Financial Statements (Continued)

June 30, 2010

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**NOTE 10. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)**

The District was a member of CLIC during fiscal year 2010, which has been formed to provide casualty, workman's compensation, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of CLIC to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC. Complete financial statements for CLIC can be obtained from its administrator, 1441 Lake Street, Libertyville, IL 60048.

**NOTE 11. JOINT VENTURE – LAGRANGE AREA DEPARTMENT OF SPECIAL EDUCATION (LADSE)**

The District has entered into a joint agreement with other districts to provide special education programs and services to the students enrolled. Each member district has a financial responsibility from annual and special assessments as established by the policy board. Complete financial statements for LADSE can be obtained from its business office at 1301 W. Cossitt Avenue, LaGrange, IL 60525.

**NOTE 12. RESERVED FUND BALANCES/SPECIAL TAX LEVIES**

Fund balance reserves represent that portion of fund balance that is legally separated for a specific future use.

Proceeds from the Special Education levy and related expenditures have been included in the operations of the General Fund's Educational Account. At June 30, 2010, the cumulative expenditures had exceeded related cumulative revenues.

**NOTE 13. STATE AND FEDERAL AID CONTINGENCIES**

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

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Notes to Financial Statements (Continued)

June 30, 2010

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**NOTE 14. INTERFUND TRANSFERS**

The following interfund transfers were made during the year ended June 30, 2010:

Transfer From	Transfer To	Amount
General Fund – Operations and Maintenance	Debt Service Fund	\$ 498,885
General Fund – Education Account	Debt Service Fund	654,495
General Fund – Operations and Maintenance	Capital Projects Fund	<u>1,501,178</u>
	Total Transfers	<u>\$2,654,558</u>

Transfers from the General Fund to the Debt Service Fund were made to provide funds for the debt service payments on loans

Transfers from the General Fund to the Capital Projects Fund were made to provide funds for future construction.

**NOTE 15. COMMITMENTS**

As of June 30, 2010, the District was committed to various construction contracts in the amount of approximately \$562,000.

**NOTE 16. DUE FROM OTHER GOVERNMENTS**

The following amounts were due at June 30, 2010:

Special Education	\$1,096,235
Transportation Aid	<u>98,914</u>
	<u>\$1,195,149</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
Schedule of Funding Progress (unaudited)  
Illinois Municipal Retirement Fund  
June 30, 2010

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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]
12/31/2009	\$6,153,127	\$9,436,033	\$3,282,906	65.21	\$5,133,337	63.95%
12/31/2008	5,585,470	8,569,940	2,984,470	65.18	5,078,723	58.76%
12/31/2007	6,417,090	7,541,387	1,124,297	85.09	4,357,632	25.80%

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**

Schedule of Funding Progress (unaudited)

Other Post Employment Benefits

June 30, 2010

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>
07/01/2009	\$ 0	\$3,400,528	\$3,400,528	0.00	N/A
07/01/2008	0	3,219,984	3,219,984	0.00	N/A

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2010**

	General		
	Original and Final Budget	Actual	Variance Over/ Under
<b>REVENUES</b>			
Local sources	\$ 46,165,143	\$ 48,100,129	\$ 1,934,986
State sources	2,174,549	9,654,407	7,479,858
Federal sources	1,448,092	1,258,341	(189,751)
Total Revenues	<u>49,787,784</u>	<u>59,012,877</u>	<u>9,225,093</u>
<b>EXPENDITURES</b>			
Current operating:			
Instruction	31,430,647	38,856,846	(7,426,199)
Support services	17,924,255	16,791,963	1,132,292
Community services	-	47,705	(47,705)
Non-programmed charges	425,060	557,193	(132,133)
Provision for contingencies	200,000	-	200,000
Total Expenditures	<u>49,979,962</u>	<u>56,253,707</u>	<u>(6,273,745)</u>
Excess (deficiency) of revenues over expenditures	<u>(192,178)</u>	<u>2,759,170</u>	<u>2,951,348</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	(2,654,558)	(2,654,558)
Total other financing sources (uses)	<u>-</u>	<u>(2,654,558)</u>	<u>(2,654,558)</u>
Net changes in fund balance	<u>\$ (192,178)</u>	104,612	<u>\$ 296,790</u>
Fund Balances at beginning of year		<u>15,990,827</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 16,095,439</u>	

# COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181

## Notes to Required Supplementary Information

### Budgetary Comparison Schedules

June 30, 2010

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#### **BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was originally adopted on September 22, 2009.
5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.

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

## **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 legally mandated 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 repair and maintenance of the District's property.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**BALANCE SHEET BY ACCOUNT**  
**GENERAL FUND**  
**JUNE 30, 2010**

<u>ASSETS</u>	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Total General</u>
Cash and investments	\$ 13,472,831	\$ 3,512,162	\$ 16,984,993
Receivables:			
Property taxes	21,554,252	2,853,764	24,408,016
Replacement taxes	61,641	-	61,641
Due from other governments	1,096,235	-	1,096,235
<b>TOTAL ASSETS</b>	<b>\$ 36,184,959</b>	<b>\$ 6,365,926</b>	<b>\$ 42,550,885</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>  			
<b>Liabilities:</b>			
Accounts payable	\$ 131,530	\$ -	\$ 131,530
Self insurance claims payable	320,000	-	320,000
Accrued salaries and related expenditures	3,732,485	-	3,732,485
Deferred revenue	19,668,485	2,602,946	22,271,431
Total Liabilities	23,852,500	2,602,946	26,455,446
<b>Fund balances:</b>			
Reserved for employee healthcare costs	1,604,254	-	1,604,254
Unreserved - undesignated	10,728,205	3,762,980	14,491,185
Total Fund Balances	12,332,459	3,762,980	16,095,439
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 36,184,959</b>	<b>\$ 6,365,926</b>	<b>\$ 42,550,885</b>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES BY ACCOUNT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2010**

	Educational	Operations and Maintenance	Total General
<b>REVENUES</b>			
Local sources	\$ 42,241,036	\$ 5,859,093	\$ 48,100,129
State sources	9,654,407	-	9,654,407
Federal sources	1,258,341	-	1,258,341
 Total Revenues	 <u>53,153,784</u>	 <u>5,859,093</u>	 <u>59,012,877</u>
<b>EXPENDITURES</b>			
Current operating:			
Instruction	38,856,846	-	38,856,846
Support services	12,001,988	4,789,975	16,791,963
Community services	47,705	-	47,705
Non-programmed charges	557,193	-	557,193
 Total Expenditures	 <u>51,463,732</u>	 <u>4,789,975</u>	 <u>56,253,707</u>
Excess (deficiency) of revenues over expenditures	1,690,052	1,069,118	2,759,170
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(654,495)	(2,000,063)	(2,654,558)
 Total other financing sources (uses)	 <u>(654,495)</u>	 <u>(2,000,063)</u>	 <u>(2,654,558)</u>
Net changes in fund balance	1,035,557	(930,945)	104,612
Fund balances at beginning of year	11,296,902	4,693,925	15,990,827
<b>FUND BALANCES AT END OF YEAR</b>	 <u><u>\$ 12,332,459</u></u>	 <u><u>\$ 3,762,980</u></u>	 <u><u>\$ 16,095,439</u></u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 39,554,890	\$ 41,013,493	\$ 1,458,603	\$ 39,101,110
Replacement taxes	406,456	384,239	(22,217)	480,299
Tuition	105,000	95,104	(9,896)	100,696
Earnings on investments	57,000	37,059	(19,941)	436,356
Pupil activities	65,000	59,020	(5,980)	64,443
Textbooks	655,230	601,667	(53,563)	544,716
Other	43,000	50,454	7,454	65,852
Total local sources	<u>40,886,576</u>	<u>42,241,036</u>	<u>1,354,460</u>	<u>40,793,472</u>
State sources:				
Unrestricted:				
General state aid	716,379	702,616	(13,763)	632,192
Restricted:				
Special education	1,267,675	1,509,082	241,407	1,267,676
Bilingual education	13,391	20,680	7,289	17,855
Reading improvement	120,203	126,277	6,074	138,075
ADA safety and education block grant	31,901	34,231	2,330	127,605
On behalf payments - State of Illinois	-	7,226,833	7,226,833	5,139,299
Other grants-in-aid	25,000	34,688	9,688	34,453
Total state sources	<u>2,174,549</u>	<u>9,654,407</u>	<u>7,479,858</u>	<u>7,357,155</u>
Federal sources:				
Restricted:				
Title I	162,556	296,604	134,048	162,556
Education for handicapped	9,000	-	(9,000)	9,767
ARRA programs	1,111,587	822,703	(288,884)	186,420
School lunch programs	10,000	8,552	(1,448)	11,635
Title V	-	-	-	906
Title II	97,090	104,264	7,174	91,915
Safe and drug free schools	1,254	8,190	6,936	9,230
Emergency immigrant education assistance	21,000	10,180	(10,820)	9,173
Title III	5,605	4,940	(665)	(1,457)
Other	30,000	2,908	(27,092)	-
Total federal sources	<u>1,448,092</u>	<u>1,258,341</u>	<u>(189,751)</u>	<u>480,145</u>
Total revenues	<u>\$ 44,509,217</u>	<u>\$ 53,153,784</u>	<u>\$ 8,644,567</u>	<u>\$ 48,630,772</u>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs:				
Salaries	\$ 19,489,166	\$ 19,746,874	\$ (257,708)	\$ 19,117,128
Employee benefits	2,727,385	9,942,443	(7,215,058)	7,543,186
Purchased services	140,401	129,136	11,265	149,889
Supplies and materials	848,670	703,608	145,062	772,205
Capital outlay	39,790	20,119	19,671	39,169
Other objects	54,335	-	54,335	8,061
Termination benefits	284,558	284,557	1	63,109
<b>Total</b>	<b>23,584,305</b>	<b>30,826,737</b>	<b>(7,242,432)</b>	<b>27,692,747</b>
Special education programs:				
Salaries	4,012,107	4,241,332	(229,225)	4,242,614
Employee benefits	779,219	894,401	(115,182)	712,028
Purchased services	136,850	109,462	27,388	63,545
Supplies and materials	64,500	26,574	37,926	48,425
Capital outlay	15,700	13,361	2,339	12,358
Other	3,500	2,642	858	3,320
<b>Total</b>	<b>5,011,876</b>	<b>5,287,772</b>	<b>(275,896)</b>	<b>5,082,290</b>
Special education programs pre-k:				
Salaries	253,613	223,259	30,354	188,300
Employee benefits	29,525	66,848	(37,323)	26,683
Purchased services	200,000	50,819	149,181	196,515
Supplies and materials	5,000	4,260	740	5,280
<b>Total</b>	<b>488,138</b>	<b>345,186</b>	<b>142,952</b>	<b>416,778</b>
Educationally deprived/remedial programs:				
Salaries	162,444	189,883	(27,439)	157,193
Employee benefits	40,450	43,474	(3,024)	44,650
Purchased services	-	970	(970)	4,392
Supplies and materials	-	50,861	(50,861)	12,101
Capital outlay	-	9,086	(9,086)	-
<b>Total</b>	<b>\$ 202,894</b>	<b>\$ 294,274</b>	<b>\$ (91,380)</b>	<b>\$ 218,336</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009
	Final Budget	Actual	Variance Over/Under	Actual
Interscholastic programs:				
Salaries	\$ 207,458	\$ 215,739	\$ (8,281)	\$ 200,120
Employee benefits	1,196	1,134	62	1,042
Purchased services	5,000	5,183	(183)	5,160
Supplies and materials	7,000	6,516	484	7,524
Capital outlay	-	1,792	(1,792)	-
Other	3,000	-	3,000	1,415
<b>Total</b>	<b>223,654</b>	<b>230,364</b>	<b>(6,710)</b>	<b>215,261</b>
Summer school:				
Salaries	76,000	58,882	17,118	72,806
Employee benefits	1,870	3,660	(1,790)	1,822
Purchased services	-	417	(417)	-
Supplies and materials	4,000	5,224	(1,224)	3,534
<b>Total</b>	<b>81,870</b>	<b>68,183</b>	<b>13,687</b>	<b>78,162</b>
Gifted:				
Salaries	775,580	839,951	(64,371)	730,551
Employee benefits	93,735	108,961	(15,226)	85,157
Purchased services	3,600	5,679	(2,079)	3,058
Supplies and materials	6,600	4,543	2,057	5,778
Other	7,500	2,075	5,425	3,591
<b>Total</b>	<b>887,015</b>	<b>961,209</b>	<b>(74,194)</b>	<b>828,135</b>
Bilingual:				
Salaries	456,412	399,830	56,582	401,604
Employee benefits	59,832	117,042	(57,210)	54,715
Purchased services	2,000	-	2,000	980
Supplies and materials	5,000	15,419	(10,419)	-
Capital outlay	5,000	-	5,000	6,600
<b>Total</b>	<b>528,244</b>	<b>532,291</b>	<b>(4,047)</b>	<b>463,899</b>
Special education programs pre-k:				
Other objects	422,651	310,830	111,821	485,975
<b>Total</b>	<b>422,651</b>	<b>310,830</b>	<b>111,821</b>	<b>485,975</b>
<b>Total instruction</b>	<b>\$ 31,430,647</b>	<b>\$ 38,856,846</b>	<b>\$ (7,426,199)</b>	<b>\$ 35,481,583</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009
	Final Budget	Actual	Variance Over/Under	Actual
Support services:				
Pupils:				
Attendance and social work:				
Salaries	\$ 1,074,995	\$ 1,079,878	\$ (4,883)	\$ 1,023,023
Employee benefits	120,809	136,630	(15,821)	109,928
Total	1,195,804	1,216,508	(20,704)	1,132,951
Guidance services:				
Salaries	158,799	-	158,799	-
Employee benefits	13,650	-	13,650	-
Purchased services	7,200	-	7,200	7,250
Supplies and materials	150,000	-	150,000	86,872
Total	329,649	-	329,649	94,122
Health services:				
Salaries	330,866	341,551	(10,685)	337,376
Employee benefits	90,505	102,638	(12,133)	82,175
Purchased services	3,230	3,048	182	2,301
Supplies and materials	10,480	11,758	(1,278)	9,739
Capital outlay	2,050	-	2,050	-
Total	437,131	458,995	(21,864)	431,591
Speech pathology and audiology services:				
Salaries	1,067,872	1,054,341	13,531	871,377
Employee benefits	85,067	118,398	(33,331)	76,684
Purchased services	-	86	(86)	26,762
Total	1,152,939	1,172,825	(19,886)	974,823
Total pupils	3,115,523	2,848,328	267,195	2,633,487
Instructional staff:				
Improvement of instruction services:				
Salaries	805,838	893,198	(87,360)	1,060,465
Employee benefits	91,940	68,693	23,247	194,163
Purchased services	261,475	116,646	144,829	86,603
Supplies and materials	71,000	55,420	15,580	71,966
Other	1,700	1,803	(103)	1,768
Termination benefits	-	111,987	(111,987)	-
Total	\$ 1,231,953	\$ 1,247,747	\$ (15,794)	\$ 1,414,965

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
<b>Educational media services:</b>				
Salaries	\$ 1,266,536	\$ 1,287,766	\$ (21,230)	\$ 1,276,002
Employee benefits	225,364	237,149	(11,785)	201,334
Purchased services	389,500	248,169	141,331	349,802
Supplies and materials	505,890	608,951	(103,061)	518,104
Capital outlay	375,000	231,465	143,535	2,072,628
Other	600	-	600	-
Termination benefits	120,000	-	120,000	-
<b>Total</b>	<b>2,882,890</b>	<b>2,613,500</b>	<b>269,390</b>	<b>4,417,870</b>
<b>Assessment &amp; testing services:</b>				
Salaries	-	146,228	(146,228)	-
Employee benefits	-	21,085	(21,085)	-
Purchased services	-	3,423	(3,423)	-
Supplies and materials	-	145,254	(145,254)	-
<b>Total</b>	<b>-</b>	<b>315,990</b>	<b>(315,990)</b>	<b>-</b>
<b>Total instructional staff</b>	<b>4,114,843</b>	<b>4,177,237</b>	<b>(62,394)</b>	<b>5,832,835</b>
<b>General administration:</b>				
<b>Board of education:</b>				
Salaries	-	-	-	1,244
Employee benefits	336,942	338,054	(1,112)	323,871
Purchased services	550,412	201,547	348,865	496,753
Supplies and materials	6,000	8,823	(2,823)	5,123
Other	15,000	13,629	1,371	13,316
Termination benefits	-	-	-	94,840
<b>Total</b>	<b>908,354</b>	<b>562,053</b>	<b>346,301</b>	<b>935,147</b>
<b>Executive administration:</b>				
Salaries	533,916	482,175	51,741	504,741
Employee benefits	79,868	95,397	(15,529)	78,330
Purchased services	48,250	19,633	28,617	74,095
Supplies and materials	18,000	10,195	7,805	22,917
Other	15,000	27,040	(12,040)	3,498
Termination benefits	-	-	-	198,570
<b>Total</b>	<b>\$ 695,034</b>	<b>\$ 634,440</b>	<b>\$ 60,594</b>	<b>\$ 882,151</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
Special area administration:				
Salaries	\$ 499,288	\$ 458,850	\$ 40,438	\$ 428,332
Employee benefits	126,446	116,732	9,714	88,026
Purchased services	10,400	2,787	7,613	9,454
Supplies and materials	1,000	841	159	916
<b>Total</b>	<b>637,134</b>	<b>579,210</b>	<b>57,924</b>	<b>526,728</b>
<b>Total general administration</b>	<b>2,240,522</b>	<b>1,775,703</b>	<b>464,819</b>	<b>2,344,026</b>
School administration:				
Office of the principal:				
Salaries	1,597,962	1,644,031	(46,069)	1,656,909
Employee benefits	523,127	494,284	28,843	479,047
Purchased services	22,000	15,188	6,812	13,321
<b>Total</b>	<b>2,143,089</b>	<b>2,153,503</b>	<b>(10,414)</b>	<b>2,149,277</b>
<b>Total school administration</b>	<b>2,143,089</b>	<b>2,153,503</b>	<b>(10,414)</b>	<b>2,149,277</b>
Business:				
Direction of business support services:				
Salaries	220,787	225,098	(4,311)	187,358
Employee benefits	41,781	55,779	(13,998)	22,402
<b>Total</b>	<b>262,568</b>	<b>280,877</b>	<b>(18,309)</b>	<b>209,760</b>
Fiscal services:				
Salaries	188,330	189,111	(781)	180,930
Employee benefits	61,810	62,321	(511)	56,001
Purchased services	44,200	34,187	10,013	38,625
Supplies and materials	12,500	8,536	3,964	12,873
Capital outlay	5,000	4,214	786	-
Other	-	1,295	(1,295)	-
<b>Total</b>	<b>311,840</b>	<b>299,664</b>	<b>12,176</b>	<b>288,429</b>
Operation and maintenance of plant services:				
Purchased services	-	216	(216)	216
<b>Total</b>	<b>\$ -</b>	<b>\$ 216</b>	<b>\$ (216)</b>	<b>\$ 216</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009
	Final Budget	Actual	Variance Over/Under	Actual
Food services:				
Salaries	\$ 238,500	\$ 217,673	\$ 20,827	\$ 235,940
Employee benefits	400	353	47	376
Purchased services	23,500	31,697	(8,197)	40,740
Other	-	1,575	(1,575)	-
<b>Total</b>	<b>262,400</b>	<b>251,298</b>	<b>11,102</b>	<b>277,056</b>
<b>Total business</b>	<b>836,808</b>	<b>832,055</b>	<b>4,753</b>	<b>775,461</b>
Central:				
Information services:				
Salaries	147,207	149,678	(2,471)	145,587
Employee benefits	20,547	22,206	(1,659)	18,430
Purchased services	22,450	15,898	6,552	21,964
Supplies and materials	3,800	3,929	(129)	3,892
<b>Total</b>	<b>194,004</b>	<b>191,711</b>	<b>2,293</b>	<b>189,873</b>
Data processing services:				
Purchased services	20,000	23,451	(3,451)	16,144
<b>Total</b>	<b>20,000</b>	<b>23,451</b>	<b>(3,451)</b>	<b>16,144</b>
<b>Total central</b>	<b>214,004</b>	<b>215,162</b>	<b>(1,158)</b>	<b>206,017</b>
<b>Total support services</b>	<b>12,664,789</b>	<b>12,001,988</b>	<b>662,801</b>	<b>13,941,103</b>
Community services:				
Purchased services	-	289	(289)	-
Purchased services	-	5,419	(5,419)	650
Supplies and materials	-	27,982	(27,982)	465
Other	-	14,015	(14,015)	-
<b>Total community services</b>	<b>-</b>	<b>47,705</b>	<b>(47,705)</b>	<b>1,115</b>
Non-programmed charges:				
Payments for special education programs				
Other objects	425,060	557,193	(132,133)	619,115
<b>Total non-programmed charges</b>	<b>425,060</b>	<b>557,193</b>	<b>(132,133)</b>	<b>619,115</b>
Provision for contingencies	200,000	-	200,000	-
<b>Total expenditures</b>	<b>\$ 44,720,496</b>	<b>\$ 51,463,732</b>	<b>\$ (6,743,236)</b>	<b>\$ 50,042,916</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009
	Final Budget	Actual	Variance Over/Under	Actual
Excess (deficiency) of revenues over expenditures	\$ (211,279)	\$ 1,690,052	\$ 1,901,331	\$ (1,412,144)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	-	-	-	1,611,717
Transfers out	-	(654,495)	(654,495)	(396,842)
Total other financing sources (uses)	-	(654,495)	(654,495)	1,214,875
Net changes in fund balance	<u>\$ (211,279)</u>	1,035,557	<u>\$ 1,246,836</u>	(197,269)
Fund balance at beginning of year		<u>11,296,902</u>		<u>11,494,171</u>
FUND BALANCE AT END OF YEAR		<u>\$ 12,332,459</u>		<u>\$ 11,296,902</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 5,205,067	\$ 5,628,125	\$ 423,058	\$ 5,360,055
Earnings on investments	2,000	74,677	72,677	95,815
Rentals	20,000	24,994	4,994	23,671
Refunds of prior years' expenditures	-	-	-	16,620
Other	51,500	131,297	79,797	66,026
Total local sources	<u>5,278,567</u>	<u>5,859,093</u>	<u>580,526</u>	<u>5,562,187</u>
Total revenues	<u>5,278,567</u>	<u>5,859,093</u>	<u>580,526</u>	<u>5,562,187</u>
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Operations and maintenance of plant services:				
Salaries	1,715,487	1,704,974	10,513	1,669,626
Employee benefits	406,643	415,630	(8,987)	369,409
Purchased services	1,446,222	1,322,068	124,154	1,334,942
Supplies and materials	1,394,339	1,189,374	204,965	1,330,732
Capital outlay	296,775	157,929	138,846	698,671
Total	<u>5,259,466</u>	<u>4,789,975</u>	<u>469,491</u>	<u>5,403,380</u>
Total support services	<u>5,259,466</u>	<u>4,789,975</u>	<u>469,491</u>	<u>5,403,380</u>
Total expenditures	<u>5,259,466</u>	<u>4,789,975</u>	<u>469,491</u>	<u>5,403,380</u>
Excess (deficiency) of revenues over expenditures	<u>19,101</u>	<u>1,069,118</u>	<u>1,050,017</u>	<u>158,807</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>(2,000,063)</u>	<u>(2,000,063)</u>	<u>(1,885,833)</u>
Total other financing uses	<u>-</u>	<u>(2,000,063)</u>	<u>(2,000,063)</u>	<u>(1,885,833)</u>
Net changes in fund balance	<u>\$ 19,101</u>	<u>(930,945)</u>	<u>\$ (950,046)</u>	<u>(1,727,026)</u>
Fund balance at beginning of year		<u>4,693,925</u>		<u>6,420,951</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,762,980</u>		<u>\$ 4,693,925</u>

## **MAJOR 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 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 5,244,713	\$ 5,061,651	\$ (183,062)	\$ 4,762,442
Earnings on investments	23,642	10,428	(13,214)	84,958
Total local sources	<u>5,268,355</u>	<u>5,072,079</u>	<u>(196,276)</u>	<u>4,847,400</u>
Total revenues	<u>5,268,355</u>	<u>5,072,079</u>	<u>(196,276)</u>	<u>4,847,400</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	1,821,521	2,086,091	(264,570)	1,624,568
Interest on bonds	3,563,386	3,820,627	(257,241)	3,718,588
Service charges	7,420	7,804	(384)	6,885
Total expenditures	<u>5,392,327</u>	<u>5,914,522</u>	<u>(522,195)</u>	<u>5,350,041</u>
Excess (deficiency) of revenues over expenditures	<u>(123,972)</u>	<u>(842,443)</u>	<u>(718,471)</u>	<u>(502,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bond issues	-	5,710,000	5,710,000	1,060,000
Accrued interest on bond issues	-	-	-	4,152
Premium from bond issues	-	185,115	185,115	-
Deposits into refunding escrow and costs	-	(5,887,851)	(5,887,851)	(1,056,587)
Transfers in	498,885	1,153,380	654,495	735,675
Total other financing sources (uses)	<u>498,885</u>	<u>1,160,644</u>	<u>661,759</u>	<u>743,240</u>
Net changes in fund balance	<u>\$ 374,913</u>	<u>318,201</u>	<u>\$ (56,712)</u>	<u>240,599</u>
Fund balance at beginning of year		<u>3,686,836</u>		<u>3,446,237</u>
FUND BALANCE AT END OF YEAR		<u>\$ 4,005,037</u>		<u>\$ 3,686,836</u>

## NONMAJOR GOVERNMENTAL 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 Special Revenue Funds:

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

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

**Working Cash Fund** - To account for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied.

### CAPITAL PROJECTS FUNDS

**Capital Projects Fund** - To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Fire Prevention and Safety Fund** - To account for financial resources to be used for the acquisition, construction, and or additions related to qualifying fire prevention and safety projects.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Working Cash</u>	<u>Capital Projects</u>	<u>Fire Prevention and Safety</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>						
<b>Assets:</b>						
Cash and investments	\$ 723,634	\$ 762,615	\$ 2,164,424	\$ 1,024,763	\$ 382,701	\$ 5,058,137
Receivables:						
Property taxes	511,267	662,070	-	-	-	1,173,337
Due from other governments	98,914	-	-	-	-	98,914
<b>TOTAL ASSETS</b>	<b><u>\$ 1,333,815</u></b>	<b><u>\$ 1,424,685</u></b>	<b><u>\$ 2,164,424</u></b>	<b><u>\$ 1,024,763</u></b>	<b><u>\$ 382,701</u></b>	<b><u>\$ 6,330,388</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ 10,278	\$ -	\$ -	\$ 81,278	\$ -	\$ 91,556
Accrued salaries and related expenditures	-	68,330	-	-	-	68,330
Deferred revenue	464,962	602,388	-	-	-	1,067,350
<b>Total Liabilities</b>	<b><u>475,240</u></b>	<b><u>670,718</u></b>	<b><u>-</u></b>	<b><u>81,278</u></b>	<b><u>-</u></b>	<b><u>1,227,236</u></b>
<b>Fund Balances:</b>						
Unreserved - undesignated	858,575	753,967	2,164,424	943,485	382,701	5,103,152
<b>Total Fund Balances</b>	<b><u>858,575</u></b>	<b><u>753,967</u></b>	<b><u>2,164,424</u></b>	<b><u>943,485</u></b>	<b><u>382,701</u></b>	<b><u>5,103,152</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,333,815</u></b>	<b><u>\$ 1,424,685</u></b>	<b><u>\$ 2,164,424</u></b>	<b><u>\$ 1,024,763</u></b>	<b><u>\$ 382,701</u></b>	<b><u>\$ 6,330,388</u></b>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	Transportation	Municipal Retirement/ Social Security	Working Cash	Capital Projects	Fire Prevention and Safety	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Local sources	\$ 912,349	\$ 1,362,015	\$ 9,322	\$ 10,575	\$ 1,188	\$ 2,295,449
State sources	189,867	-	-	-	-	189,867
Total Revenues	<u>1,102,216</u>	<u>1,362,015</u>	<u>9,322</u>	<u>10,575</u>	<u>1,188</u>	<u>2,485,316</u>
<b>EXPENDITURES</b>						
Current operating:						
Instruction	-	601,281	-	-	-	601,281
Support services	1,421,632	776,988	-	144,904	-	2,343,524
Capital Outlay	-	-	-	5,011,415	-	5,011,415
Total Expenditures	<u>1,421,632</u>	<u>1,378,269</u>	<u>-</u>	<u>5,156,319</u>	<u>-</u>	<u>7,956,220</u>
Excess (deficiency) of revenues over expenditures	<u>(319,416)</u>	<u>(16,254)</u>	<u>9,322</u>	<u>(5,145,744)</u>	<u>1,188</u>	<u>(5,470,904)</u>
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	1,501,178	-	1,501,178
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,501,178</u>	<u>-</u>	<u>1,501,178</u>
Net changes in fund balance	(319,416)	(16,254)	9,322	(3,644,566)	1,188	(3,969,726)
Fund balances at beginning of year	<u>1,177,991</u>	<u>770,221</u>	<u>2,155,102</u>	<u>4,588,051</u>	<u>381,513</u>	<u>9,072,878</u>
<b>FUND BALANCES</b> <b>AT END OF YEAR</b>	<u><u>\$ 858,575</u></u>	<u><u>\$ 753,967</u></u>	<u><u>\$ 2,164,424</u></u>	<u><u>\$ 943,485</u></u>	<u><u>\$ 382,701</u></u>	<u><u>\$ 5,103,152</u></u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 885,239	\$ 885,396	\$ 157	\$ 826,942
Earnings on investments	4,000	3,873	(127)	38,617
Refunds of prior years' expenditures	20,193	23,080	2,887	18,303
Total local sources	<u>909,432</u>	<u>912,349</u>	<u>2,917</u>	<u>883,862</u>
State sources:				
Restricted:				
Transportation aid	150,000	189,867	39,867	127,611
Total state sources	<u>150,000</u>	<u>189,867</u>	<u>39,867</u>	<u>127,611</u>
Total revenues	<u>1,059,432</u>	<u>1,102,216</u>	<u>42,784</u>	<u>1,011,473</u>
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Pupils:				
Other support services:				
Salaries	26,721	25,668	1,053	27,495
Purchased services	-	3,572	(3,572)	-
Total	<u>26,721</u>	<u>29,240</u>	<u>(2,519)</u>	<u>27,495</u>
Business:				
Pupil transportation services:				
Salaries	3,812	3,648	164	-
Employee benefits	500	402	98	-
Purchased services	1,413,800	1,388,342	25,458	1,459,782
Total	<u>1,418,112</u>	<u>1,392,392</u>	<u>25,720</u>	<u>1,459,782</u>
Total support services	<u>1,444,833</u>	<u>1,421,632</u>	<u>23,201</u>	<u>1,487,277</u>
Total expenditures	<u>1,444,833</u>	<u>1,421,632</u>	<u>23,201</u>	<u>1,487,277</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (385,401)</u>	(319,416)	<u>\$ 65,985</u>	(475,804)
Fund balance at beginning of year		<u>1,177,991</u>		<u>1,653,795</u>
FUND BALANCE AT END OF YEAR		<u>\$ 858,575</u>		<u>\$ 1,177,991</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 1,308,492	\$ 663,795	\$ (644,697)	\$ 412,925
Social security/medicare only levy	-	662,372	662,372	797,344
Corporate personal property replacement taxes	21,392	27,522	6,130	28,681
Earnings on investments	3,700	8,326	4,626	43,140
Total local sources	<u>1,333,584</u>	<u>1,362,015</u>	<u>28,431</u>	<u>1,282,090</u>
Total revenues	<u>1,333,584</u>	<u>1,362,015</u>	<u>28,431</u>	<u>1,282,090</u>
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs	318,304	318,252	52	313,367
Special education programs	269,076	234,917	34,159	241,151
Special education pre-k	9,328	12,036	(2,708)	8,483
Educationally deprived/remedial programs	2,757	3,253	(496)	2,553
Interscholastic programs	6,427	6,058	369	5,981
Summer school programs	2,396	1,642	754	2,163
Gifted programs	11,303	11,829	(526)	10,311
Bilingual programs	14,790	13,294	1,496	12,367
Total instruction	<u>634,381</u>	<u>601,281</u>	<u>33,100</u>	<u>596,376</u>
Support services:				
Pupils:				
Attendance and social work services	15,311	14,099	1,212	13,413
Health services	49,524	48,782	742	45,121
Psychological services	-	-	-	1,533
Speech pathology and audiology services	16,387	13,263	3,124	10,939
Other	3,107	3,049	58	3,013
Total pupils	<u>84,329</u>	<u>79,193</u>	<u>5,136</u>	<u>74,019</u>
Instructional staff:				
Improvement of instruction services	35,926	27,986	7,940	32,290
Educational media services	102,563	101,207	1,356	95,214
Assessment & testing services	-	7,323	(7,323)	-
Total instructional staff	<u>\$ 138,489</u>	<u>\$ 136,516</u>	<u>\$ 1,973</u>	<u>\$ 127,504</u>

(Continued)



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
Board of education services:				
Board of education employee benefits	\$ 246	\$ -	\$ 246	\$ 224
Total general administration	246	-	246	224
General administration:				
Executive administration services	\$ 50,937	\$ 39,999	\$ 10,938	\$ 48,134
Special area administration services	14,191	12,290	1,901	11,443
Total general administration	65,128	52,289	12,839	59,577
School administration:				
Office of the principal services	102,148	100,490	1,658	94,392
Total school administration	102,148	100,490	1,658	94,392
Business:				
Direction of business support services	2,731	2,106	625	-
Fiscal services	56,891	49,889	7,002	52,250
Operation and maintenance of plant services	310,609	304,010	6,599	284,995
Food services	29,069	23,967	5,102	26,873
Total business	399,300	379,972	19,328	364,118
Central:				
Information services	28,484	28,528	(44)	26,153
Total central	28,484	28,528	(44)	26,153
Total support services	817,878	776,988	40,890	745,987
Total expenditures	1,452,259	1,378,269	73,990	1,342,363
Excess (deficiency) of revenues over expenditures	<u>\$ (118,675)</u>	(16,254)	<u>\$ 102,421</u>	(60,273)
Fund balance at beginning of year		770,221		830,494
FUND BALANCE AT END OF YEAR		<u>\$ 753,967</u>		<u>\$ 770,221</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WORKING CASH FUND**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources:				
Earnings on investments	\$ 14,165	\$ 9,322	\$ (4,843)	\$ 50,733
Total local sources	14,165	9,322	(4,843)	50,733
Total revenues	14,165	9,322	(4,843)	50,733
Excess of revenues over expenditures	<u>\$ 14,165</u>	9,322	<u>\$ (4,843)</u>	50,733
Fund balance at beginning of year		<u>2,155,102</u>		<u>2,104,369</u>
FUND BALANCE AT END OF YEAR		<u>\$ 2,164,424</u>		<u>\$ 2,155,102</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Earnings on investments	\$ 3,000	\$ 10,497	\$ 7,497	\$ 10,689
Other	-	78	78	-
Total local sources	<u>3,000</u>	<u>10,575</u>	<u>7,575</u>	<u>10,689</u>
Total revenues	<u>3,000</u>	<u>10,575</u>	<u>7,575</u>	<u>10,689</u>
<b>EXPENDITURES</b>				
Support services:				
Purchased services	223,164	144,904	78,260	-
Capital outlay	5,591,189	5,011,415	579,774	1,733,626
Total expenditures	<u>5,814,353</u>	<u>5,156,319</u>	<u>658,034</u>	<u>1,733,626</u>
Excess (deficiency) of revenues over expenditures	<u>(5,811,353)</u>	<u>(5,145,744)</u>	<u>665,609</u>	<u>(1,722,937)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from bond issues	-	-	-	4,700,000
Transfers in	1,501,178	1,501,178	-	1,547,000
Total other financing sources (uses)	<u>1,501,178</u>	<u>1,501,178</u>	<u>-</u>	<u>6,247,000</u>
Net changes in fund balance	<u>\$ (4,310,175)</u>	<u>(3,644,566)</u>	<u>\$ 665,609</u>	<u>4,524,063</u>
Fund balance at beginning of year		<u>4,588,051</u>		<u>63,988</u>
FUND BALANCE AT END OF YEAR		<u>\$ 943,485</u>		<u>\$ 4,588,051</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FIRE PREVENTION AND SAFETY FUND**  
**YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL TOTALS FOR 2009**

	2010			2009 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources:				
Earnings on investments	\$ 1,000	\$ 1,188	\$ 188	\$ 7,495
Total local sources	1,000	1,188	188	7,495
Total revenues	1,000	1,188	188	7,495
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Facilities acquisition and construction:				
Purchased services	-	-	-	11,639
Total support services	-	-	-	11,639
Total expenditures	-	-	-	11,639
Excess (deficiency) of revenues over expenditures	<u>\$ 1,000</u>	1,188	<u>\$ 188</u>	(4,144)
Fund balance at beginning of year		<u>381,513</u>		<u>385,657</u>
FUND BALANCE AT END OF YEAR		<u>\$ 382,701</u>		<u>\$ 381,513</u>

## **AGENCY FUND**

**Student Activity Funds** - To account for assets held by the District in a trustee capacity as an agent for student organizations and employees.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND - AGENCY FUND - ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2010**

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	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>Assets:</b>				
Cash	\$ 236,078	\$ 570,593	\$ 542,843	\$ 263,828
<b>Liabilities:</b>				
Due to organizations	\$ 236,078	\$ 570,593	\$ 542,843	\$ 263,828

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## **STATISTICAL SECTION (UNAUDITED)**

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**NET ASSETS BY COMPONENT**  
**LAST EIGHT FISCAL YEARS**

	2010	2009	2008	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 4,387,734
Restricted	1,604,254	7,364,517	5,361,960	3,601,245
Unrestricted	892	(8,284,971)	(3,507,510)	9,921,011
Total governmental activities net assets	<u>\$ 1,605,146</u>	<u>\$ (920,454)</u>	<u>\$ 1,854,450</u>	<u>\$ 17,909,990</u>

Note: Only eight years of data is reported due to the implementation of GASB Statement #34 in fiscal year 2003.

Source of information: Annual Financial Statements

2006	2005	2004	2003
\$ 9,244,735	\$ 8,491,538	\$ 9,394,243	\$ 3,727,050
3,633,435	5,338,797	6,666,057	3,629,930
6,449,845	3,220,285	474,619	9,400,784
<u>\$ 19,328,015</u>	<u>\$ 17,050,620</u>	<u>\$ 16,534,919</u>	<u>\$ 16,757,764</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS**

	2010	2009	2008	2007
Expenses				
Instruction:				
Regular programs	\$ 26,415,375	\$ 25,716,422	\$ 25,415,247	\$ 21,411,792
Special programs	6,518,478	6,815,290	5,932,582	5,902,035
Other instructional programs	557,193	619,115	877,194	1,264,654
State retirement contributions	7,226,833	5,139,299	3,617,469	2,462,056
Support services:				
Pupils	2,991,466	2,777,271	2,512,663	2,629,424
Instructional staff	4,082,288	3,887,711	3,753,224	3,532,015
General administration	1,827,992	2,403,827	2,144,870	2,063,395
School administration	2,296,623	2,290,179	2,151,136	1,984,151
Business	1,133,967	3,518,943	1,318,710	1,309,999
Operations and maintenance of facilities	5,319,726	5,408,296	5,233,582	6,064,280
Transportation	1,421,632	1,487,277	1,414,591	1,262,343
Central	243,690	232,170	205,090	190,541
Nonprogrammed charges	-	-	-	-
Community services	33,690	1,115	4,783	23,696
Interest and fees on long term liabilities	3,975,719	3,880,828	3,543,208	3,955,806
Unallocated depreciation	-	-	-	341,022
Total expenses	<u>\$ 64,044,672</u>	<u>\$ 64,177,743</u>	<u>\$ 58,124,349</u>	<u>\$ 54,397,209</u>
Program revenues				
Governmental activities				
Charges for services				
Instruction:				
Regular programs	792,605	709,855	687,464	502,767
Special programs	-	-	63,432	22,042
Other instructional programs	-	-	-	57,563
Support services:				
Business	-	-	294,817	334,001
Operations and maintenance of facilities	156,291	23,671	88,923	40,346
Transportation	23,080	-	16,679	-
Operating grants and contributions	10,413,639	7,173,012	5,724,987	4,674,636
Capital grants and contributions	78	-	-	-
Total governmental activities program revenues	<u>11,385,693</u>	<u>7,906,538</u>	<u>6,876,302</u>	<u>5,631,355</u>
Net revenue (expense)	<u>(52,658,979)</u>	<u>(56,271,205)</u>	<u>(51,248,047)</u>	<u>(48,765,854)</u>
Governmental activities				
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	46,641,618	44,461,165	41,498,560	33,666,755
Real estate taxes, levied for specific purposes	2,211,563	2,037,211	2,343,345	6,302,013
Real estate taxes, levied for debt service	5,061,651	4,762,442	4,549,491	4,278,694
Personal property replacement taxes	411,761	508,980	581,844	544,099
State aid-formula grants	702,616	818,612	853,423	878,030
Investment earnings	155,370	767,803	1,147,435	1,573,890
Miscellaneous	-	140,088	23,790	104,348
Extraordinary item	-	-	(15,805,381)	-
Total governmental activities general revenues	<u>55,184,579</u>	<u>53,496,301</u>	<u>35,192,507</u>	<u>47,347,829</u>
Change in net assets	<u>\$ 2,525,600</u>	<u>\$ (2,774,904)</u>	<u>\$ (16,055,540)</u>	<u>\$ (1,418,025)</u>

Note: Only eight years of data is reported due to the implementation of GASB Statement #34 in fiscal year 2003.

Source of information: Annual Financial Statements

2006	2005	2004	2003
\$ 20,424,455	\$ 20,865,656	\$ 19,496,372	\$ 17,844,520
5,653,869	5,060,792	4,064,913	2,926,536
1,036,508	962,241	798,767	745,363
1,795,430	2,748,122	2,991,254	2,570,528
2,391,934	2,240,723	2,032,789	1,903,499
3,038,347	2,742,462	2,666,224	2,866,023
2,106,540	1,584,134	1,241,220	1,062,037
1,851,845	1,832,609	1,767,043	1,695,544
1,145,975	3,555,051	1,356,525	1,886,463
6,973,539	3,306,269	3,303,863	3,566,785
1,523,295	1,310,066	1,051,043	866,205
180,448	180,296	155,049	174,307
-	-	-	785,768
19,821	9,269	-	4,118
4,098,594	4,198,720	3,089,736	1,597,413
300,098	103,074	114,356	114,591
<u>\$ 52,540,698</u>	<u>\$ 50,699,484</u>	<u>\$ 44,129,154</u>	<u>\$ 40,609,700</u>
504,646	508,550	443,587	403,949
39,016	88,571	43,457	51,709
53,960	71,773	120,585	112,375
361,297	420,463	419,122	406,358
37,110	39,011	37,729	24,415
-	-	-	-
3,709,600	4,772,887	5,034,170	4,325,931
-	-	-	87,893
<u>4,705,629</u>	<u>5,901,255</u>	<u>6,098,650</u>	<u>5,412,630</u>
<u>(47,835,069)</u>	<u>(44,798,229)</u>	<u>(38,030,504)</u>	<u>(35,197,070)</u>
33,747,238	31,482,663	30,550,592	28,638,261
6,671,473	7,336,402	2,331,118	420,542
4,287,936	3,780,256	3,389,377	2,766,451
498,709	445,428	320,265	239,050
836,903	831,471	813,340	840,644
1,541,571	1,284,755	387,224	480,814
210,661	152,955	15,743	150,196
-	-	-	-
<u>47,794,491</u>	<u>45,313,930</u>	<u>37,807,659</u>	<u>33,535,958</u>
<u>\$ (40,578)</u>	<u>\$ 515,701</u>	<u>\$ (222,845)</u>	<u>\$ (1,661,112)</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2010	2009	2008	2007
General Fund				
Reserved	\$ 1,604,254	\$ 1,522,579	\$ 1,466,078	\$ -
Unreserved	14,491,185	14,468,248	16,449,044	10,870,382
Total general fund	<u>\$ 16,095,439</u>	<u>\$ 15,990,827</u>	<u>\$ 17,915,122</u>	<u>\$ 10,870,382</u>
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds	3,776,966	4,103,314	4,588,658	11,231,048
Capital project funds	1,326,186	4,969,564	449,645	3,128,991
Debt service funds	4,005,037	3,686,836	3,446,237	452,912
Total all other governmental funds	<u>\$ 9,108,189</u>	<u>\$ 12,759,714</u>	<u>\$ 8,484,540</u>	<u>\$ 14,812,951</u>

Source of information: Annual Financial Statements

2006	2005	2004	2003	2002	2001
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,815
10,365,731	7,364,332	6,235,295	6,785,849	10,401,101	12,457,510
<u>\$ 10,365,731</u>	<u>\$ 7,364,332</u>	<u>\$ 6,235,295</u>	<u>\$ 6,785,849</u>	<u>\$ 10,401,101</u>	<u>\$ 12,714,325</u>
7,738,889	7,395,049	5,340,768	4,268,736	2,270,408	2,501,414
3,346,984	3,267,856	3,764,031	3,056,465	1,870,766	1,542,423
6,835,141	25,972,449	41,501,389	21,705,874	1,050,726	5,106,762
<u>\$ 17,921,014</u>	<u>\$ 36,635,354</u>	<u>\$ 50,606,188</u>	<u>\$ 29,031,075</u>	<u>\$ 5,191,900</u>	<u>\$ 9,150,599</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2010	2009	2008	2007
<b>Revenues</b>				
Local sources				
Property Taxes	\$ 53,914,832	\$ 51,260,818	\$ 48,391,396	\$ 44,247,462
Replacement Taxes	411,761	508,980	581,844	544,099
Tuition	95,104	100,696	226,506	79,605
Earnings on investments	155,370	767,803	1,147,435	1,573,890
Other local sources	890,590	799,631	948,599	978,112
Total local sources	<u>55,467,657</u>	<u>53,437,928</u>	<u>51,295,780</u>	<u>47,423,168</u>
State sources				
General state aid	702,616	632,192	853,423	878,030
Other state aid	9,141,658	6,852,574	5,416,579	4,331,839
Total state sources	<u>9,844,274</u>	<u>7,484,766</u>	<u>6,270,002</u>	<u>5,209,869</u>
Federal sources				
	<u>1,258,341</u>	<u>480,145</u>	<u>308,408</u>	<u>342,797</u>
Total revenues	<u>66,570,272</u>	<u>61,402,839</u>	<u>57,874,190</u>	<u>52,975,834</u>
<b>Expenditures</b>				
Current:				
Instruction	39,458,127	36,019,832	31,026,416	28,909,068
Supporting services	19,135,487	18,818,087	17,878,739	18,320,312
Community services	47,705	1,115	4,783	23,696
Nonprogrammed charges	557,193	619,115	877,194	797,419
Debt service				
Principal	2,086,091	1,624,568	1,028,276	944,441
Interest and other	3,828,431	3,725,473	3,777,037	4,069,872
Capital outlay	<u>5,011,415</u>	<u>4,563,052</u>	<u>2,565,416</u>	<u>2,856,931</u>
Total expenditures	<u>70,124,449</u>	<u>65,371,242</u>	<u>57,157,861</u>	<u>55,921,739</u>
Excess (deficiency) of revenue over expenditures	(3,554,177)	(3,968,403)	716,329	(2,945,905)
<b>Other Financing Sources (Uses)</b>				
Principal on bonds sold	5,710,000	5,760,000	-	20,000,000
Premium on bonds sold	185,115	-	-	-
Accrued interest on bonds sold	-	4,152	-	-
Payments to escrow agent	(5,887,851)	(1,056,587)	-	(19,657,507)
Capital lease proceeds	-	1,611,717	-	-
Debt certificate proceeds	-	-	-	-
Lease certificate proceeds	-	-	-	-
Operating transfers in	2,654,558	2,282,675	-	4,622,698
Operating transfers (out)	<u>(2,654,558)</u>	<u>(2,282,675)</u>	<u>-</u>	<u>(4,622,698)</u>
Total other financing sources (uses)	<u>7,264</u>	<u>6,319,282</u>	<u>-</u>	<u>342,493</u>
Net change in fund balances	<u>\$ (3,546,913)</u>	<u>\$ 2,350,879</u>	<u>\$ 716,329</u>	<u>\$ (2,603,412)</u>
Debt service as a percentage of noncapital expenditures	<u>9.08%</u>	<u>8.80%</u>	<u>8.80%</u>	<u>9.45%</u>

Source of information: Annual Financial Statements

	2006	2005	2004	2003	2002	2001
\$	44,706,647	\$ 42,599,321	\$ 36,271,087	\$ 31,825,254	\$ 27,529,552	\$ 26,344,690
	498,709	445,428	320,265	239,050	308,660	435,369
	92,976	72,484	107,807	108,269	216,275	189,740
	1,925,545	1,038,634	465,416	255,652	557,610	1,505,972
	1,113,714	1,217,956	972,416	912,579	792,247	987,546
	<u>48,337,591</u>	<u>45,373,823</u>	<u>38,136,991</u>	<u>33,340,804</u>	<u>29,404,344</u>	<u>29,463,317</u>
	836,903	4,885,302	5,169,053	4,647,245	4,138,660	3,654,014
	3,394,820	221,629	163,365	219,684	878,316	107,402
	<u>4,231,723</u>	<u>5,106,931</u>	<u>5,332,418</u>	<u>4,866,929</u>	<u>5,016,976</u>	<u>3,761,416</u>
	314,780	497,427	515,092	515,693	542,693	88,639
	<u>52,884,094</u>	<u>50,978,181</u>	<u>43,984,501</u>	<u>38,723,426</u>	<u>34,964,013</u>	<u>33,313,372</u>
	26,936,281	27,685,155	25,117,772	23,201,319	19,100,306	17,601,991
	16,599,825	15,878,753	13,579,686	13,405,845	12,068,802	11,646,512
	19,821	9,269	-	4,118	3,218	4,574
	771,481	979,490	891,131	785,768	641,659	719,393
	777,092	561,698	1,126,304	1,054,336	777,331	215,319
	4,094,132	4,119,002	3,151,906	1,569,561	1,537,914	1,444,685
	<u>19,938,281</u>	<u>14,586,611</u>	<u>11,353,228</u>	<u>3,130,175</u>	<u>6,454,891</u>	<u>5,410,363</u>
	<u>69,136,913</u>	<u>63,819,978</u>	<u>55,220,027</u>	<u>43,151,122</u>	<u>40,584,121</u>	<u>37,042,837</u>
	(16,252,819)	(12,841,797)	(11,235,526)	(4,427,696)	(5,620,108)	(3,729,465)
	10,000,000	-	9,955,000	24,651,619	8,311,955	6,300,000
	-	-	1,138,825	-	-	-
	-	-	57,274	-	-	25,591
	(9,802,909)	-	(9,941,014)	-	(8,172,000)	-
	342,787	-	-	-	-	-
	-	-	-	-	1,500,000	-
	-	-	-	-	-	2,000,000
	-	-	-	-	635,550	-
	-	-	-	-	(635,550)	-
	<u>539,878</u>	<u>-</u>	<u>1,210,085</u>	<u>24,651,619</u>	<u>1,639,955</u>	<u>8,325,591</u>
\$	<u>(15,712,941)</u>	<u>(12,841,797)</u>	<u>(10,025,441)</u>	<u>\$ 20,223,923</u>	<u>(3,980,153)</u>	<u>\$ 4,596,126</u>
	<u>9.90%</u>	<u>9.51%</u>	<u>9.75%</u>	<u>6.56%</u>	<u>6.78%</u>	<u>5.25%</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**EQUALIZED ASSESSED VALUATION AND**  
**ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**DUPAGE COUNTY**  
**LAST TEN TAX LEVY YEARS**

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase Over Previous Year	Percentage Increase Over Previous Year	Actual Estimated Value *
2009	\$ 2,476,401,354	\$ 8,462,834	0.34%	\$ 7,429,204,062
2008	2,467,938,520	161,003,553	6.98%	7,403,815,560
2007	2,306,934,967	234,581,696	11.32%	6,920,804,901
2006	2,072,353,271	186,519,977	9.89%	6,217,059,813
2005	1,885,833,294	164,701,009	9.57%	5,657,499,882
2004	1,721,132,285	164,625,730	10.58%	5,163,396,855
2003	1,556,506,555	221,166,574	16.56%	4,669,519,665
2002	1,335,339,981	116,495,339	9.56%	4,006,019,943
2001	1,218,844,642	134,479,018	12.40%	3,656,533,926
2000	1,084,365,624	57,853,623	5.64%	3,253,096,872

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

Source of information: DuPage County Levy, Rate and Extension Reports for the years 2000 to 2009.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**EQUALIZED ASSESSED VALUATION AND**  
**ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**COOK COUNTY**  
**LAST TEN TAX LEVY YEARS**

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase Over Previous Year	Percentage Increase Over Previous Year	Actual Estimated Value *
2009	\$ 309,213,610	\$ (962,935)	-0.31%	\$ 927,640,830
2008	310,176,545	55,141,822	21.62%	930,529,635
2007	255,034,723	12,568,728	5.18%	765,104,169
2006	242,465,995	6,223,089	2.63%	727,397,985
2005	236,242,906	50,694,923	27.32%	708,728,718
2004	185,547,983	9,220,139	5.23%	556,643,949
2003	176,327,844	1,721,946	0.99%	528,983,532
2002	174,605,898	46,979,393	36.81%	523,817,694
2001	127,626,505	6,055,377	4.98%	382,879,515
2000	121,571,128	669,869	0.55%	364,713,384

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

Source of information: Cook County Levy, Rate and Extension Reports for the years 2000 to 2009.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING**  
**GOVERNMENTS**  
**LAST TEN TAX LEVY YEARS**

<u>Taxing District</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
DuPage County	0.1554	0.1557	0.1651	0.1713
DuPage County Forest Preserve	0.1217	0.1206	0.1187	0.1303
Downers Grove Township	0.0256	0.0254	0.0256	0.0268
Downers Grove Township Road District	0.0382	0.0379	0.0383	0.0401
Village of Hinsdale	0.2818	0.2745	0.2773	0.2902
Village of Hinsdale Library	0.1206	0.1143	0.1191	0.1208
High School District #86	1.0948	1.0804	1.0943	1.1418
Airport Authority	0.0148	0.0160	0.0170	0.0183
Community College	0.2127	0.1858	0.1888	0.1929
Total Overlapping Governments	<u>2.0656</u>	<u>2.0106</u>	<u>2.0442</u>	<u>2.1325</u>
Community Consolidated SD #181	<u>1.9023</u>	<u>1.8306</u>	<u>1.8836</u>	<u>1.9491</u>
Totals	<u><u>3.9679</u></u>	<u><u>3.8412</u></u>	<u><u>3.9278</u></u>	<u><u>4.0816</u></u>

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

It should be noted that the boundaries of some of the overlapping governments listed only partially overlap the District, and therefore the totals shown above overstate the tax rates for individual taxpayers within the District.

Source of information: DuPage County Clerk Offices.

2005	2004	2003	2002	2001	2000
0.1797	0.1850	0.1999	0.2154	0.2353	0.2536
0.1271	0.1358	0.1419	0.1534	0.1654	0.1742
0.0278	0.0290	0.0306	0.0324	0.0340	0.0352
0.0416	0.0434	0.0459	0.0486	0.0510	0.0521
0.3066	0.3111	0.3338	0.3586	0.3866	0.4220
0.1130	0.1144	0.1238	0.1367	0.1440	0.1437
1.1910	1.2310	1.3094	1.3858	1.4250	1.4367
0.0198	0.0213	0.0230	0.0248	0.0271	0.0291
0.1874	0.1972	0.2097	0.2179	0.1930	0.1966
2.1940	2.2682	2.4180	2.5736	2.6614	2.7432
2.0148	2.4820	2.2404	2.2920	2.0282	2.0491
4.2088	4.7502	4.6584	4.8656	4.6896	4.7923

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Name of Taxpayer	2009 Equalized Assessed Valuation	Rank	Percentage of total 2009 Equalized Assessed Valuation
Hinsdale Management	\$ 8,427,990	1	0.30%
North Star Trust Co.	7,278,830	2	0.26%
PHT Hinsdale Mobs LLC	6,776,570	3	0.24%
King Bruwaert Woods	6,223,543	4	0.22%
Alfred N. Koplin	4,833,330	5	0.17%
Husam Aldairi	4,332,499	6	0.16%
Wild Oaks Comm Mkt Adm	4,303,240	7	0.15%
Schwendender 15	3,712,610	8	0.13%
HCR Manor Care	3,621,990	9	0.13%
Grant Square LLC	3,208,690	10	0.12%
AHS Midwest Financial Service	-	-	0.00%
Hinsdale Sanitarium	-	-	0.00%
Dean Buntrock	-	-	0.00%
Washington Square, Inc	-	-	0.00%
Clay Venture	-	-	0.00%
Howard Sproat & Co	-	-	0.00%
	<u>\$ 52,719,292</u>		<u>1.89%</u>

Every reasonable effort has been made to determine and report the largest taxpayers and to include all the taxable property of those taxpayers listed. Many of the taxpayers listed, however, may contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Source of information: DuPage and Cook County Clerk's offices and Downers Grove and York Township Assessors' Offices

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2000 Equalized Assessed Valuation	Rank	Percentage of total 2000 Equalized Assessed Valuation
\$ 2,015,480	5	0.17%
-	-	0.00%
-	-	0.00%
-	-	0.00%
6,616,190	2	0.55%
-	-	0.00%
-	-	0.00%
2,038,870	4	0.17%
2,186,870	3	0.18%
-	-	0.00%
10,663,360	1	0.88%
1,706,250	6	0.14%
1,492,770	7	0.12%
1,487,470	8	0.12%
1,457,820	9	0.12%
1,397,190	10	0.12%
<u>\$ 31,062,270</u>		<u>2.57%</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**LAST TEN TAX LEVY YEARS**

	2009	2008	2007	2006
Rates extended:				
Educational	1.4443	1.3995	1.4335	1.4530
Tort immunity	0.0000	0.0000	0.0000	0.0000
Special education	0.0000	0.0000	0.0000	0.0127
Operations and maintenance	0.1921	0.1962	0.1929	0.1941
Transportation	0.0355	0.0218	0.0368	0.0593
Illinois municipal retirement/social security	0.0458	0.0452	0.0432	0.0466
Working cash	0.0000	0.0000	0.0000	0.0000
Bond and interest	0.1846	0.1679	0.1772	0.1834
Total rates extended	<u>1.9023</u>	<u>1.8306</u>	<u>1.8836</u>	<u>1.9491</u>
DuPage & Cook Counties				
Property tax extensions:				
Taxes extended for the levy year	\$ 53,795,796	\$ 52,085,033	\$ 49,216,186	\$ 46,554,974
Total levies extended	<u>\$ 53,795,796</u>	<u>\$ 52,085,033</u>	<u>\$ 49,216,186</u>	<u>\$ 46,554,974</u>
Current year collections	\$ 25,440,978	\$ 23,921,398	\$ 22,566,587	\$ 21,437,808
Subsequent collections	-	28,138,193	27,264,977	24,846,170
Total collections	<u>\$25,440,978</u>	<u>\$ 52,059,591</u>	<u>\$49,831,564</u>	<u>\$46,283,978</u>
Percentage of extensions collected	<u>47.29%</u>	<u>99.95%</u>	<u>101.25%</u>	<u>99.42%</u>

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

Source of information: DuPage & Cook County Levy, Rate and Extension Reports for 2000-2009.

2005	2004	2003	2002	2001	2000
1.5287	1.8233	1.6451	1.7522	1.6035	1.6154
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0182	0.0200	0.0000	0.0000	0.0000	0.0000
0.2116	0.2350	0.2265	0.2028	0.2032	0.2047
0.0000	0.1200	0.1155	0.0817	0.0405	0.0408
0.0580	0.0641	0.0540	0.0351	0.0314	0.0315
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.1983	0.2196	0.1993	0.2202	0.1496	0.1567
<u>2.0148</u>	<u>2.4820</u>	<u>2.2404</u>	<u>2.2920</u>	<u>2.0282</u>	<u>2.0491</u>
<u>\$ 43,829,256</u>	<u>\$ 45,925,229</u>	<u>\$ 38,599,949</u>	<u>\$ 34,685,171</u>	<u>\$ 28,699,485</u>	<u>\$ 26,098,246</u>
<u>\$ 43,829,256</u>	<u>\$ 45,925,229</u>	<u>\$ 38,599,949</u>	<u>\$ 34,685,171</u>	<u>\$ 28,699,485</u>	<u>\$ 26,098,246</u>
<u>\$ 20,876,308</u>	<u>\$ 21,266,278</u>	<u>\$ 17,766,348</u>	<u>\$ 16,288,056</u>	<u>\$ 12,581,255</u>	<u>\$ 11,170,851</u>
<u>20,975,080</u>	<u>24,554,564</u>	<u>20,978,382</u>	<u>18,329,344</u>	<u>16,081,472</u>	<u>14,855,493</u>
<u>\$41,851,388</u>	<u>\$45,820,842</u>	<u>\$38,744,730</u>	<u>\$34,617,400</u>	<u>\$28,662,727</u>	<u>\$26,026,344</u>
<u>95.49%</u>	<u>99.77%</u>	<u>100.38%</u>	<u>99.80%</u>	<u>99.87%</u>	<u>99.72%</u>



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Levy Year	General Obligation Bonds	Percentage of Actual Property Value	Other Governmental Activities Debt		Total Debt
				Debt Certificates	Capital Leases	
2010	2009	\$ 79,086,549	1.06%	\$ 6,405,000	\$ 778,633	86,270,182
2009	2008	80,325,414	1.08%	6,640,000	1,425,859	88,391,273
2008	2007	81,328,688	1.18%	2,145,000	195,436	83,669,124
2007	2006	82,066,568	1.32%	2,355,000	275,832	84,697,400
2006	2005	81,054,054	0.38%	2,565,000	342,787	83,961,841
2005	2004	81,051,146	0.47%	2,770,000	-	83,821,146
2004	2003	81,412,844	0.54%	2,970,000	-	84,382,844
2003	2002	50,549,148	0.64%	3,150,000	-	50,549,148
2002	2001	27,350,058	0.76%	3,400,000	-	27,350,058
2001	2000	27,445,771	0.90%	2,000,000	-	27,445,771

Source of information: Annual Financial Statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**RATIO OF GENERAL BONDED DEBT TO EQUALIZED ASSESSED VALUATION**  
**AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Levy Year	Net General Bonded Debt	Equalized Assessed Valuation	Percentage of Net General Bonded Debt to Assessed Valuation	Estimated population	Net Bonded Debt Per Capita
2010	2009	\$ 75,081,512	\$ 2,785,614,964	2.70%	25,640	\$ 2,928
2009	2008	76,638,578	2,778,115,065	2.76%	25,640	2,989
2008	2007	77,882,451	2,549,400,962	3.05%	25,640	3,038
2007	2006	79,378,932	2,314,819,266	3.43%	25,640	3,096
2006	2005	78,214,322	2,122,076,200	3.69%	25,640	3,050
2005	2004	77,783,290	1,906,680,268	4.08%	25,640	3,034
2004	2003	77,648,813	1,732,834,397	4.48%	25,640	3,028
2003	2002	47,492,683	1,509,945,879	3.15%	25,640	1,852
2002	2001	25,479,292	1,205,936,752	2.11%	25,640	994
2001	2000	25,903,348	1,346,471,147	1.92%	25,640	1,010

Source of information: Annual Financial Statements

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

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**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**JUNE 30, 2010**

Jurisdiction overlapping	Bonded indebtedness		Portion applicable to school District	
			Percent	Amount
<b>County</b>				
DuPage County	\$ 50,425,000	(1)(2)	5.776%	\$ 2,912,548
DuPage County Forest Preserve	227,207,982	(2)(3)	5.776%	13,123,533
Cook County	3,583,275,000		0.183%	6,557,393
Cook County Forest Preserve	108,665,000		0.183%	198,857
Metropolitan Water Reclamation District	1,960,541,202	(5)	0.187%	3,666,212
<b>School Districts</b>				
High School District #86	10,180,000		44.817%	4,562,371
College of DuPage, CC #502	131,030,000	(2)	5.855%	7,671,807
<b>Park Districts</b>				
Burr Ridge Park District	4,020,000		30.617%	1,230,803
Clarendon Hills Park District	138,750	(2)	84.458%	117,185
Oak Brook Park District	795,000		2.924%	23,246
<b>Municipalities</b>				
Village of Burr Ridge	3,165,000		20.434%	646,736
Village of Clarendon Hills	35,000	(2)	84.372%	29,530
Village of Hinsdale	2,755,000	(2)	99.822%	2,750,096
<b>Miscellaneous</b>				
Indian Prairie Public Library District	1,785,000		0.597%	10,656
<b>Total overlapping debt</b>				<u>43,500,973</u>
Community Consolidated School District 181	79,086,549	(1)	100.000%	<u>79,086,549</u>
<b>Total overlapping and direct bonded debt</b>				<u><u>\$ 122,587,522</u></u>

- (1) Excludes notes, installment contracts, purchase agreements and debt certificates.  
(2) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) bonds which are expected to be paid from sources other than general taxation.  
(3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.  
(4) Excludes self-supporting bonds for which abatements are filed annually.  
(5) Includes IEPA Revolving Loan Fund Bonds

Source of information: DuPage & Cook County Clerk's offices, Cook County Comptroller & Metropolitan Water Reclamation District Treasurer

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 192,207,433	\$ 191,689,939	\$ 175,908,666	\$ 159,293,136
Total net debt applicable to limit	<u>75,081,512</u>	<u>76,638,578</u>	<u>77,882,451</u>	<u>85,888,980</u>
Legal debt margin	<u>117,125,921</u>	<u>115,051,361</u>	<u>98,026,215</u>	<u>73,404,156</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>39%</u>	<u>40%</u>	<u>44%</u>	<u>54%</u>

Legal Debt Margin calculation for fiscal year June 30, 2010

Assessed valuation of taxable properties for the tax year 2009	\$ 2,785,614,964
Rate	<u>6.9%</u>
Bonded debt limit	<u>192,207,433</u>
Debt subject to limitation:	79,086,549
Less Debt Service Fund balance	<u>(4,005,037)</u>
Net debt outstanding subject to limitation	<u>75,081,512</u>
Legal bonded debt margin at June 30, 2010	<u>\$ 117,125,921</u>

Source of information: Annual Financial Statements

2006	2005	2004	2003	2002	2001
\$ 146,423,258	\$ 130,924,749	\$ 119,466,759	\$ 104,186,266	\$ 92,906,499	\$ 92,488,688
85,246,854	85,076,566	85,621,255	53,719,148	30,690,058	29,445,771
61,176,404	45,848,183	33,845,504	50,467,118	62,216,441	63,042,917
58%	65%	72%	52%	33%	32%

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**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**DEMOGRAPHIC AND MISCELLANEOUS STATISTICS**  
**LAST TEN CALENDAR YEARS**

Fiscal year ended June 30,	Estimated Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income*	Unemployment rate**	Actual Equalized Assessed Valuation
2010	25,640	\$ 1,920,949	\$ 74,920	NA	\$ 2,802,206,301
2009	25,640	1,634,934	63,765	6.7%	2,777,152,130
2008	25,640	1,402,867	54,714	4.0%	2,561,969,690
2007	25,640	2,308,600	90,039	3.1%	2,308,596,177
2006	25,640	2,122,069	82,764	2.7%	2,122,076,200
2005	25,640	1,906,693	74,364	3.8%	1,906,680,268
2004	25,640	1,732,828	67,583	4.0%	1,732,834,397
2003	25,640	1,509,940	58,890	4.3%	1,509,945,879
2002	25,640	1,205,926	47,033	4.3%	1,205,936,752
2001	25,640	1,346,459	52,514	3.1%	1,346,471,147

\*2000 Census for the Village of Hinsdale

\*\*Calendar year information for the Village of Hinsdale, Illinois--DuPage County only.

Sources of information: 2000 Census, Illinois Department of Employment Security, DuPage and Cook County Clerk's Office



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2010		
	Employees	Rank	Percentage of Total Village Population
Adventist Hinsdale Hospital	1,555	1	8.43%
Hinsdale Township High School District #86	610	2	3.31%
C.N.H America LLC	500	3	2.98%
Lathers Union Local	400	4	2.17%
AMS Mechanical Systems	300	5	1.63%
TCF National Bank of Illinois	300	6	1.63%
McGraw Hill Higher Education	300	7	1.63%
Sims Metal Management	275	8	1.49%
Village of Hinsdale	273	9	1.48%
Mars Snack Food U.S	250	10	1.35%
Johnson Service Group	250	11	1.35%
Amlings Flowerland	-	-	-
Transport Service Co.	-	-	-
N&R Express Systems, Inc.	-	-	-
Liberty Federal Bank	-	-	-
The Pilcher Hamilton Corp	-	-	-
Professional Benefit Administrators	-	-	-
Storm Products Co.	-	-	-
<b>Total</b>	<b>5,013</b>		<b>27.45%</b>

Source of information: 2010 Illinois Manufacturers Directory, 2010 Illinois Services Directory and 2010 Harris Illinois Industrial Directory, Phone canvass

2001		
Employees	Rank	Percentage of Total Village Population
2,375	1	13.69%
512	2	2.95%
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
250	6	1.44%
250	7	1.44%
-	-	-
500	3	2.88%
500	4	3.17%
300	5	1.73%
150	8	0.86%
150	9	0.86%
145	10	0.84%
125	11	0.72%
<u>5,257</u>		<u>30.58%</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**NUMBER OF EMPLOYEES**  
**LAST SEVEN FISCAL YEARS**

	2010	2009	2008	2007
<b>Administration:</b>				
Superintendent	1.00	1.00	1.00	1.00
Associate Superintendent	1.00	1.00	-	-
Assistant Superintendent	3.00	3.00	2.00	2.00
District administrators	8.00	9.00	10.00	9.00
Principals and assistants	11.00	11.00	12.00	11.00
<b>Total administration</b>	<b>24.00</b>	<b>25.00</b>	<b>25.00</b>	<b>23.00</b>
<b>Teachers</b>				
Elementary	159.67	158.46	150.28	149.39
Middle School	80.50	81.95	83.45	81.63
Instrumental Music	7.20	6.70	7.00	5.57
Special education and bilingual	37.00	45.50	39.50	39.82
Social workers and counselors	13.10	12.70	11.40	10.70
Speech/Language	12.50	11.50	9.30	6.00
Learning Center	9.00	9.00	9.00	9.00
<b>Total teachers</b>	<b>318.97</b>	<b>325.81</b>	<b>309.93</b>	<b>302.11</b>
<b>Support staff:</b>				
Learning center assistants	9.00	9.00	9.00	9.00
Clerical '10/12 Month	27.00	31.00	30.00	15.00
Teacher assistants	95.00	97.00	89.00	83.00
Reading tutors	25.00	15.00	30.00	28.00
Maintenance, custodians, and warehouse	45.00	37.00	37.00	37.00
Nurses	10.00	11.00	9.00	9.00
<b>Total support staff</b>	<b>211.00</b>	<b>200.00</b>	<b>204.00</b>	<b>181.00</b>
<b>Total staff</b>	<b>553.97</b>	<b>550.81</b>	<b>538.93</b>	<b>506.11</b>

Total staff is unavailable for 2001-2003.

Source of information: District records.

2006	2005	2004
1.00	1.00	1.00
-	-	-
3.00	3.00	3.00
8.00	8.00	4.00
11.00	11.00	11.00
23.00	23.00	19.00
152.24	147.42	146.07
75.02	74.38	74.31
4.70	4.00	4.00
38.66	32.50	25.90
8.70	9.70	8.60
7.50	6.00	6.00
9.00	9.00	9.00
295.82	283.00	273.88
9.00	10.00	9.00
25.00	25.00	23.00
71.00	70.50	68.00
28.00	28.00	28.00
35.00	28.00	29.00
8.00	8.00	6.50
176.00	169.50	163.50
494.82	475.50	456.38

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**OPERATING INDICATORS BY PROGRAM**  
**LAST TEN FISCAL YEARS**

	2010	2009	2008	2007
Total enrollment	4,021	3,977	3,673	3,651
Operating Expenditures	53,874,465	52,106,576	48,902,470	47,189,286
Cost per Pupil	14,426	14,039	13,315	12,923
Teaching Staff	330	326	310	302
Pupil-Teacher Ratio	12.2	12.2	11.8	12.1

Source of information: District records.

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2006	2005	2004	2003	2002	2001
3,833	3,789	3,649	3,596	3,523	3,375
44,900,869	42,851,169	38,143,809	34,562,951	32,602,780	29,665,689
11,716	11,309	10,453	9,611	9,254	8,790
296	297	286	276	254	254
12.9	12.8	12.8	13.0	13.9	13.3

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

	2010	2009	2008	2007
Elm Elementary				
Square feet	46,539	46,539	46,539	46,539
Capacity (students)	450	450	450	450
Enrollment	262	240	263	291
The Lane Elementary				
Square feet	42,167	42,167	42,167	42,167
Capacity (students)	500	500	500	500
Enrollment	399	391	390	376
Madison Elementary				
Square feet	52,923	52,923	52,923	52,923
Capacity (students)	525	525	525	525
Enrollment	432	428	436	425
Monroe Elementary				
Square feet	57,703	57,703	57,703	57,703
Capacity (students)	600	600	600	600
Enrollment	441	436	424	416
Oak Elementary				
Square feet	52,579	52,579	52,579	52,579
Capacity (students)	450	450	450	450
Enrollment	281	280	321	330
Prospect School				
Square feet	55,000	55,000	55,000	55,000
Capacity (students)	600	600	600	600
Enrollment	456	450	439	434
Walker School				
Square feet	45,000	45,000	45,000	45,000
Capacity (students)	450	450	450	450
Enrollment	309	305	302	314
Hindsdale Middle School				
Square feet	103,400	103,400	103,400	103,400
Capacity (students)	666	666	666	666
Enrollment	736	744	590	584
Clarendon Hills Middle School				
Square feet	88,268	88,268	88,268	88,268
Capacity (students)	800	800	800	800
Enrollment	709	703	818	795

Source of information: District records.

2006	2005	2004	2003	2002	2001
46,539	41,123	41,123	41,123	41,123	41,123
450	440	440	440	440	440
311	323	323	356	358	365
42,167	42,167	42,167	42,167	42,167	28,691
500	500	500	500	500	258
372	360	360	340	354	324
52,923	37,534	37,534	37,534	37,534	37,534
525	291	291	291	291	291
419	396	396	396	384	371
57,703	57,703	41,703	41,703	41,703	41,703
600	600	441	441	441	441
423	430	466	441	465	494
52,579	42,098	42,098	42,098	42,098	42,098
450	441	441	441	441	441
347	349	349	374	361	366
55,000	55,000	55,000	32,437	32,437	32,437
600	600	600	356	356	356
439	449	449	435	415	382
45,000	45,000	36,811	36,811	36,811	36,811
450	450	301	301	301	301
323	307	307	300	287	282
103,400	103,400	103,400	103,400	103,400	103,400
666	666	666	666	666	666
609	637	648	622	620	605
88,268	88,268	88,268	88,268	88,268	88,268
800	800	800	800	800	800
772	767	728	676	655	621



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Net (1) operating Expenditures	Average Daily Attendance	Net operating expenditures per pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2010	\$ 53,874,465	\$ 3,735	\$ 14,420	2.11%	330	12.2	93.2%
2009	52,420,893	3,712	14,122	6.06%	326	12.2	96.0%
2008	48,902,470	3,673	13,315	3.02%	310	11.8	96.2%
2007	47,189,286	3,651	12,925	10.34%	302	12.1	91.4%
2006	44,900,869	3,833	11,714	3.58%	296	12.9	97.4%
2005	42,851,169	3,789	11,309	8.19%	297	12.8	92.7%
2004	38,143,809	3,649	10,453	8.76%	286	12.8	93.0%
2003	34,562,951	3,596	9,611	3.86%	276	13.0	92.8%
2002	32,602,780	3,523	9,254	5.28%	254	13.9	91.3%
2001	29,665,689	3,375	8,790	8.35%	254	13.3	93.1%

(1) Operating expenditures include all governmental fund type expenditures, other than capital outlay, tuition payments, certain special education costs, on-behalf payments to Teachers Retirement System from the State and bond principal retirements.

Source of information: Form ISBE 50-35 Annual Financial Report.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181**  
**DEMOGRAPHIC AND MISCELLANEOUS STATISTICS**  
JUNE 30, 2010

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Location:	20 Southwest of Chicago
Date of Organization	1947
Number of Schools	Seven K-5 Elementary Schools Two 6-8 Middle Schools
Communities Served	Hinsdale, parts of Clarendon Hills Oak Brook, Burr Ridge, and Willowbrook
Median Home Value	\$561,200
Student Enrollment	4,021
Certified Teaching Staff	330
Average Class Size	22
Pupil/Teacher Ratio	12.2

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