

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**COMMUNITY CONSOLIDATED
SCHOOL DISTRICT 89**

GLEN ELLYN, ILLINOIS

As of and for the Year Ended June 30, 2014

Officials Issuing Report

Dr. John S. Perdue, Superintendent
Maureen A. Jones, Assistant Superintendent for Finance and
Operations

Department Issuing Report

Business Services

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

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October 16, 2014

President and Members of the Board of Education
Community Consolidated School District No. 89
22 W. 600 Butterfield Road
Glen Ellyn, Illinois 60137

The Comprehensive Annual Financial Report of Community Consolidated School District 89 (the "District") for the fiscal year ended June 30, 2014 is submitted herewith. This report was prepared by the District's Business Office. The audit was completed on October 16, 2014, and the report was subsequently issued. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation including all disclosures rests with the District. We believe the data as presented are accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

Generally Accepted Accounting Principals (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). The letter of transmittal is designed to complement the MD&A and to be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY

A component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. Using these criteria, management has determined that the District has no component units, nor is it a component unit of any other organization.

(continued)

Superintendent
John S. Perdue, Ed.D.
**Assistant Superintendent
for Learning**
Emily Tammaru, Ed.D.
**Assistant Superintendent
for Finance & Operations**
Maureen A. Jones

Board of Education
Lori Gaspar
Jeff Hume
Tim Jedlicka
Terry Lachcik
Mike Nelson
Beth Powers
Frank Zak

Arbor View School
David Bruno, Principal
Briar Glen School
Mitch Dubinsky, Principal
Park View School
Barb Peterson, Principal

Westfield School
Stacey Hewick, Principal
Glen Crest Middle School
Kim Price, Principal
John Batiste, Assistant Principal

BASIS OF ACCOUNTING AND REPORTING

The Comprehensive Annual Financial Report (CAFR) is presented in three sections:

- 1) **The Introductory Section** includes this transmittal letter, the District's organizational chart and a list of principal officials.
- 2) **The Financial Section** includes the general-purpose financial statements and the combining, individual fund and account group financial statements and schedules, as well as the independent auditor's report.
- 3) **The Statistical Section** includes a number of tables of non-audited data depicting the financial history of the District for the past ten years, demographics and other miscellaneous information.

The District's accounts are organized as separate accounting entities called funds. District resources are allocated to and accounted for in individual funds as required by the State of Illinois. Each fund has specific functions based upon the purposes for which the District's resources are to be expended. This allows for a more controlled process of spending activities. For all governmental fund types, the District reports are prepared on a modified accrual basis of accounting, which is applied to the District's budget and account records. For more information regarding the modified accrual method of accounting, refer to the Notes section.

Baker Tilly Virchow Krause, LLP. has been the District's auditing firm since 2010-11.

SERVICE AREA AND HISTORY OF THE DISTRICT

The District is a consolidated elementary (K-8) school district, in DuPage County, Illinois. The District includes small portions of Lombard and Wheaton, with the majority of students coming from incorporated and unincorporated areas of southern Glen Ellyn. The District comprises an area of approximately 10 square miles, located twenty-five miles west of Chicago's Loop. The District's general boundaries are I-355 on the East, Butterfield Road on the South, President Street on the West and Roosevelt Road on the North. O'Hare Airport is approximately 20 minutes from the District. The District operates three K-5 elementary schools, one preK-5 elementary school and one 6-8 middle school. Graduates of the district attend Glenbard South High School in Glenbard High School District 87, located within the boundaries of District 89.

The governing body consists of a seven member Board of Education elected by the registered voters of the District, on a staggered four-year term basis. Based on the legislative authority codified in The School Code of Illinois, the Board of Education has the following powers:

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

The District is over 150 years old; initially, two separate school districts were established. The district numbers and specific boundaries have changed until the final consolidation in 1952. In 1843, Milton Township elected its first School Trustees and they set the boundaries for six separate school districts. District 89 was initially Douglas (subsequently Wagner) School District 3 and District 39 (Bonaparte) was initially District 4. In 1920, the two districts were consolidated and given the number 89. In 1925, the year prior to opening Wagner School, Bonaparte District 39 detached from District 89. They remained separate until 1952 when District 39 dissolved and annexed into District 89. There were 95 students in the

District in 1952. The student population grew steadily until 1973 when it reached its peak enrollment of 2,894. The enrollment declined until 1983 when it hit 2,080. The student count then rose steadily until 1995 when it hit 2,661. The enrollment has declined since 1995 and for fiscal year 2014 it was 1,972. A demographic study, updated in January of 2012, indicated that enrollment will decline through 2013-14 at which point it will slowly increase through 2021-22 to an estimated total of 2,039 students.

ECONOMIC CONDITION AND OUTLOOK

The District tax base is (82.53%) residential, (17.41%) commercial and (0.06%) industrial, railroad and farm property. The commercial portion of the District consists of retail and office space. A new residential development just north of Glen Crest Middle School began construction in 2014 for twenty-two new 4-5 bedroom homes and an estimated new property value of \$10-\$12M. Furthermore, the Wal-Mart located at Route 53 and Butterfield Road has recently completed construction to become a Super Wal-Mart, which should allow for additional new construction value in the 2014 levy. Because there is very limited open space within the school district boundaries, future growth will be mainly a function of turnover of existing property.

District 89's major revenue source continues to be local property taxes. Although our school district is impacted by the 1994 Property Tax Extension Limitation Act (i.e. the Tax Cap), the District has been able to maintain positive fund balances within all fund accounts. The legislation limits the extension increase to the lesser of the consumer price index (CPI-U) or five percent on existing property. The use of the CPI-U in property tax calculations is intended to "slow down" the increases in a school district's levy request. The trailing influence of the CPI and the economic downturn are still having an impact. The CPI for calendar year 2011 was 3.0%, which limited the 2012 property tax levy collected in calendar year 2013. New construction is exempted from the Tax Cap. New property for the 2012 levy was \$1,293,760 or (.16%). Annual CPI-U increases since 1995 have averaged 2.43%, however for the past five years has averaged only 1.80%.

Part of the Tax Cap law allowed for Districts to establish a Debt Service Extension Base (DSEB) the year Tax Caps were implemented. Once established, a school district may issue non-referendum debt for an amount not to exceed the DSEB payments in the base year. The amount was based on a district's tax levy for the Debt Service Fund in 1994. District 89 did not have any debt outstanding in 1994 and therefore, does not benefit from a DSEB. All bonded debt issued by District 89 must go to referendum.

The economic outlook for the District 89 community still appears good in spite of the current economic uncertainty. The District has experienced a moderate decrease in student enrollment since 1995. A total of 2,661 students were enrolled in District 89 schools during the 1994-95 school year; the fall housing report for the 2013-2014 school year reported enrollment of 1,972. The decline in the student population has assisted the District in being able to maintain financial solvency as the Board was able to capitalize upon attrition savings due to retirements in several different years. Additionally, the Board of Education has enacted over \$2.2M in spending cuts which should continue the history of financial solvency for the near term. The District's most recent financial projections reflect small surpluses for the immediate future. Within the next five years, the Board will likely consider an operating rate referendum. The District has not placed a rate referendum on the ballot since 1986.

BOARD LEADERSHIP

As of June 2014 the Board leadership team consists of President Frank Zak (term expires 2017) Vice-President Mike Nelson (term expires 2017) and Secretary Pro-Tempore Terry Lachcik (term expires 2015). In April 2013, board members Jeff Hume and Beth Powers were elected to a four-year term. Board members Lori Gaspar and Tim Jedlicka terms expire in April 2015.

MAJOR INITIATIVES

The District is proud of its dedication to continuous improvement and to anticipating and preparing for the expanding expectations of parents and students. Strong instructional programs are regularly reviewed to ensure their continued rigor and effectiveness.

District 89 serves an increasingly diverse student population. The District serves a total of 184 English Language Learners speaking thirty-three different languages at home. A cohesive curriculum, improved instructional materials and a local assessment database help to better serve these students. In addition, the district is providing staff development opportunities targeted at differentiation of instruction to meet the needs of our growing diversity.

Technology continues to be an integral component of education. During the 2013-2014 school year, the district spent time integrating Google apps for education (GAFE) to increase collaboration among staff and students. The technology learning committee focused efforts on studying mobile technology for student learning. The team conducted several site visits to one to one districts to evaluate if District 89 will utilize the same practices. The district implemented a new website as well as implemented online grading and for elementary teachers during the 2013-2014 school year as well in order to better communicate with students and families.

During the 2013-2014 school year, District 89 continued with the tradition of excellence, performing above state. The state of Illinois elevated the cut scores, impacting the number of students meeting or exceeding state standards. In District 89, 81% of the students met or exceeded standards in both Reading and Math as measured by the Illinois Standard Achievement Test (ISAT), exceeding the state average.

Teachers have fully implemented the new learning standards driven by the Common Core and have created new units of study aligned to those standards. The district continues to use data to drive all instructional decisions, maximizing the learning potential of all.

To meet the needs of all children, the District continues to offer a broad curriculum including fine and applied arts, foreign language, technology, physical education and life skills. A community pre-school enriches the early childhood experience for special education students, ages 3-5, and also provides other parents with a quality tuition-based pre-school experience for their children.

During the 2013-2014 school year, district initiatives centered on Standards Based Grading, technology integration, utilizing student growth in evaluation, and the use of pre and post assessments to inform, instruct and differentiate for the needs of all learners.

A commitment to continuous improvement, world-class achievement and the collection, maintenance and analysis of data to demonstrate improved student achievement is evident at all schools. Each staff explores and adopts quality systems at its individual pace. These improvement systems are outlined in each school's School Improvement Plan.

During the 2013-2014 school year the district aligned all efforts to the newly adopted Strategic Plan. A comprehensive professional development plan was created in order to support continued growth. Additionally, the district created a scorecard to communicate progress towards goals with the community in order to increase transparency and monitor progress.

SERVICE EFFORTS AND ACCOMPLISHMENTS

District 89 is a member of the Cooperative Association for Special Education (CASE), a seven member district cooperative providing services for children ages three through twenty-one in need of special education programming. Through CASE, the District is a member of the Low Incidence Cooperative Agreement (LICA), a cooperative program providing services to hearing and visually impaired students.

The District is a pivotal member of the Consortium for Education Change (CEC) and provides leadership in this group of districts seeking excellence by embracing appropriate innovations for improvement. As a keystone of this effort, the District with the teacher organization has created a Compact for Quality, which is a set of beliefs that govern the relationship between the District and the teaching staff. The Compact is sweeping in its scope and rewards innovation, improvement and trust. The Compact has been recognized by the CEC for the cultivation of the relationships that allowed its development and for its innovative substance.

Finally, the District is an active and contributing member of the Illinois Association of School Administrators (IASA), the Illinois Association of School Business Officials (IASBO) and the Legislative Education Network of DuPage (LEND).

BUSINESS OPERATIONS AND FACILITIES

Business Office. The Business Office continually updates its long-term financial plan, presenting financial projections and possible strategies for addressing financial needs. Board members are made aware of emerging issues related to possible legislation and trends. The Business Office also prepares a comprehensive budget document. The budget and its supporting documents reflect the wide-scoped efforts to bring alignment to the District's financial and instructional goals.

Buildings. The District's buildings are in excellent condition. The oldest owned building in the District, Arbor View Elementary School, was built in 1959; while the newest school is Briar Glen Elementary School, built in 1971. The District substantially upgraded and improved building structures through a \$24.8M bond referendum in 2007. The work included repairs and upgrades to heating ventilating and air conditioning, as well as technology infrastructure, electrical, plumbing, life safety, security, and other building systems. The District drafted a long-range facility plan in 2014 which addresses the replacement of boilers, roofs, HVAC and other infrastructure needs over the next 5-10 year period. The District will also re-survey the buildings for life safety issues in 2017. The District has historically depended on debt issuance every 10-12 years to finance building projects. The 2007 bond issue will be repaid with the 2021 levy, allowing for an additional building referendum to be requested at that time.

During the summer of 2014, the District made several substantial improvements to the safety and security of both Arbor View and Glen Crest schools with the addition of security doors in the main corridors. These doors are part of the emergency lockdown plan and will provide another physical barrier to access the classroom areas. Also in 2014, the cafeteria at Glen Crest School was renovated to accommodate the addition of two walk-in freezers as well as some fire suppression and plumbing upgrades. That project was funded through the remaining 2007 bond fund proceeds.

The District financed the purchase of the Administration Center with debt certificates issued in 2004, pledging funds from the Operations & Maintenance Fund. These debt certificates were refunded in 2014 due to a favorable interest rate environment and net savings of \$25K over the life of the loan. The current debt on the Administration Building will be repaid in February of 2019, allowing for the pledged funds to revert back to the Operating Funds once the building is owned.

Operations. This is the third year that the District has participated in the National School Lunch Program. This program allows for federal and state reimbursement for lunches served for Districts which opt-in to the program. Although participation in the program has decreased since implementation, the addition of the program has been viewed as widely successful. Small changes will be made to the program offerings in the next school year in an attempt to raise participation by students. The program has allowed the District to decrease its food service operations deficit by nearly \$220,000 since inception.

Contracts. In the 2012-2013 school year, the Board of Education and the CCSD89 Education Association participated in contract negotiations. The parties settled a three-year agreement in the late summer of 2013, covering the 2013-2014 through 2015-2016 school years. The agreement made changes to retirement incentives offered to retiring teachers which are estimated to save the District \$250,000 over the life of the contract. Additionally, salary increases for teaching staff are now linked to the Consumer Price Index, which also drives tax receipts, the District's largest revenue base.

FINANCIAL INFORMATION

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which are appropriate to local governmental units of this type. The presentation allows the reader to obtain an overview of the District's financial operations by viewing the government-wide financial statements in the front section of this report. Detailed presentations of the government-wide financial statements, fund financial statements and individual fund statements are available throughout the remainder of the report.

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Projected financial plans are adopted for the capital outlay funds.

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. All actual activity compared to budget is reported in aggregate to the District's Board on a monthly basis. The management analyzes monthly reports which compare each line item account balance to the annual budget with accumulation to the fund, and total District levels. The District also maintains an encumbrance accounting system as one technique in accomplishing budgetary control. The District's legal level of budgetary control is at the fund level.

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.

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

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

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

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

As part of this model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion is located in the basic financial statements, providing an assessment of District finances for fiscal year 2014, with comparisons to 2013.

OTHER INFORMATION

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

Certificate of Excellence. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. The Certificate of Excellence is a prestigious national award recognizing conformance with the highest standards for preparation of school district reports.

The Certificate of Excellence is valid for a one-year period. We believe our current report continues to conform to the ASBO Certificate of Excellence program requirements, and we are submitting it again this year.

Closing Comment. The purpose of this Comprehensive Annual Financial Report is to provide the Board of Education, District Administration and other interested parties a meaningful report of the District's financial condition as of June 30, 2014.

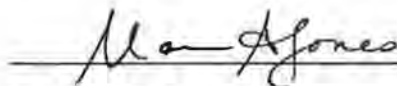
Acknowledgement. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of all the members of the Business Office who assisted in the closing of the District's financial records and the preparation of this report.

We would also like to thank members of the Board of Education for their interest and support in conducting the financial affairs of the District for the 2014 fiscal year.

Respectfully submitted,

A handwritten signature in cursive script, reading "John S. Perdue", written over a horizontal line.

Dr. John S. Perdue
Superintendent of Schools

A handwritten signature in cursive script, reading "Maureen A. Jones", written over a horizontal line.

Maureen A. Jones
Assistant Superintendent for Finance &
Operations

Association of School Business Officials International



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

Community Consolidated School District 89

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

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

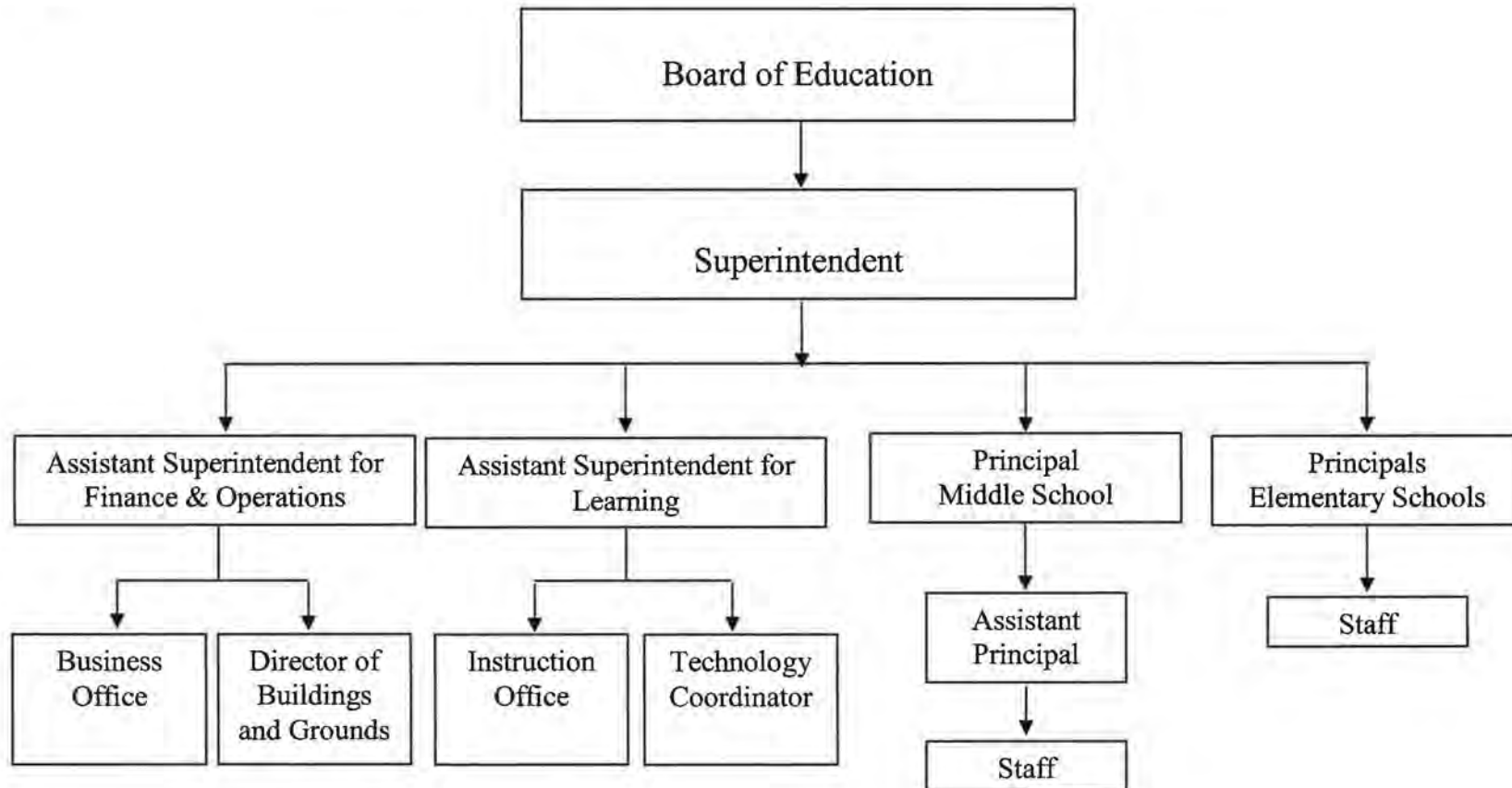


Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
Comprehensive Annual Financial Report
June 30, 2014

ORGANIZATIONAL CHART



COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

Principal Officers and Officials

**Comprehensive Annual Financial Report for
the Fiscal Year Ended June 30, 2014**

Board of Education

Frank Zak, President

Mike Nelson, Vice President

Lori Gaspar

Jeff Hume

Tim Jedlicka

Terry Lachcik

Beth Powers

District Administrators

Dr. John S. Perdue, Superintendent

Dr. Emily Tammaru, Assistant Superintendent for Learning

Maureen A. Jones, Assistant Superintendent for Finance and Operations

Official Issuing Report

Maureen A. Jones, Assistant Superintendent for Finance and Operations

Department Issuing Report

Business Office

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Community Consolidated School District 89
Glen Ellyn, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 89, Illinois, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Community Consolidated School District 89's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Community Consolidated School District 89's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Community Consolidated School District 89's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Education
Community Consolidated School District 89

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 89, Illinois, as of June 30, 2014 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3, Community Consolidated School District 89 adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Consolidated School District 89's basic financial statements. The supplementary information for the year ended June 30, 2014 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2014, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2014.

To the Board of Education
Community Consolidated School District 89

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Community Consolidated School District 89 as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated November 5, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Consolidated School District 89's basic financial statements. The introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited Community Consolidated School District 89's 2013 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 5, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2014 on our consideration of Community Consolidated School District 89's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Consolidated School District 89's internal control over financial reporting and compliance.

Oak Brook, Illinois
October 16, 2014

Baker Tilly Unichs Krause, LLP

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2014

The discussion and analysis of Community Consolidated School District 89's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2014. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > The District's total assets were \$56.4 million.
- > The District's total liabilities were \$22.8 million.
- > The District's total deferred inflows of resources were \$12.3 million.
- > Long term liabilities decreased by \$1.0 million.
- > In total, net position decreased by \$0.1. This represents a 0.4% decrease from 2013 and was due in large part to the purchase of classroom furniture for \$223K.
- > General revenues accounted for \$25.7 in revenue or 75.1% of all revenues. Program specific revenues in the form of charges for services and fees and operating grants accounted for \$8.5 or 24.9% of total revenues of \$34.2.
- > The District had \$34.3 in expenses related to government activities. However, only \$8.5 of these expenses was offset by program specific charges and grants.
- > State aid formula grants were up 20% or \$108K from the prior year; \$820K in 2014 and \$712K for 2013.
- > Expenses for total governmental activities decreased mainly to the following decreases: \$6.5M decrease of expenses attributed to a change in estimated useful lives for fixed assets in 2013, \$.5 increase due to Operations & Maintenance, and \$.8 increase in regular programs.
- > Program revenues increased by \$1.3 million, or 17.5% over FY 2013.
- > Total capital assets net of depreciation decreased by \$0.9 or 3.2% and were \$27.6 million at June 30, 2014.
- > Accumulated depreciation was \$24.2 and \$22.7 at June 30, 2014 and June 30, 2013 respectively. The District's total capital assets were \$51.8 million.

Overview of the Financial Statements

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

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2014

This report also contains other supplementary information in addition to the basic financial statements that explain some of the information in the statements and provide more detailed data.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of these statements.

Figure A-1

	Government-Wide Statements	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary such as educational and operations and maintenance	Assets held by the District on behalf of someone else such as students activities monies
Required financial statements	Statement of net position and statement of activities	Balance sheet, statement of revenues, expenditures and change in fund balance	Statement of fiduciary assets and liabilities
Accounting basis & measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital; short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or or services have been received and the related liability is due and payable	All additions or deductions during the year, regardless of when cash is received or paid

Government-wide financial statements

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

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

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2014

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as 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). 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 six 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, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

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

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

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2014

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

Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2014, than it was the year before, decreasing 23% to \$21.3.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2013*</u>	<u>2014</u>
Assets:		
Current and other assets	\$ 28.9	\$ 28.8
Capital Assets	<u>28.5</u>	<u>27.6</u>
Total assets	<u>57.4</u>	<u>56.4</u>
Liabilities:		
Current liabilities	13.0	0.8
Long-term debt outstanding	<u>23.0</u>	<u>22.0</u>
Total liabilities	<u>36.0</u>	<u>22.8</u>
Total deferred inflows of resources	<u>-</u>	<u>12.3</u>
Net position:		
Net investment in capital assets	6.5	6.6
Restricted	3.1	3.0
Unassigned	<u>11.8</u>	<u>11.7</u>
Total net position	<u>\$ 21.4</u>	<u>\$ 21.3</u>

* Prior year information has not been updated for the District's implementation of GASB Statement No. 65 in fiscal year 2014.

Community Consolidated School District 89
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2014

Table 2 Changes in Net Position (in millions of dollars)		
	<u>2013</u>	<u>2014</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 1.7	\$ 1.7
Operating grants & contributions	5.5	6.8
<i>General revenues:</i>		
Taxes	23.6	24.8
General state aid	0.7	0.8
Other	0.1	0.1
Total revenues	<u>31.6</u>	<u>34.2</u>
Expenses:		
Instruction	21.3	18.4
Pupil & instructional staff services	3.1	3.2
Administration & business	3.0	3.0
Transportation	1.0	0.9
Operations & maintenance	2.1	2.5
Other	7.5	6.3
Total expenses	<u>38.0</u>	<u>34.3</u>
Excess (deficiency) of revenues over expenses before special items	<u>(6.4)</u>	<u>(0.1)</u>
Increase (decrease) in net position	<u>\$ (6.4)</u>	<u>\$ (0.1)</u>

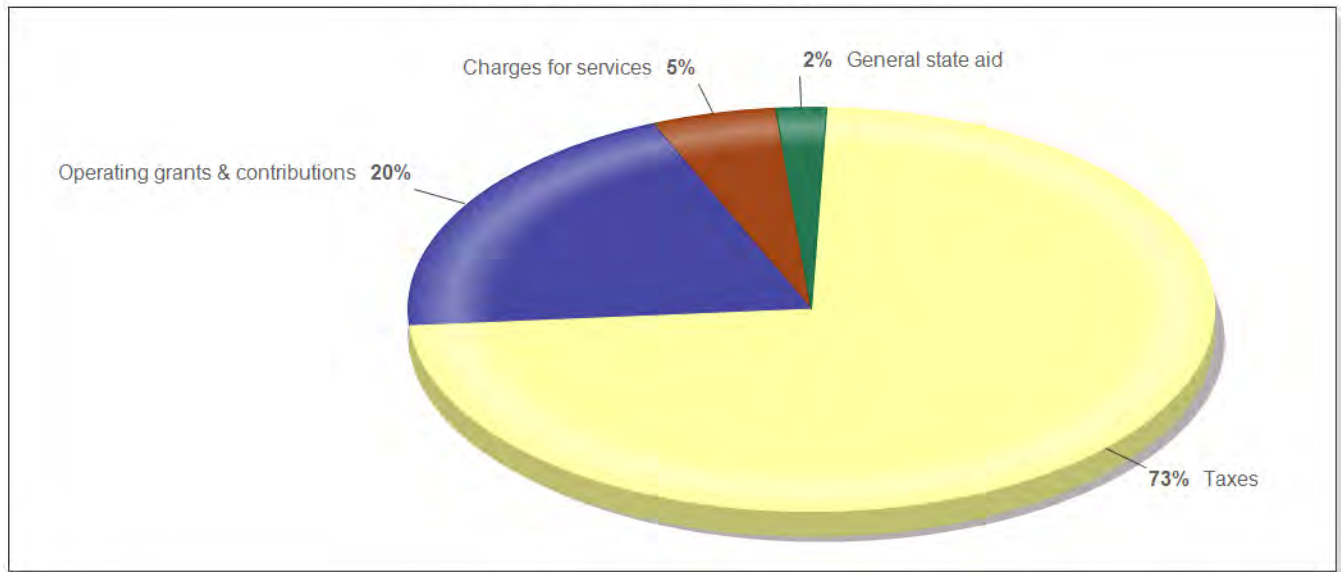
The District's total revenues were \$34.2 (See Table 2) representing a \$2.6 increase over the prior year. Property taxes accounted for the largest portion of the District's revenues, contributing 73% of the total. Operating grants make up 20% of the total revenues received, which is up \$1.3 from the prior year. This large increase can be mainly attributed to an increase in state retirement contributions paid on behalf of the school district, which increased \$1.2 over the prior year. The remainder of revenues came from state, federal grants and other sources.

The total cost of all the District's programs was \$34.3, with the largest portion attributable to direct instruction of students at 54%. Expenses incurred to care for the students and student transportation accounted for an additional 12% of the total expenditures. District administrative and business activities accounted for 9% of the total expenditures. Operations and maintenance activities were 7% of total expenditures. The total cost of all programs at \$34.3 represents a 10% decrease from the prior year.

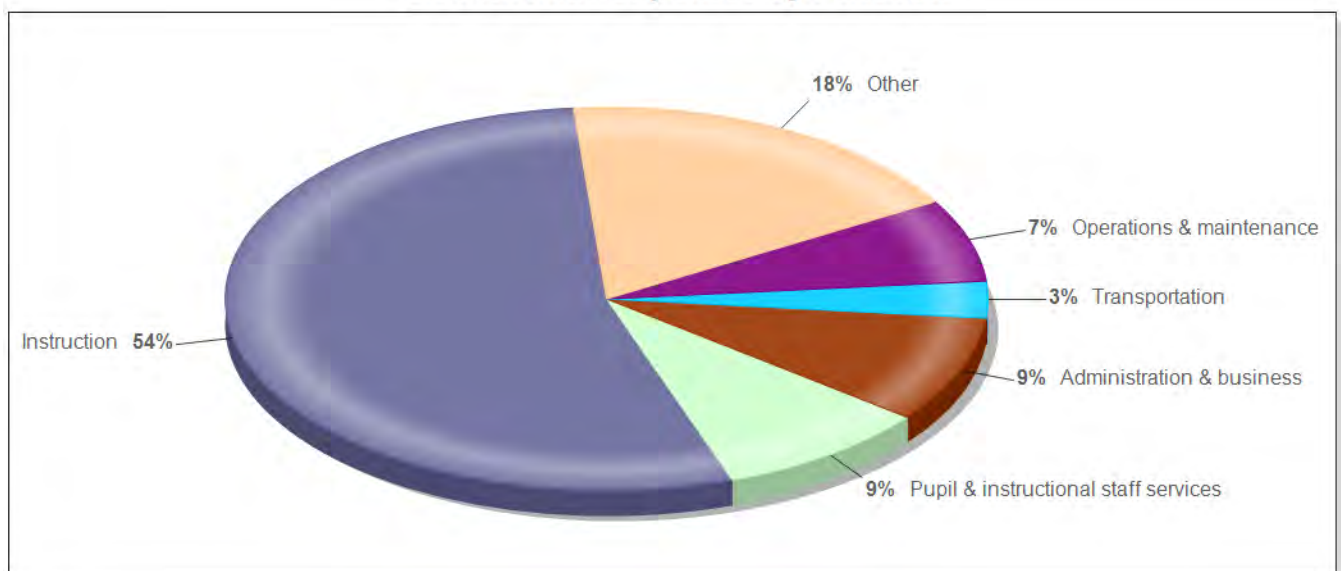
Expenses in the governmental activities of the District of \$34.3 exceeded revenues by \$0.1, which is mainly attributable to a four-year capital lease agreement for equipment which was signed in and accrued to this fiscal year; lease payments will occur over the next four fiscal years

Community Consolidated School District 89
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2014

District-Wide Revenues by Source



District-Wide Expenses by Function



Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2014

Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$16.0 to \$15.9.

The General Fund (Educational and Working Cash) reflects an increase of \$52K for the year ended June 30, 2014. The District received approximately \$208K additional revenues than budgeted. Much of this increase was due to the general levy. The District received about \$127K less revenue from special education tuition from other LEA's for CASE programs housed in District 89 buildings than was budgeted. Preschool tuition and Food service revenues were also down about \$40K from the prior year due to decreased participation in both programs. Total revenues for the General Fund increased by \$810K or 3.67% over the prior year. Total expenditures for the General Fund increased by \$1.2 or 5.38% over the prior year. When other financing sources and uses are accounted for, the net change in fund balance amounts to \$52K. The fund carried a fund balance of \$12.5 at year end.

The Operations and Maintenance Fund reflects a decrease in fund balance of \$233K after transfers out for debt service repayment. Revenues were \$143K higher than the prior year. Revenues were over budget by \$41K; the majority of this attributable to a grant which was applied for and received after the budget was finalized. Total expenditures for the Operations and Maintenance Fund decreased by \$378K from the prior year. Expenditures were much higher due to numerous expenses which were incurred in response to the very harsh winter, including snow removal services, gas and electric expenses and parking lot repaving. The fund carried a fund balance of \$536K at year end.

The Transportation fund reflects an increase in fund balance of \$185K. Revenues were \$49K under budget and \$92K lower than the prior year. Expenditures were \$36K under budget and \$44K lower than the prior year. The fund carried a fund balance of \$1.0 at year end.

The Municipal Retirement/Social Security Fund increased by \$55K during the year. The fund carried a fund balance of \$334K at year end.

General Fund Budgetary Highlights

The District over spent projected expenditures by \$1.4 for the 2013-2014 fiscal year. The majority of this variance is due to the lease of capital equipment in the Educational Accounts of the General Fund which will be repaid over the next four fiscal years; however a portion of the lease was capitalized in this fiscal year.

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2014

Capital Assets and Debt Administration

Capital assets

By the end of 2014, the District had compiled a total investment of \$51.8 (\$27.6 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$1.6. More detailed information about capital assets can be found in Note 6 of the basic financial statements.

Table 3 Capital Assets (net of depreciation) (in millions of dollars)		
	<u>2013</u>	<u>2014</u>
Land	\$ 0.4	\$ 0.4
Land improvements	0.6	0.5
Buildings	26.3	25.3
Equipment and furniture	<u>1.2</u>	<u>1.4</u>
Total	<u><u>\$ 28.5</u></u>	<u><u>\$ 27.6</u></u>

Long-term debt

The District retired \$2.4 in bonds and issued \$0.9 in bonds in 2014. Capital leases and other were reduced by \$0.1. At the end of fiscal 2014, the District had a debt margin of \$29.4. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Table 4 Outstanding Long-Term Debt (in millions of dollars)		
	<u>2013</u>	<u>2014</u>
General Obligation Bonds	\$ 22.9	\$ 21.5
Capital leases and other	<u>0.1</u>	<u>0.5</u>
Total	<u><u>\$ 23.0</u></u>	<u><u>\$ 22.0</u></u>

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 will significantly affect financial operations in the future:

- > Curriculum review of science to adhere to newly adopted Common Core State Standards in this area
- > District wide interest in extending the school day and/or full-day Kindergarten to increase learning opportunities
- > Park View School nearing physical capacity limits
- > Continued pro rating of state funding of categorical payments and general state aid
- > Ongoing discussion at State level regarding a shift in state funding for all school districts

Community Consolidated School District 89
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2014

- > Discussion at State level regarding pension costs being shifted over to school districts
- > Increased property tax objections being filed by local businesses which have the effect of transferring the tax burden to homeowners, thus making a referendum more difficult to pass
- > Increased property tax appeals board cases settled years in arrears causing refund of property tax revenues from prior years to be made out of current receipts
- > Options explored to finance the long term technology replacement plan as more technology is brought into the classroom
- > Long term facilities plan which may require additional financing sources outside of the District's operational budget (bond referendum)

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:

Maureen A. Jones, Assistant Superintendent for Finance and Operations
Community Consolidated School District 89
22W600 Butterfield Road
Glen Ellyn, Illinois 60137

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

STATEMENT OF NET POSITION

AS OF JUNE 30, 2014

**GOVERNMENTAL
ACTIVITIES**

Assets

Cash and investments	\$ 16,097,134
Receivables (net of allowance for uncollectibles):	
Interest	11,330
Property taxes	12,374,176
Replacement taxes	33,791
Intergovernmental	156,966
Net other post retirement benefit asset	92,871
Capital assets:	
Land	409,080
Depreciable buildings, property and equipment, net	<u>27,195,258</u>
Total assets	<u>56,370,606</u>

Liabilities

Payroll deductions payable	287,992
Interest payable	347,076
Unearned student fees	174,466
Long-term liabilities:	
Other long-term liabilities - due within one year	1,730,022
Other long-term liabilities - due after one year	<u>20,229,198</u>
Total liabilities	<u>22,768,754</u>

Deferred inflows of resources

Property taxes levied for a future period	<u>12,327,267</u>
Total deferred inflows of resources	<u>12,327,267</u>

Net position

Net investment in capital assets	6,561,877
Restricted for:	
Operations and maintenance	535,880
Student transportation	1,015,256
Retirement benefits	333,858
Debt service	891,509
Capital projects	231,151
Unrestricted	<u>11,705,054</u>
Total net position	<u>\$ 21,274,585</u>

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND
				GOVERNMENTAL
				CHANGES IN NET POSITION
Governmental activities				
Instruction:				
Regular programs	\$ 11,956,060	\$ 409,167	\$ 64,213	\$ (11,482,680)
Special programs	5,171,085	907,723	1,091,557	(3,171,805)
Other instructional programs	1,179,102	-	106,724	(1,072,378)
State retirement contributions	5,087,366	-	5,087,366	-
Support Services:				
Pupils	1,236,240	-	-	(1,236,240)
Instructional staff	1,972,395	-	62,009	(1,910,386)
General administration	731,879	-	-	(731,879)
School administration	1,167,717	-	-	(1,167,717)
Business	1,142,849	235,715	135,520	(771,614)
Transportation	911,514	5,418	239,559	(666,537)
Operations and maintenance	2,545,140	92,079	-	(2,453,061)
Central	126,825	-	-	(126,825)
Community services	1,293	-	-	(1,293)
Interest and fees	1,075,139	-	-	(1,075,139)
Total governmental activities	\$ 34,304,604	\$ 1,650,102	\$ 6,786,948	(25,867,554)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	18,778,800
Real estate taxes, levied for specific purposes	3,641,490
Real estate taxes, levied for debt service	2,244,851
Personal property replacement taxes	199,060
State aid-formula grants	820,356
Investment income	14,400
Miscellaneous	<u>73,236</u>

Total general revenues 25,772,193

Change in net position (95,361)

Net position, beginning of year 21,369,946

Net position, end of year \$ 21,274,585

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GOVERNMENTAL FUNDS

BALANCE SHEET

AS OF JUNE 30, 2014

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2013

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 12,641,106	\$ 539,344	\$ 1,117,421	\$ 336,595
Receivables (net allowance for uncollectibles):				
Interest	7,568	743	87	190
Property taxes	9,406,170	1,100,761	376,246	349,742
Replacement taxes	33,791	-	-	-
Intergovernmental	156,966	-	-	-
Other	-	-	-	-
Total assets	<u>\$ 22,245,601</u>	<u>\$ 1,640,848</u>	<u>\$ 1,493,754</u>	<u>\$ 686,527</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Payroll deductions payable	\$ 171,681	\$ 8,380	\$ 103,678	\$ 4,253
Deferred revenue	-	-	-	-
Unearned student fees	<u>174,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>346,147</u>	<u>8,380</u>	<u>103,678</u>	<u>4,253</u>
Deferred inflows of resources				
Property taxes levied for a future period	<u>9,370,512</u>	<u>1,096,588</u>	<u>374,820</u>	<u>348,416</u>
Total deferred inflows of resources	<u>9,370,512</u>	<u>1,096,588</u>	<u>374,820</u>	<u>348,416</u>
Fund balance				
Restricted	-	535,880	1,015,256	333,858
Unassigned	<u>12,528,942</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>12,528,942</u>	<u>535,880</u>	<u>1,015,256</u>	<u>333,858</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 22,245,601</u>	<u>\$ 1,640,848</u>	<u>\$ 1,493,754</u>	<u>\$ 686,527</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
		2014	2013
\$ 1,233,519	\$ 229,149	\$ 16,097,134	\$ 15,662,822
740	2,002	11,330	11,330
1,141,257	-	12,374,176	12,334,931
-	-	33,791	37,972
-	-	156,966	429,840
-	-	-	101,561
<u>\$ 2,375,516</u>	<u>\$ 231,151</u>	<u>\$ 28,673,397</u>	<u>\$ 28,578,456</u>

\$ -	\$ -	\$ 287,992	\$ 92,148
-	-	-	12,533,145
-	-	174,466	-
-	-	462,458	12,625,293
1,136,931	-	12,327,267	-
1,136,931	-	12,327,267	-
1,238,585	231,151	3,354,730	3,476,162
-	-	12,528,942	12,477,001
1,238,585	231,151	15,883,672	15,953,163
<u>\$ 2,375,516</u>	<u>\$ 231,151</u>	<u>\$ 28,673,397</u>	<u>\$ 28,578,456</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2014

Total fund balances - governmental funds \$ 15,883,672

Amounts reported for governmental activities in the Statement of Net Position are different because:

Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. 27,604,338

The other-post employment benefit long-term asset included in the Statement of Net Position is not available to pay for current period expenditures and, therefore, is not reported in the Governmental Funds Balance Sheet. 92,871

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at June 30, 2014 are:

Bonds payable	\$ (20,005,000)	
Debt certificates	(910,000)	
Unamortized bond premium	(564,719)	
Interest payable	(347,076)	
Capital leases	(472,742)	
Compensated absences	<u>(6,759)</u>	
		<u>(22,306,296)</u>

Net position of governmental activities \$ 21,274,585

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 18,778,800	\$ 2,151,900	\$ 827,096	\$ 662,494
Corporate personal property replacement taxes	190,060	-	-	9,000
State aid	6,868,029	37,500	239,559	-
Federal aid	490,433	-	-	-
Investment income	12,042	842	370	224
Other	<u>1,621,160</u>	<u>95,245</u>	<u>6,918</u>	<u>-</u>
Total revenues	<u>27,960,524</u>	<u>2,285,487</u>	<u>1,073,943</u>	<u>671,718</u>
Expenditures				
Current:				
Instruction:				
Regular programs	10,844,039	-	-	145,230
Special programs	3,420,466	-	-	148,100
Other instructional programs	1,164,229	-	-	14,873
State retirement contributions	5,087,366	-	-	-
Support Services:				
Pupils	1,195,828	-	-	40,412
Instructional staff	1,807,757	-	-	77,530
General administration	714,764	-	-	17,115
School administration	1,112,289	-	-	54,099
Business	906,287	8,958	-	49,317
Transportation	-	-	889,017	8,320
Operations and maintenance	178	2,345,662	-	53,314
Central	79,393	-	-	8,356
Community services	1,293	-	-	-
Payments to other districts and gov't units	1,379,832	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>538,139</u>	<u>194,555</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>28,251,860</u>	<u>2,549,175</u>	<u>889,017</u>	<u>616,666</u>
Excess (deficiency) of revenues over expenditures	<u>(291,336)</u>	<u>(263,688)</u>	<u>184,926</u>	<u>55,052</u>
Other financing sources (uses)				
Transfers in	-	223,500	-	-
Transfers (out)	(129,465)	(192,999)	-	-
Principal on Debt Certificates issued	-	-	-	-
Capital lease value	<u>472,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>343,277</u>	<u>30,501</u>	<u>-</u>	<u>-</u>
Net change in fund balance	51,941	(233,187)	184,926	55,052
Fund balance, beginning of year	<u>12,477,001</u>	<u>769,067</u>	<u>830,330</u>	<u>278,806</u>
Fund balance, end of year	<u>\$ 12,528,942</u>	<u>\$ 535,880</u>	<u>\$ 1,015,256</u>	<u>\$ 333,858</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
		2014	2013
\$ 2,244,851	\$ -	\$ 24,665,141	\$ 23,407,206
-	-	199,060	192,528
-	-	7,145,088	5,881,641
-	-	490,433	628,105
883	39	14,400	26,004
15	-	1,723,338	1,730,880
<u>2,245,749</u>	<u>39</u>	<u>34,237,460</u>	<u>31,866,364</u>
-	-	10,989,269	10,195,856
-	-	3,568,566	3,714,538
-	-	1,179,102	1,099,241
-	-	5,087,366	3,823,298
-	-	1,236,240	1,228,564
-	-	1,885,287	1,755,054
-	-	731,879	708,271
-	-	1,166,388	1,163,833
-	-	964,562	928,555
-	-	897,337	938,471
-	-	2,399,154	1,952,171
-	-	87,749	102,914
-	-	1,293	1,595
-	-	1,379,832	1,401,401
2,455,356	-	2,455,356	1,421,025
937,619	-	937,619	958,589
-	-	732,694	480,435
<u>3,392,975</u>	<u>-</u>	<u>35,699,693</u>	<u>31,873,811</u>
<u>(1,147,226)</u>	<u>39</u>	<u>(1,462,233)</u>	<u>(7,447)</u>
322,464	-	545,964	327,791
-	(223,500)	(545,964)	(327,791)
920,000	-	920,000	-
-	-	472,742	-
<u>1,242,464</u>	<u>(223,500)</u>	<u>1,392,742</u>	<u>-</u>
95,238	(223,461)	(69,491)	(7,447)
<u>1,143,347</u>	<u>454,612</u>	<u>15,953,163</u>	<u>15,960,610</u>
<u>\$ 1,238,585</u>	<u>\$ 231,151</u>	<u>\$ 15,883,672</u>	<u>\$ 15,953,163</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds	\$ (69,491)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds net capital outlay in the current period.	(918,744)
Certain grant revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:	(28,217)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal repayments exceeded proceeds from current year long-term financing arrangements.	1,062,614
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.	(164,441)
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:	
Interest payable	\$ 26,921
Compensated absences	(1,329)
Change in other post employment benefits asset	<u>(2,674)</u>
	<u>22,918</u>
Change in net position of governmental activities	<u>\$ (95,361)</u>

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2014

AGENCY
STUDENT
ACTIVITY
FUND

Assets

Cash and investments	\$ <u>152,804</u>
Total assets	\$ <u><u>152,804</u></u>

Liabilities

Due to student groups	\$ <u>152,804</u>
Total liabilities	\$ <u><u>152,804</u></u>

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Consolidated School District 89 (the "District") is governed by an elected Board of Education. The Board of Education maintains final responsibility for all budgetary, taxing, and debt matters. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

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

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 pay liabilities of the current period. For this purpose, 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, expenditures for unmatured principal and interest on general long-term debt are 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.

Major Governmental Funds

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

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

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

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

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

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

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Projects Fund - accounts for construction projects and renovations financed through prior bond issues.

Other Fund Types

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

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

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

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

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

All Financial Statements

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Assets, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

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

Receivables and Payables

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

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2013 levy resolution was approved during the December 16, 2013 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2013 and 2012 tax levies were 1.7% and 3.0%, respectively.

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. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2013 property tax levy is recognized as a receivable in fiscal 2014, net of estimated uncollectible amounts approximating 0.3% and less amounts already received. The District considers that the first installment of the 2013 levy is to be used to finance operations in fiscal 2014. The District has determined that the second installment of the 2013 levy is to be used to finance operations in fiscal 2015 and has included the corresponding receivable as a deferred inflow of resources.

Personal Property Replacement Taxes

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Assets

Capital assets, which include buildings, improvements other than buildings, other equipment and food service equipment 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 more than 1 year. 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.

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

<i>Assets</i>	<i>Years</i>
Buildings and building improvements	20-40 years
Land Improvements	20 years
Furniture, equipment, and vehicles	5-20 years

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

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2014 are determined on the basis of current salary rates and include salary related payments.

Under current policy, only 12-month employees are entitled to vacation time.

Administrative personnel are required to use their vacation days accrued within 2 months after the end of the fiscal year in which they were earned. All other staff are required to use vacation days accrued within 14 months after the end of the fiscal year in which they were earned.

All certified employees receive 12 sick days per year, in accordance with the agreement between the Board of Education and the District 89 Education Association. Upon retirement, a certified employee may apply up to 340 days of unused and uncompensated sick leave toward service credit for TRS. Days in excess of the number reported to TRS are compensated at one-half of the then existing substitute rate of pay. When a certified employee resigns from the District, for other than retirement, all unused sick days are reported to TRS.

Educational support personnel receive up to thirteen sick days per year, which accumulate indefinitely. Upon retirement, employees may apply up to 240 unused sick days toward an additional year of IMRF service. The District does not reimburse employees for any day in excess of the 240 IMRF credit days.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

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

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

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

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

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

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

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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

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

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

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

The District has a formal minimum fund balance policy for its "Operating" funds, which are defined as the General Fund and all of the Special Revenue Funds. The policy states the following:

1. The District should have the ability to maintain a positive cash position throughout the fiscal year and to avoid external borrowing for operational expenditures.
2. A minimum reserve level of 50% of the next year's projected annual expenditures of the Operating Funds as of June 30th should be maintained (using the cash basis of accounting).
3. A minimum reserve level in the Operating Funds of 10% should be maintained after deferring the first installment of annual property tax collections received prior to June 30th to the following fiscal year.

If the fund balance of the Operating Funds is such that 1) the District cannot maintain a positive cash position without external borrowing, or 2) one of both of the minimum reserve levels cannot be maintained, then the administration shall recommend a course of action to the Board of Education to address the situation.

The restricted fund balances at June 30, 2014 are for the purpose of the respective funds, as described above in the Major Governmental Funds section.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2013, from which such summarized information was derived.

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2014, expenditures exceeded budget in the General Fund and the Debt Service Fund by \$1,412,305 and \$913,372, respectively. These excesses were funded by available fund balance.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective July 1, 2013.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	<i>Government- wide</i>	<i>Fiduciary</i>	<i>Total</i>
Cash and investments	\$ 16,097,134	\$ 152,804	\$ 16,249,938
Total	<u>\$ 16,097,134</u>	<u>\$ 152,804</u>	<u>\$ 16,249,938</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

For disclosure purposes, this amount is segregated into the following components: deposits with financial institutions, which include amounts held in demand accounts, savings accounts and non-negotiable certificates of deposit; state money market funds; and other investments, which consist of all investments other than certificates of deposit or money market funds, as follows:

	<i>Cash and investments</i>
Deposits with financial institutions	\$ 2,733,198
ISDLAF+ MAX fund	1,735,779
Illinois funds	3,249
IIIT funds	36,112
Other investments	<u>11,741,600</u>
Total	<u><u>\$ 16,249,938</u></u>

At year end, the District had the following investments:

	<i>Investment Maturity (In Years)</i>				
	<i>Fair Value</i>	<i>Less than one</i>	<i>1-5</i>	<i>5-10</i>	<i>More than 10</i>
ISDLAF+ Term Series	\$ 9,500,000	\$ 9,500,000	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	<u>2,241,600</u>	<u>2,241,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 11,741,600</u></u>	<u><u>\$ 11,741,600</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair market value losses from increasing interest rate.

Credit Risk. Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy limits the investment in commercial paper to no more than 10% of a corporation's outstanding obligation and in total no more than one-third of the District's investments (including certificates of deposit) may be in commercial paper. The District policy has no other limit on its investment choices. As of June 30, 2014, the ISDLAF+ Term Series and the Negotiable Certificates of Deposit were unrated.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) and the Illinois Institutional Investors Fund (IIIT) are not-for-profit investment trusts formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. Neither is registered with the SEC as an investment company. Investments are each rated AAAM and are valued at share price, which is the price for which the investment could be sold.

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not specifically limit the amount the District may invest in any one issuer.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2014, the bank balance of the District's deposit with financial institutions totaled \$5,448,288; of this amount, \$2,716,690 was FDIC insured and \$2,731,598 was collateralized.

Custodial Credit Risk - Investments. With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counter party, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral. At June 30, 2014, none of the District's investments were exposed to custodial credit risk.

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

NOTE 5 - INTERFUND TRANSFERS

During the year, the Board of Education transferred \$192,999 from the Operations and Maintenance Fund to the Debt Service Fund for the payment on revenue bonds.

The Board of Education also transferred \$223,500 from the Capital Projects Fund to the Operations and Maintenance Fund to pay for the purchase of student desks and chairs.

Additionally, during the year the Board of Education transferred \$129,465 from the General Fund to the Debt Service Fund for capital lease payments.

State law allows for the above transfers.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2014 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 409,080	\$ -	\$ -	\$ 409,080
Total capital assets not being depreciated	<u>409,080</u>	<u>-</u>	<u>-</u>	<u>409,080</u>
<u>Capital assets being depreciated:</u>				
Land improvements	1,943,138	44,177	-	1,987,315
Buildings	44,738,681	143,475	-	44,882,156
Equipment	<u>4,088,360</u>	<u>545,854</u>	<u>121,534</u>	<u>4,512,680</u>
Total capital assets being depreciated	<u>50,770,179</u>	<u>733,506</u>	<u>121,534</u>	<u>51,382,151</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	1,368,354	85,444	-	1,453,798
Buildings	18,382,205	1,237,689	-	19,619,894
Equipment	<u>2,905,618</u>	<u>322,782</u>	<u>115,199</u>	<u>3,113,201</u>
Total accumulated depreciation	<u>22,656,177</u>	<u>1,645,915</u>	<u>115,199</u>	<u>24,186,893</u>
Net capital assets being depreciated	<u>28,114,002</u>	<u>(912,409)</u>	<u>6,335</u>	<u>27,195,258</u>
Net governmental activities capital assets	<u>\$ 28,523,082</u>	<u>\$ (912,409)</u>	<u>\$ 6,335</u>	<u>\$ 27,604,338</u>

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 964,117
Special programs	222,687
Instructional staff	87,920
Business	178,287
Transportation	14,177
Operations and maintenance	139,651
Central	<u>39,076</u>
Total depreciation expense - governmental activities	<u>\$ 1,645,915</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 7 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2014:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	\$ 21,290,000	\$ -	\$ 1,285,000	\$ 20,005,000	\$ 1,430,000
Debt certificates	1,035,000	920,000	1,045,000	910,000	180,000
Unamortized premium	656,333	-	91,614	564,719	-
Deferred amount on refunding	(63,086)	-	(63,086)	-	-
Total bonds payable	<u>22,918,247</u>	<u>920,000</u>	<u>2,358,528</u>	<u>21,479,719</u>	<u>1,610,000</u>
Capital leases	125,356	472,742	125,356	472,742	113,263
Compensated absences	<u>5,430</u>	<u>73,144</u>	<u>71,815</u>	<u>6,759</u>	<u>6,759</u>
Total long-term liabilities - governmental activities	<u>\$ 23,049,033</u>	<u>\$ 1,465,886</u>	<u>\$ 2,555,699</u>	<u>\$ 21,959,220</u>	<u>\$ 1,730,022</u>

The obligations for the compensated absences will be repaid from the General Fund.

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

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series Building Bonds, Series 2008 dated April 8, 2008 are due in annual installments through February 1, 2023	4.00% - 4.5%	\$ 10,000,000	\$ 10,000,000
Series Building Bonds, Series 2009 dated February 3, 2009 are due in annual installments through February 1, 2020	3.00%-3.50%	<u>13,460,000</u>	<u>10,005,000</u>
Total		<u>\$ 23,460,000</u>	<u>\$ 20,005,000</u>

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

	Principal	Interest	Total
2015	\$ 1,430,000	\$ 827,762	\$ 2,257,762
2016	1,585,000	784,862	2,369,862
2017	1,755,000	735,331	2,490,331
2018	1,950,000	665,131	2,615,131
2019	2,160,000	587,131	2,747,131
2020 - 2024	<u>11,125,000</u>	<u>1,768,048</u>	<u>12,893,048</u>
Total	<u>\$ 20,005,000</u>	<u>\$ 5,368,265</u>	<u>\$ 25,373,265</u>

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, 2014, the statutory debt limit for the District was \$50,764,040, providing a debt margin of \$29,376,298.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

Debt Certificates The obligations for the debt certificates will be repaid from the Debt Services Fund after transfer from the General Fund. Debt certificates currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2013 Debt Certificates dated November 5, 2013 are due in annual installments through February 1, 2019	1.70%	\$ 920,000	\$ 910,000
Total		<u>\$ 920,000</u>	<u>\$ 910,000</u>

During the year, the District issued \$920,000 in debt certificates with an average interest rate of 1.70% to currently refund \$880,000 of outstanding 2004 Series debt certificates with an average interest rate of 3.88%. The net proceeds were used to retire future principal payments, which were callable. As a result, the liability for the 2004 Series debt certificates has been removed from the Statement of Net Position.

The District refunded the 2004 Series debt certificates to reduce its total debt service payments over the next 6 years by \$37,457. This transaction resulted in an economic gain/loss (difference between the present values of the debt service payments on the old and new debt) of \$39,095.

Annual debt service requirements to maturity for the debt certificates are as follows for governmental type activities:

	Principal	Interest	Total
2015	\$ 180,000	\$ 15,470	\$ 195,470
2016	175,000	12,410	187,410
2017	180,000	9,435	189,435
2018	185,000	6,375	191,375
2019	<u>190,000</u>	<u>3,230</u>	<u>193,230</u>
Total	<u>\$ 910,000</u>	<u>\$ 46,920</u>	<u>\$ 956,920</u>

Capital Leases. The District has entered into a lease agreement as lessee for financing the acquisition of copier and computer equipment. This lease agreement qualifies as a capital lease 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, 2014, \$472,742 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid with annual transfers from the General Fund (Educational Accounts) to the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, are as follows:

	Amount
2015	\$ 126,704
2016	127,272
2017	126,992
2018	<u>126,704</u>
Total minimum lease payments	507,672
Less: amount representing interest	<u>(34,930)</u>
Present value of minimum lease payments	<u>\$ 472,742</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the Collective Liability Insurance Cooperative (CLIC) a public entity risk pool. The District pays annual premiums to the pool for casualty property and liability coverage. The arrangements with the pool provides that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District is also a member of EBC to protect from risks of loss regarding employee health. EBC was formed in 1984 as a voluntary cooperative agency of Illinois Public School Districts and Joint Agreements. The purpose of EBC is to administer some or all of the employee benefit programs offered by the member districts to their employees and employees' dependents. EBC administers the payment of claims that arise under the benefit programs offered by each member district. Additionally, EBC offers to its members, group life insurance coverage obtained through an outside insurance company. Monthly medical and dental contributions are estimated by the Plan's administrator in advance of each membership year based upon each district's plan of coverage, estimated enrollment, estimated claim costs and service fees.

Complete financial statements for EBC can be obtained from its treasurer at 1105 North Hunt Club Road, Gurnee, IL 60031.

The District purchases insurance coverage from private insurance companies for all risks not covered through CLIC or EBC. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

NOTE 9 - JOINT AGREEMENTS

The District and six other districts within DuPage County have entered into a joint agreement (the Cooperative Association for Special Education or "C.A.S.E.") to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the policy board.

Complete financial statements for C.A.S.E. can be obtained from the Administrative Offices at 22W600 Butterfield Road, Glen Ellyn, Illinois 60137.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$136,942, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$123,231 and \$114,720, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013 and 2012, respectively. For the years ended June 30, 2014, 2013 and 2012 the District paid \$101,648, \$92,424 and \$86,040 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2014 and 2013 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Post-Retirement Health Benefit Plan

The District administers a single-employer defined benefit healthcare plan ("the Post-Retirement Health Benefit Plan"). The plan provides for eligible retirees and their spouses through the District's plan which covers both active and retired members. Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The Post-Retirement Health Benefit Plan does not issue a publicly available financial report.

Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. The District makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. The District contributes 90 percent of the current year premiums for a single plan for eligible retired plan members. Retirees may elect to cover themselves and their spouses, as long as the spouse had been covered for at least one year before the employee retired. The retiree must pay the difference between the "Employee plus spouse" rate and the "Employee only" rate. For fiscal year 2014, the District contributed \$122,361 to the plan.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). 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 the District's annual OPEB cost for the year, the amount actually contributed to the Post-Retirement Health Benefit Plan, and changes in the District's net OPEB obligation to the Post-Retirement Health Benefit Plan:

Annual required contribution	\$ 120,934
Interest on net OPEB obligation	(4,911)
Adjustment to annual required contribution	<u>9,012</u>
Annual OPEB cost	125,035
Contributions made	<u>(122,361)</u>
Increase in net OPEB obligation (asset)	2,674
Net OPEB Obligation (Asset) - Beginning of Year	<u>(95,545)</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ (92,871)</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Post-Retirement Health Benefit Plan, and the net OPEB obligation for June 30, 2014 and the two preceding years are as follows:

<i>Fiscal Year Ended</i>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2014	\$ 125,035	97.86 %	\$ (92,871)
June 30, 2013	125,035	100.33 %	(95,545)
June 30, 2012	122,190	128.15 %	(95,135)

The funded status of the Post-Retirement Health Benefit Plan as of July 1, 2012, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 1,200,973
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 1,200,973</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 14,749,562
UAAL as a percentage of covered payroll	8.14%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates for 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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 4 percent after years. Both rates include a 1 percent inflation assumption. The actuarial value of the Post-Retirement Health Benefit Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Post-Retirement Health Benefit Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014 is 30 years.

NOTE 11 - RETIREMENT SYSTEMS

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

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.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

TRS members include all active nonannuitants that are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of the employees by the employer, are submitted to TRS by the District. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

On Behalf Contributions. The State of Illinois also makes contributions directly to TRS on behalf of the District's TRS-covered employees. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$4,950,424 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and 2012, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$3,700,067) and 24.91 percent (\$3,204,241), respectively.

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

2.2 Formula Contributions. For the years ended June 30, 2014, 2013 and 2012, the District contributed 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for those years were \$81,883, \$77,689 and \$75,611, respectively.

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an additional TRS 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 special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer pension contribution was 28.05 and 24.91 percent of salaries paid from those funds, respectively. For the year ended June 30, 2014, salaries totaling \$137,491 were paid from federal and special trust funds that required employer contributions of \$48,685, which was equal to the District's actual contribution. For the years ended June 30, 2013 and 2012, required District contributions were \$57,156 and \$43,123, respectively.

Early Retirement Option. The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member. The maximum employer ERO contribution is 146.5 percent and applies when the member is age 55 at retirement. For the years ended June 30, 2014, and June 30, 2013, the District made no contributions to TRS contributions under the ERO program. For the year ended June 30, 2012, the District paid \$7,496.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Salary increases over 6 percent and excess sick leave. 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, 2014, the District paid \$177 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2013, the District did not make any contributions on salary increases in excess of 6 percent and for the year ended June 30, 2012, the District paid \$12,865.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014). For the years ended June 30, 2014 and June 30, 2012, the District did not make any payments to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2013, the District paid \$9,878 for sick leave days granted in excess of the normal allotment.

Further Information on TRS. TRS financial information, an explanation of TRS's 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, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

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 website at <http://trs.illinois.gov>.

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2013 was 12.27 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2013 was 13.12 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Annual Pension Cost and Net Pension Obligation. The District's required contribution for calendar year 2013 was \$279,079. The District's annual pension cost, percentage of annual pension cost contributed, and net pension obligation for for the current year and each of the two preceding years were as follows:

<i>Fiscal Year Ended</i>	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
June 30, 2014	\$ 279,079	94 %	\$ 154,379
June 30, 2013	261,134	88 %	137,634
June 30, 2012	256,556	82 %	107,216

The District's net pension obligation is considered to be immaterial and is not included in the government-wide financial statements.

The required contribution for fiscal year 2014 was determined as part of the December 31, 2011, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.50% 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 District plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 70.46 percent funded. The actuarial accrued liability for benefits was \$5,446,525 and the actuarial value of assets was \$3,837,842, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,608,683. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$2,127,128 and the ratio of the UAAL to the covered payroll was 75.63 percent.

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 is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 12 - 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 the terms of the grants. Management believes such disallowance, if any, would be immaterial.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

NOTE 13 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, Statement No. 69, *Government Combinations and Disposals of Government Operations*, and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Application of these standards may restate portions of these financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND ANALYSIS OF FUNDING PROGRESS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 279,079	94%	\$ 154,379
12/31/12	261,134	88%	137,634
12/31/11	256,556	82%	107,216

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)
12/31/13	\$ 3,837,842	\$ 5,446,525	\$ 1,608,683	70.46%	\$ 2,127,128	75.63%
12/31/12	3,293,285	5,183,508	1,890,223	63.53%	2,069,206	91.35%
12/31/11	3,363,518	5,121,809	1,758,291	65.67%	2,067,335	85.05%

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
SCHEDULE OF FUNDING PROGRESS FOR POST-RETIREMENT HEALTH BENEFIT PLAN
AS OF JUNE 30, 2014

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)
7/1/12	\$ -	\$ 1,200,973	\$ 1,200,973	N/A	\$ 14,749,562	8.14%
7/1/10	-	1,254,749	1,254,749	N/A	13,047,351	9.62%
7/1/08	-	1,328,523	1,328,523	N/A	15,278,097	8.70%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members.

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 18,462,261	\$ 18,738,580	\$ 276,319	\$ 17,886,350
Special education levy	39,809	40,220	411	24,807
Corporate personal property replacement taxes	175,000	190,060	15,060	183,528
Regular tuition from pupils or parents (in state)	135,000	116,373	(18,627)	137,715
Special education - tuition from other LEA's (in state)	1,035,000	907,723	(127,277)	891,838
Investment income	20,000	12,042	(7,958)	19,997
Sales to pupils - lunch	258,000	235,715	(22,285)	237,810
Fees	101,600	86,960	(14,640)	83,310
Rentals - regular textbook	125,000	124,676	(324)	116,997
Contributions and donations from private sources	23,000	41,962	18,962	47,430
Refund of prior years' expenditures	1,000	27,744	26,744	3,982
Other	5,000	80,007	75,007	63,246
Total local sources	<u>20,380,670</u>	<u>20,602,062</u>	<u>221,392</u>	<u>19,697,010</u>
State sources				
General state aid	819,999	820,356	357	711,952
Special education - private facility tuition	170,000	183,425	13,425	161,881
Special education - extraordinary	275,000	255,400	(19,600)	322,413
Special education - personnel	404,655	438,336	33,681	500,043
Special education - summer school	500	466	(34)	258
CTE - Other	10,500	10,412	(88)	2,942
Bilingual education - downstate - TPI	64,996	70,322	5,326	36,239
State free lunch & breakfast	3,350	1,946	(1,404)	2,202
Other restricted revenue from state sources	100,000	-	(100,000)	-
On behalf payment to TRS from the state	<u>4,000,000</u>	<u>5,087,366</u>	<u>1,087,366</u>	<u>3,823,298</u>
Total state sources	<u>5,849,000</u>	<u>6,868,029</u>	<u>1,019,029</u>	<u>5,561,228</u>
Federal sources				
National school lunch program	148,000	133,574	(14,426)	134,429
Title I - Low income	152,799	195,747	42,948	263,278
Federal - special education - IDEA - flow-through/low incident	-	-	-	34,466
Other ARRA funds - XI	-	-	-	1,168
Title III - English language acquisition	24,600	25,990	1,390	25,311
Title II - Teacher quality	66,989	62,009	(4,980)	92,689
Medicaid matching funds - administrative outreach	20,000	24,673	4,673	23,322
Medicaid matching funds - fee-for-service program	23,000	21,727	(1,273)	27,120
Other restricted revenue from federal sources	<u>-</u>	<u>26,713</u>	<u>26,713</u>	<u>26,322</u>
Total federal sources	<u>435,388</u>	<u>490,433</u>	<u>55,045</u>	<u>628,105</u>
Total revenues	<u>26,665,058</u>	<u>27,960,524</u>	<u>1,295,466</u>	<u>25,886,343</u>

See Auditors' Report and Notes to Required Supplementary Information

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 8,899,156	\$ 8,879,926	\$ 19,230	\$ 8,249,089
Employee benefits	1,484,637	1,500,617	(15,980)	1,383,409
On-behalf payments to TRS from the state	4,000,000	5,087,366	(1,087,366)	3,823,298
Purchased services	147,740	134,975	12,765	122,363
Supplies and materials	278,257	232,259	45,998	285,443
Capital outlay	-	1,914	(1,914)	47,598
Non-capitalized equipment	25,980	96,262	(70,282)	16,361
Total	14,835,770	15,933,319	(1,097,549)	13,927,561
Pre-K programs				
Salaries	87,882	87,882	-	82,511
Employee benefits	16,217	-	16,217	-
Supplies and materials	7,447	8,405	(958)	6,876
Total	111,546	96,287	15,259	89,387
Special education programs				
Salaries	1,666,996	1,577,908	89,088	1,732,612
Employee benefits	475,613	388,067	87,546	434,472
Purchased services	7,660	5,571	2,089	5,302
Supplies and materials	31,817	6,329	25,488	28,999
Non-capitalized equipment	2,000	1,950	50	2,000
Total	2,184,086	1,979,825	204,261	2,203,385
Special education programs Pre-K				
Salaries	214,596	216,287	(1,691)	200,415
Employee benefits	42,481	56,931	(14,450)	53,885
Purchased services	60,000	63,944	(3,944)	58,273
Supplies and materials	3,607	3,978	(371)	2,072
Total	320,684	341,140	(20,456)	314,645
Remedial and supplemental programs K-12				
Salaries	533,355	608,708	(75,353)	580,557
Employee benefits	133,105	148,300	(15,195)	118,931
Purchased services	-	475	(475)	430
Supplies and materials	5,045	40,289	(35,244)	578
Total	671,505	797,772	(126,267)	700,496
Interscholastic programs				
Salaries	81,455	78,608	2,847	74,593
Employee benefits	500	-	500	-
Purchased services	1,000	3,835	(2,835)	4,530
Total	82,955	82,443	512	79,123

See Auditors' Report and Notes to Required Supplementary Information

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Summer school programs				
Salaries	\$ 59,900	\$ 49,988	\$ 9,912	\$ 48,969
Employee benefits	11,659	11,424	235	13,735
Supplies and materials	<u>2,500</u>	<u>1,450</u>	<u>1,050</u>	<u>238</u>
Total	<u>74,059</u>	<u>62,862</u>	<u>11,197</u>	<u>62,942</u>
Gifted programs				
Salaries	380,986	384,715	(3,729)	368,499
Employee benefits	53,408	53,451	(43)	52,205
Purchased services	3,000	3,254	(254)	3,197
Supplies and materials	<u>1,750</u>	<u>809</u>	<u>941</u>	<u>1,056</u>
Total	<u>439,144</u>	<u>442,229</u>	<u>(3,085)</u>	<u>424,957</u>
Bilingual programs				
Salaries	357,300	400,105	(42,805)	363,113
Employee benefits	64,616	71,572	(6,956)	64,771
Purchased services	2,500	830	1,670	-
Supplies and materials	<u>1,396</u>	<u>7,901</u>	<u>(6,505)</u>	<u>3,164</u>
Total	<u>425,812</u>	<u>480,408</u>	<u>(54,596)</u>	<u>431,048</u>
Truant's alternative and optional programs				
Special education programs K-12 - private tuition				
Other objects	<u>335,000</u>	<u>301,729</u>	<u>33,271</u>	<u>341,557</u>
Total	<u>335,000</u>	<u>301,729</u>	<u>33,271</u>	<u>341,557</u>
Total instruction	<u>19,480,561</u>	<u>20,518,014</u>	<u>(1,037,453)</u>	<u>18,575,101</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	393,142	402,143	(9,001)	396,921
Employee benefits	40,453	40,368	85	38,843
Supplies and materials	<u>1,000</u>	<u>600</u>	<u>400</u>	<u>787</u>
Total	<u>434,595</u>	<u>443,111</u>	<u>(8,516)</u>	<u>436,551</u>
Health services				
Salaries	228,196	231,429	(3,233)	219,517
Employee benefits	69,151	69,128	23	65,493
Purchased services	3,900	5,067	(1,167)	3,629
Supplies and materials	<u>5,000</u>	<u>4,312</u>	<u>688</u>	<u>5,003</u>
Total	<u>306,247</u>	<u>309,936</u>	<u>(3,689)</u>	<u>293,642</u>

See Auditors' Report and Notes to Required Supplementary Information

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Psychological services				
Salaries	\$ 115,000	\$ 112,200	\$ 2,800	\$ 113,241
Employee benefits	14,689	16,052	(1,363)	17,121
Purchased services	<u>1,320</u>	<u>1,320</u>	<u>-</u>	<u>1,320</u>
Total	<u>131,009</u>	<u>129,572</u>	<u>1,437</u>	<u>131,682</u>
Speech pathology and audiology services				
Salaries	312,190	288,113	24,077	293,449
Employee benefits	38,959	24,894	14,065	33,306
Supplies and materials	<u>450</u>	<u>202</u>	<u>248</u>	<u>478</u>
Total	<u>351,599</u>	<u>313,209</u>	<u>38,390</u>	<u>327,233</u>
Total pupils	<u>1,223,450</u>	<u>1,195,828</u>	<u>27,622</u>	<u>1,189,108</u>
Instructional staff				
Improvement of instructional services				
Salaries	241,613	243,277	(1,664)	217,200
Employee benefits	40,515	39,884	631	39,500
Purchased services	51,310	54,054	(2,744)	75,211
Supplies and materials	14,000	7,267	6,733	13,762
Other objects	1,000	758	242	645
Non-capitalized equipment	<u>3,000</u>	<u>2,950</u>	<u>50</u>	<u>1,238</u>
Total	<u>351,438</u>	<u>348,190</u>	<u>3,248</u>	<u>347,556</u>
Educational media services				
Salaries	807,800	803,719	4,081	763,765
Employee benefits	187,143	170,196	16,947	145,505
Purchased services	160,340	125,170	35,170	95,301
Supplies and materials	252,100	247,433	4,667	277,846
Capital outlay	120,432	536,225	(415,793)	172,220
Non-capitalized equipment	<u>62,568</u>	<u>113,049</u>	<u>(50,481)</u>	<u>54,502</u>
Total	<u>1,590,383</u>	<u>1,995,792</u>	<u>(405,409)</u>	<u>1,509,139</u>
Total instructional staff	<u>1,941,821</u>	<u>2,343,982</u>	<u>(402,161)</u>	<u>1,856,695</u>
General administration				
Board of education services				
Purchased services	280,592	290,278	(9,686)	286,246
Supplies and materials	3,600	6,563	(2,963)	5,411
Other objects	13,500	13,481	19	14,013
Termination benefits	<u>9,650</u>	<u>9,878</u>	<u>(228)</u>	<u>1,170</u>
Total	<u>307,342</u>	<u>320,200</u>	<u>(12,858)</u>	<u>306,840</u>

See Auditors' Report and Notes to Required Supplementary Information

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Executive administration services				
Salaries	\$ 291,523	\$ 292,040	\$ (517)	\$ 284,467
Employee benefits	73,997	70,526	3,471	71,471
Purchased services	12,656	14,284	(1,628)	12,747
Supplies and materials	10,450	13,888	(3,438)	13,326
Other objects	4,000	3,826	174	3,958
Total	392,626	394,564	(1,938)	385,969
Total general administration	699,968	714,764	(14,796)	692,809
School administration				
Office of the principal services				
Salaries	840,580	844,578	(3,998)	826,057
Employee benefits	233,250	232,575	675	217,702
Purchased services	13,522	10,989	2,533	9,245
Supplies and materials	27,244	24,147	3,097	57,975
Total	1,114,596	1,112,289	2,307	1,110,979
Other support services - school administration				
Salaries	1,500	-	1,500	1,500
Total	1,500	-	1,500	1,500
Total school administration	1,116,096	1,112,289	3,807	1,112,479
Business				
Direction of business support services				
Salaries	131,848	131,839	9	127,999
Employee benefits	29,773	29,780	(7)	28,596
Purchased services	45,510	52,246	(6,736)	44,888
Supplies and materials	1,000	1,035	(35)	1,279
Other objects	1,500	1,688	(188)	491
Non-capitalized equipment	-	-	-	1,906
Total	209,631	216,588	(6,957)	205,159
Fiscal services				
Salaries	137,759	138,556	(797)	143,558
Employee benefits	29,276	26,226	3,050	21,165
Purchased services	16,500	15,173	1,327	21,192
Supplies and materials	12,500	8,693	3,807	13,070
Capital outlay	-	-	-	2,339
Non-capitalized equipment	4,000	4,062	(62)	-
Total	200,035	192,710	7,325	201,324

See Auditors' Report and Notes to Required Supplementary Information

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Operation and maintenance of plant services				
Employee benefits	\$ -	\$ 178	\$ (178)	\$ -
Total	-	178	(178)	-
Food services				
Salaries	133,802	121,709	12,093	122,808
Employee benefits	36,795	46,503	(9,708)	29,852
Supplies and materials	322,000	321,336	664	316,355
Total	492,597	489,548	3,049	469,015
Internal services				
Supplies and materials	5,500	7,441	(1,941)	4,441
Total	5,500	7,441	(1,941)	4,441
Total business	907,763	906,465	1,298	879,939
Central				
Staff services				
Salaries	57,241	45,307	11,934	58,650
Employee benefits	16,048	15,943	105	15,669
Purchased services	-	2,152	(2,152)	4,572
Supplies and materials	300	479	(179)	-
Total	73,589	63,881	9,708	78,891
Data processing services				
Purchased services	20,000	15,512	4,488	16,193
Total	20,000	15,512	4,488	16,193
Total central	93,589	79,393	14,196	95,084
Total support services	5,982,687	6,352,721	(370,034)	5,826,114
Community services				
Purchased services	1,307	1,293	14	1,595
Total community services	1,307	1,293	14	1,595
Payments to other districts and governmental units				
Payments for special education programs - tuition				
Other objects	1,375,000	1,379,832	(4,832)	1,401,401
Total	1,375,000	1,379,832	(4,832)	1,401,401
Total payments to other districts and governmental units	1,375,000	1,379,832	(4,832)	1,401,401

See Auditors' Report and Notes to Required Supplementary Information

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Total expenditures	\$ 26,839,555	\$ 28,251,860	\$ (1,412,305)	\$ 25,804,211
Excess (deficiency) of revenues over expenditures	(174,497)	(291,336)	(116,839)	82,132
Other financing sources (uses)				
Capital lease value	-	472,742	472,742	-
Transfer to debt service fund to pay principal on capital leases	(129,465)	(125,356)	4,109	(121,025)
Transfer to debt service fund to pay interest on capital leases	-	(4,109)	(4,109)	(8,441)
Total other financing sources (uses)	(129,465)	343,277	472,742	(129,466)
Net change in fund balance	\$ (303,962)	51,941	\$ 355,903	(47,334)
Fund balance, beginning of year		12,477,001		12,524,335
Fund balance, end of year		\$ 12,528,942		\$ 12,477,001

See Auditors' Report and Notes to Required Supplementary Information

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,128,464	\$ 2,151,900	\$ 23,436	\$ 1,986,087
Investment income	2,500	842	(1,658)	2,154
Rentals	112,250	92,079	(20,171)	128,213
Contributions and donations from private sources	-	2,030	2,030	-
Other	1,000	1,136	136	1,428
Total local sources	<u>2,244,214</u>	<u>2,247,987</u>	<u>3,773</u>	<u>2,117,882</u>
State sources				
Other restricted revenue from state sources	-	37,500	37,500	25,000
Total state sources	-	37,500	37,500	25,000
Total revenues	<u>2,244,214</u>	<u>2,285,487</u>	<u>41,273</u>	<u>2,142,882</u>
Expenditures				
Support services				
Business				
Direction of business support services				
Salaries	7,325	7,324	1	7,111
Employee benefits	1,653	1,634	19	1,576
Total	<u>8,978</u>	<u>8,958</u>	<u>20</u>	<u>8,687</u>
Operation and maintenance of plant services				
Salaries	260,153	264,375	(4,222)	253,827
Employee benefits	24,601	25,141	(540)	24,458
Purchased services	1,271,726	1,306,935	(35,209)	1,203,940
Supplies and materials	438,750	525,753	(87,003)	415,797
Capital outlay	172,420	194,555	(22,135)	258,278
Non-capitalized equipment	455,190	223,458	231,732	5,737
Total	<u>2,622,840</u>	<u>2,540,217</u>	<u>82,623</u>	<u>2,162,037</u>
Total business	<u>2,631,818</u>	<u>2,549,175</u>	<u>82,643</u>	<u>2,170,724</u>
Total support services	<u>2,631,818</u>	<u>2,549,175</u>	<u>82,643</u>	<u>2,170,724</u>
Total expenditures	<u>2,631,818</u>	<u>2,549,175</u>	<u>82,643</u>	<u>2,170,724</u>
Excess (deficiency) of revenues over expenditures	<u>(387,604)</u>	<u>(263,688)</u>	<u>123,916</u>	<u>(27,842)</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other financing sources (uses)				
Permanent transfer from capital projects fund	\$ 452,610	\$ 223,500	\$ (229,110)	\$ -
Transfer to debt service fund to pay principal on debt certificates	(155,000)	(165,000)	(10,000)	(150,000)
Transfer to debt service fund to pay interest on debt certificates	<u>(42,325)</u>	<u>(27,999)</u>	<u>14,326</u>	<u>(48,325)</u>
Total other financing sources (uses)	<u>255,285</u>	<u>30,501</u>	<u>(224,784)</u>	<u>(198,325)</u>
Net change in fund balance	<u>\$ (132,319)</u>	(233,187)	<u>\$ (100,868)</u>	(226,167)
Fund balance, beginning of year		<u>769,067</u>		<u>995,234</u>
Fund balance, end of year		<u>\$ 535,880</u>		<u>\$ 769,067</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 891,029	\$ 827,096	\$ (63,933)	\$ 865,468
Regular transportation fees from other LEAs (in state)	7,000	5,418	(1,582)	4,501
Investment income	1,000	370	(630)	960
Refund of prior years' expenditures	-	1,500	1,500	-
Other	-	-	-	(54)
Total local sources	<u>899,029</u>	<u>834,384</u>	<u>(64,645)</u>	<u>870,875</u>
State sources				
Transportation - regular/vocational	12,519	15,190	2,671	90,205
Transportation - special education	<u>211,238</u>	<u>224,369</u>	<u>13,131</u>	<u>205,208</u>
Total state sources	<u>223,757</u>	<u>239,559</u>	<u>15,802</u>	<u>295,413</u>
Total revenues	<u>1,122,786</u>	<u>1,073,943</u>	<u>(48,843)</u>	<u>1,166,288</u>
Expenditures				
Support Services				
Pupils				
Other support services - pupils				
Salaries	67,725	-	67,725	-
Employee benefits	8,810	-	8,810	-
Purchased services	812,500	-	812,500	-
Supplies and materials	26,000	-	26,000	-
Non-capitalized equipment	<u>9,900</u>	<u>-</u>	<u>9,900</u>	<u>-</u>
Total	<u>924,935</u>	<u>-</u>	<u>924,935</u>	<u>-</u>
Total pupils	<u>924,935</u>	<u>-</u>	<u>924,935</u>	<u>-</u>
Business				
Pupil transportation services				
Salaries	-	65,504	(65,504)	63,724
Employee benefits	-	6,328	(6,328)	17,125
Purchased services	-	790,600	(790,600)	818,531
Supplies and materials	-	16,685	(16,685)	23,514
Non-capitalized equipment	<u>-</u>	<u>9,900</u>	<u>(9,900)</u>	<u>9,900</u>
Total	<u>-</u>	<u>889,017</u>	<u>(889,017)</u>	<u>932,794</u>
Total business	<u>-</u>	<u>889,017</u>	<u>(889,017)</u>	<u>932,794</u>
Total support services	<u>924,935</u>	<u>889,017</u>	<u>35,918</u>	<u>932,794</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Total expenditures	<u>\$ 924,935</u>	<u>\$ 889,017</u>	<u>\$ 35,918</u>	<u>\$ 932,794</u>
Net change in fund balance	<u>\$ 197,851</u>	184,926	<u>\$ (12,925)</u>	233,494
Fund balance, beginning of year		<u>830,330</u>		<u>596,836</u>
Fund balance, end of year		<u>\$ 1,015,256</u>		<u>\$ 830,330</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 321,771	\$ 324,965	\$ 3,194	\$ 254,746
Social security/medicare only levy	334,056	337,529	3,473	303,348
Corporate personal property replacement taxes	9,000	9,000	-	9,000
Investment income	<u>700</u>	<u>224</u>	<u>(476)</u>	<u>573</u>
Total local sources	<u>665,527</u>	<u>671,718</u>	<u>6,191</u>	<u>567,667</u>
Total revenues	<u>665,527</u>	<u>671,718</u>	<u>6,191</u>	<u>567,667</u>
Expenditures				
Instruction				
Regular programs	151,777	145,230	6,547	139,191
Employee benefits	-	1,788	(1,788)	-
Special education programs	146,988	112,120	34,868	128,449
Employee benefits	19,460	19,601	(141)	16,764
Educationally deprived/remedial programs	14,089	16,379	(2,290)	9,242
Summer school programs	233	192	41	-
Gifted programs	4,100	3,968	132	3,757
Bilingual programs	<u>9,586</u>	<u>8,925</u>	<u>661</u>	<u>8,027</u>
Total instruction	<u>346,233</u>	<u>308,203</u>	<u>38,030</u>	<u>305,430</u>
Support services				
Pupils				
Attendance and social work services	6,200	4,186	2,014	5,697
Health services	30,550	30,422	128	27,927
Psychological services	1,800	1,665	135	1,669
Speech pathology and audiology services	<u>4,500</u>	<u>4,139</u>	<u>361</u>	<u>4,163</u>
Total pupils	<u>43,050</u>	<u>40,412</u>	<u>2,638</u>	<u>39,456</u>
Instructional staff				
Improvement of instructional staff	9,900	10,690	(790)	9,037
Educational media services	<u>69,825</u>	<u>66,840</u>	<u>2,985</u>	<u>61,542</u>
Total instructional staff	<u>79,725</u>	<u>77,530</u>	<u>2,195</u>	<u>70,579</u>
General administration				
Executive administration services	<u>16,900</u>	<u>17,115</u>	<u>(215)</u>	<u>15,462</u>
Total general administration	<u>16,900</u>	<u>17,115</u>	<u>(215)</u>	<u>15,462</u>
School administration				
Office of the principal services	<u>54,700</u>	<u>54,099</u>	<u>601</u>	<u>51,354</u>
Total school administration	<u>54,700</u>	<u>54,099</u>	<u>601</u>	<u>51,354</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Business				
Direction of business support services	\$ 2,335	\$ 2,155	\$ 180	\$ 2,057
Fiscal services	30,700	27,875	2,825	27,194
Operations and maintenance of plant services	51,800	53,314	(1,514)	48,412
Pupil transportation services	7,400	8,320	(920)	5,677
Food services	<u>15,500</u>	<u>19,287</u>	<u>(3,787)</u>	<u>13,017</u>
Total business	<u>107,735</u>	<u>110,951</u>	<u>(3,216)</u>	<u>96,357</u>
Central				
Staff services	<u>8,700</u>	<u>8,356</u>	<u>344</u>	<u>7,830</u>
Total central	<u>8,700</u>	<u>8,356</u>	<u>344</u>	<u>7,830</u>
Total support services	<u>310,810</u>	<u>308,463</u>	<u>2,347</u>	<u>281,038</u>
Total expenditures	<u>657,043</u>	<u>616,666</u>	<u>40,377</u>	<u>586,468</u>
Net change in fund balance	<u>\$ 8,484</u>	55,052	<u>\$ 46,568</u>	(18,801)
Fund balance, beginning of year		<u>278,806</u>		<u>297,607</u>
Fund balance, end of year		<u>\$ 333,858</u>		<u>\$ 278,806</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose 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. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Excess of Expenditures over Budget

For the year ended June 30, 2014, expenditures exceeded budget in the General Fund by \$1,412,305. This excess was funded by available fund balance.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,220,099	\$ 2,244,851	\$ 24,752	\$ 2,086,400
Investment income	2,500	883	(1,617)	2,279
Other	-	15	15	-
Total local sources	<u>2,222,599</u>	<u>2,245,749</u>	<u>23,150</u>	<u>2,088,679</u>
Total revenues	<u>2,222,599</u>	<u>2,245,749</u>	<u>23,150</u>	<u>2,088,679</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	908,638	916,484	(7,846)	957,579
Principal payments on long term debt	<u>1,569,465</u>	<u>2,455,356</u>	<u>(885,891)</u>	<u>1,421,025</u>
Total	<u>2,478,103</u>	<u>3,371,840</u>	<u>(893,737)</u>	<u>2,378,604</u>
Other debt service				
Purchased services	-	21,135	(21,135)	1,010
Other objects	1,500	-	1,500	-
Total	<u>1,500</u>	<u>21,135</u>	<u>(19,635)</u>	<u>1,010</u>
Total debt services	<u>2,479,603</u>	<u>3,392,975</u>	<u>(913,372)</u>	<u>2,379,614</u>
Total expenditures	<u>2,479,603</u>	<u>3,392,975</u>	<u>(913,372)</u>	<u>2,379,614</u>
Excess (deficiency) of revenues over expenditures	<u>(257,004)</u>	<u>(1,147,226)</u>	<u>(890,222)</u>	<u>(290,935)</u>
Other financing sources (uses)				
Principal on debt certificates issued	-	920,000	920,000	-
Transfer to debt service to pay principal on capital leases	129,465	125,356	(4,109)	121,025
Transfer to debt service to pay interest on capital leases	-	4,109	4,109	8,441
Transfer to debt service to pay principal on debt certificates	155,000	165,000	10,000	150,000
Transfer to debt service to pay interest on debt certificates	<u>42,325</u>	<u>27,999</u>	<u>(14,326)</u>	<u>48,325</u>
Total other financing sources (uses)	<u>326,790</u>	<u>1,242,464</u>	<u>915,674</u>	<u>327,791</u>
Net change in fund balance	<u>\$ 69,786</u>	<u>95,238</u>	<u>\$ 25,452</u>	<u>36,856</u>
Fund balance, beginning of year		<u>1,143,347</u>		<u>1,106,491</u>
Fund balance, end of year		<u>\$ 1,238,585</u>		<u>\$ 1,143,347</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Investment income	\$ 125	\$ 39	\$ (86)	\$ 41
Refund of prior years' expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,464</u>
Total local sources	<u>125</u>	<u>39</u>	<u>(86)</u>	<u>14,505</u>
Total revenues	<u>125</u>	<u>39</u>	<u>(86)</u>	<u>14,505</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>125</u>	<u>39</u>	<u>(86)</u>	<u>14,505</u>
Other financing sources (uses)				
Permanent transfer from capital projects fund	<u>(452,610)</u>	<u>(223,500)</u>	<u>229,110</u>	<u>-</u>
Total other financing sources (uses)	<u>(452,610)</u>	<u>(223,500)</u>	<u>229,110</u>	<u>-</u>
Net change in fund balance	<u>\$ (452,485)</u>	<u>(223,461)</u>	<u>\$ 229,024</u>	<u>14,505</u>
Fund balance, beginning of year		<u>454,612</u>		<u>440,107</u>
Fund balance, end of year		<u>\$ 231,151</u>		<u>\$ 454,612</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**GENERAL FUND**

COMBINING BALANCE SHEET

AS OF JUNE 30, 2014

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash	\$ 10,470,984	\$ 2,170,122	\$ 12,641,106
Receivables (net allowance for uncollectibles):			
Interest	3,606	3,962	7,568
Property taxes	9,406,170	-	9,406,170
Replacement taxes	33,791	-	33,791
Intergovernmental	<u>156,966</u>	<u>-</u>	<u>156,966</u>
Total assets	<u>\$ 20,071,517</u>	<u>\$ 2,174,084</u>	<u>\$ 22,245,601</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Payroll deductions payable	\$ 171,681	\$ -	\$ 171,681
Unearned student fees	<u>-</u>	<u>-</u>	<u>174,466</u>
Total liabilities	<u>171,681</u>	<u>-</u>	<u>346,147</u>
Deferred inflows of resources			
Property taxes levied for a future period	<u>9,573,195</u>	<u>-</u>	<u>9,370,512</u>
Total deferred inflows of resources	<u>9,573,195</u>	<u>-</u>	<u>9,370,512</u>
Fund balance			
Unassigned	<u>10,354,858</u>	<u>2,174,084</u>	<u>12,528,942</u>
Total fund balance	<u>10,354,858</u>	<u>2,174,084</u>	<u>12,528,942</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 20,099,734</u>	<u>\$ 2,174,084</u>	<u>\$ 22,245,601</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 18,778,800	\$ -	\$ 18,778,800
Corporate personal property replacement taxes	190,060	-	190,060
State aid	6,868,029	-	6,868,029
Federal aid	490,433	-	490,433
Investment income	12,042	-	12,042
Other	<u>1,621,160</u>	<u>-</u>	<u>1,621,160</u>
Total revenues	<u>27,960,524</u>	<u>-</u>	<u>27,960,524</u>
Expenditures			
Current:			
Instruction:			
Regular programs	10,844,039	-	10,844,039
Special programs	3,420,466	-	3,420,466
Other instructional programs	1,164,229	-	1,164,229
State retirement contributions	5,087,366	-	5,087,366
Support Services:			
Pupils	1,195,828	-	1,195,828
Instructional staff	1,807,757	-	1,807,757
General administration	714,764	-	714,764
School administration	1,112,289	-	1,112,289
Business	906,287	-	906,287
Operations and maintenance	178	-	178
Central	79,393	-	79,393
Community services	1,293	-	1,293
Payments to other districts and gov't units	1,379,832	-	1,379,832
Capital outlay	<u>538,139</u>	<u>-</u>	<u>538,139</u>
Total expenditures	<u>28,251,860</u>	<u>-</u>	<u>28,251,860</u>
Excess (deficiency) of revenues over expenditures	<u>(291,336)</u>	<u>-</u>	<u>(291,336)</u>
Other financing sources (uses)			
Transfers (out)	(129,465)	-	(129,465)
Other sources not classified elsewhere	<u>472,742</u>	<u>-</u>	<u>472,742</u>
Total other financing sources (uses)	<u>343,277</u>	<u>-</u>	<u>343,277</u>
Net change in fund balance	51,941	-	51,941
Fund balance, beginning of year	<u>10,302,917</u>	<u>2,174,084</u>	<u>12,477,001</u>
Fund balance, end of year	<u>\$ 10,354,858</u>	<u>\$ 2,174,084</u>	<u>\$ 12,528,942</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 18,462,261	\$ 18,738,580	\$ 276,319	\$ 17,886,350
Special education levy	39,809	40,220	411	24,807
Corporate personal property replacement taxes	175,000	190,060	15,060	183,528
Regular tuition from pupils or parents (in state)	135,000	116,373	(18,627)	137,715
Special education - tuition from other LEA's (in state)	1,035,000	907,723	(127,277)	891,838
Investment income	20,000	12,042	(7,958)	19,997
Sales to pupils - lunch	258,000	235,715	(22,285)	237,810
Fees	101,600	86,960	(14,640)	83,310
Rentals - regular textbook	125,000	124,676	(324)	116,997
Contributions and donations from private sources	23,000	41,962	18,962	47,430
Refund of prior years' expenditures	1,000	27,744	26,744	3,982
Other	5,000	80,007	75,007	63,246
Total local sources	20,380,670	20,602,062	221,392	19,697,010
State sources				
General state aid	819,999	820,356	357	711,952
Special education - private facility tuition	170,000	183,425	13,425	161,881
Special education - extraordinary	275,000	255,400	(19,600)	322,413
Special education - personnel	404,655	438,336	33,681	500,043
Special education - summer school	500	466	(34)	258
CTE - Other	10,500	10,412	(88)	2,942
Bilingual education - downstate - TPI	64,996	70,322	5,326	36,239
State free lunch & breakfast	3,350	1,946	(1,404)	2,202
Other restricted revenue from state sources	100,000	-	(100,000)	-
On behalf payment to TRS from the state	4,000,000	5,087,366	1,087,366	3,823,298
Total state sources	5,849,000	6,868,029	1,019,029	5,561,228
Federal sources				
National school lunch program	148,000	133,574	(14,426)	134,429
Title I - Low income	152,799	195,747	42,948	263,278
Federal - special education - IDEA - flow-through/low incident	-	-	-	34,466
Other ARRA funds - XI	-	-	-	1,168
Title III - English language acquisition	24,600	25,990	1,390	25,311
Title II - Teacher quality	66,989	62,009	(4,980)	92,689
Medicaid matching funds - administrative outreach	20,000	24,673	4,673	23,322
Medicaid matching funds - fee-for-service program	23,000	21,727	(1,273)	27,120

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other restricted revenue from federal sources	\$ -	\$ 26,713	\$ 26,713	\$ 26,322
Total federal sources	435,388	490,433	55,045	628,105
Total revenues	26,665,058	27,960,524	1,295,466	25,886,343
Expenditures				
Instruction				
Regular programs				
Salaries	8,899,156	8,879,926	19,230	8,249,089
Employee benefits	1,484,637	1,500,617	(15,980)	1,383,409
On-behalf payments to TRS from the state	4,000,000	5,087,366	(1,087,366)	3,823,298
Purchased services	147,740	134,975	12,765	122,363
Supplies and materials	278,257	232,259	45,998	285,443
Capital outlay	-	1,914	(1,914)	47,598
Non-capitalized equipment	25,980	96,262	(70,282)	16,361
Total	14,835,770	15,933,319	(1,097,549)	13,927,561
Pre-K programs				
Salaries	87,882	87,882	-	82,511
Employee benefits	16,217	-	16,217	-
Supplies and materials	7,447	8,405	(958)	6,876
Total	111,546	96,287	15,259	89,387
Special education programs				
Salaries	1,666,996	1,577,908	89,088	1,732,612
Employee benefits	475,613	388,067	87,546	434,472
Purchased services	7,660	5,571	2,089	5,302
Supplies and materials	31,817	6,329	25,488	28,999
Non-capitalized equipment	2,000	1,950	50	2,000
Total	2,184,086	1,979,825	204,261	2,203,385
Special education programs Pre-K				
Salaries	214,596	216,287	(1,691)	200,415
Employee benefits	42,481	56,931	(14,450)	53,885
Purchased services	60,000	63,944	(3,944)	58,273
Supplies and materials	3,607	3,978	(371)	2,072
Total	320,684	341,140	(20,456)	314,645
Remedial and supplemental programs K - 12				
Salaries	533,355	608,708	(75,353)	580,557
Employee benefits	133,105	148,300	(15,195)	118,931
Purchased services	-	475	(475)	430
Supplies and materials	5,045	40,289	(35,244)	578
Total	671,505	797,772	(126,267)	700,496

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Interscholastic programs				
Salaries	\$ 81,455	\$ 78,608	\$ 2,847	\$ 74,593
Employee benefits	500	-	500	-
Purchased services	<u>1,000</u>	<u>3,835</u>	<u>(2,835)</u>	<u>4,530</u>
Total	<u>82,955</u>	<u>82,443</u>	<u>512</u>	<u>79,123</u>
Summer school programs				
Salaries	59,900	49,988	9,912	48,969
Employee benefits	11,659	11,424	235	13,735
Supplies and materials	<u>2,500</u>	<u>1,450</u>	<u>1,050</u>	<u>238</u>
Total	<u>74,059</u>	<u>62,862</u>	<u>11,197</u>	<u>62,942</u>
Gifted programs				
Salaries	380,986	384,715	(3,729)	368,499
Employee benefits	53,408	53,451	(43)	52,205
Purchased services	3,000	3,254	(254)	3,197
Supplies and materials	<u>1,750</u>	<u>809</u>	<u>941</u>	<u>1,056</u>
Total	<u>439,144</u>	<u>442,229</u>	<u>(3,085)</u>	<u>424,957</u>
Bilingual programs				
Salaries	357,300	400,105	(42,805)	363,113
Employee benefits	64,616	71,572	(6,956)	64,771
Purchased services	2,500	830	1,670	-
Supplies and materials	<u>1,396</u>	<u>7,901</u>	<u>(6,505)</u>	<u>3,164</u>
Total	<u>425,812</u>	<u>480,408</u>	<u>(54,596)</u>	<u>431,048</u>
Truant's alternative and optional programs				
Special education programs K -12 - private tuition				
Other objects	<u>335,000</u>	<u>301,729</u>	<u>33,271</u>	<u>341,557</u>
Total	<u>335,000</u>	<u>301,729</u>	<u>33,271</u>	<u>341,557</u>
Total instruction	<u>19,480,561</u>	<u>20,518,014</u>	<u>(1,037,453)</u>	<u>18,575,101</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	393,142	402,143	(9,001)	396,921
Employee benefits	40,453	40,368	85	38,843
Supplies and materials	<u>1,000</u>	<u>600</u>	<u>400</u>	<u>787</u>
Total	<u>434,595</u>	<u>443,111</u>	<u>(8,516)</u>	<u>436,551</u>

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 228,196	\$ 231,429	\$ (3,233)	\$ 219,517
Employee benefits	69,151	69,128	23	65,493
Purchased services	3,900	5,067	(1,167)	3,629
Supplies and materials	5,000	4,312	688	5,003
Total	306,247	309,936	(3,689)	293,642
Psychological services				
Salaries	115,000	112,200	2,800	113,241
Employee benefits	14,689	16,052	(1,363)	17,121
Purchased services	1,320	1,320	-	1,320
Total	131,009	129,572	1,437	131,682
Speech pathology and audiology services				
Salaries	312,190	288,113	24,077	293,449
Employee benefits	38,959	24,894	14,065	33,306
Supplies and materials	450	202	248	478
Total	351,599	313,209	38,390	327,233
Total pupils	1,223,450	1,195,828	27,622	1,189,108
Instructional staff				
Improvement of instructional services				
Salaries	241,613	243,277	(1,664)	217,200
Employee benefits	40,515	39,884	631	39,500
Purchased services	51,310	54,054	(2,744)	75,211
Supplies and materials	14,000	7,267	6,733	13,762
Other objects	1,000	758	242	645
Non-capitalized equipment	3,000	2,950	50	1,238
Total	351,438	348,190	3,248	347,556
Educational media services				
Salaries	807,800	803,719	4,081	763,765
Employee benefits	187,143	170,196	16,947	145,505
Purchased services	160,340	125,170	35,170	95,301
Supplies and materials	252,100	247,433	4,667	277,846
Capital outlay	120,432	536,225	(415,793)	172,220
Non-capitalized equipment	62,568	113,049	(50,481)	54,502
Total	1,590,383	1,995,792	(405,409)	1,509,139
Total instructional staff	1,941,821	2,343,982	(402,161)	1,856,695

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
General administration				
Board of education services				
Purchased services	\$ 280,592	\$ 290,278	\$ (9,686)	\$ 286,246
Supplies and materials	3,600	6,563	(2,963)	5,411
Other objects	13,500	13,481	19	14,013
Termination benefits	9,650	9,878	(228)	1,170
Total	307,342	320,200	(12,858)	306,840
Executive administration services				
Salaries	291,523	292,040	(517)	284,467
Employee benefits	73,997	70,526	3,471	71,471
Purchased services	12,656	14,284	(1,628)	12,747
Supplies and materials	10,450	13,888	(3,438)	13,326
Other objects	4,000	3,826	174	3,958
Total	392,626	394,564	(1,938)	385,969
Total general administration	699,968	714,764	(14,796)	692,809
School administration				
Office of the principal services				
Salaries	840,580	844,578	(3,998)	826,057
Employee benefits	233,250	232,575	675	217,702
Purchased services	13,522	10,989	2,533	9,245
Supplies and materials	27,244	24,147	3,097	57,975
Total	1,114,596	1,112,289	2,307	1,110,979
Other support services - school administration				
Salaries	1,500	-	1,500	1,500
Total	1,500	-	1,500	1,500
Total school administration	1,116,096	1,112,289	3,807	1,112,479
Business				
Direction of business support services				
Salaries	131,848	131,839	9	127,999
Employee benefits	29,773	29,780	(7)	28,596
Purchased services	45,510	52,246	(6,736)	44,888
Supplies and materials	1,000	1,035	(35)	1,279
Other objects	1,500	1,688	(188)	491
Non-capitalized equipment	-	-	-	1,906
Total	209,631	216,588	(6,957)	205,159

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Fiscal services				
Salaries	\$ 137,759	\$ 138,556	\$ (797)	\$ 143,558
Employee benefits	29,276	26,226	3,050	21,165
Purchased services	16,500	15,173	1,327	21,192
Supplies and materials	12,500	8,693	3,807	13,070
Capital outlay	-	-	-	2,339
Non-capitalized equipment	4,000	4,062	(62)	-
Total	<u>200,035</u>	<u>192,710</u>	<u>7,325</u>	<u>201,324</u>
Operation and maintenance of plant services				
Employee benefits	-	178	(178)	-
Total	<u>-</u>	<u>178</u>	<u>(178)</u>	<u>-</u>
Food services				
Salaries	133,802	121,709	12,093	122,808
Employee benefits	36,795	46,503	(9,708)	29,852
Supplies and materials	<u>322,000</u>	<u>321,336</u>	<u>664</u>	<u>316,355</u>
Total	<u>492,597</u>	<u>489,548</u>	<u>3,049</u>	<u>469,015</u>
Internal services				
Supplies and materials	<u>5,500</u>	<u>7,441</u>	<u>(1,941)</u>	<u>4,441</u>
Total	<u>5,500</u>	<u>7,441</u>	<u>(1,941)</u>	<u>4,441</u>
Total business	<u>907,763</u>	<u>906,465</u>	<u>1,298</u>	<u>879,939</u>
Central				
Staff services				
Salaries	57,241	45,307	11,934	58,650
Employee benefits	16,048	15,943	105	15,669
Purchased services	-	2,152	(2,152)	4,572
Supplies and materials	<u>300</u>	<u>479</u>	<u>(179)</u>	<u>-</u>
Total	<u>73,589</u>	<u>63,881</u>	<u>9,708</u>	<u>78,891</u>
Data processing services				
Purchased services	<u>20,000</u>	<u>15,512</u>	<u>4,488</u>	<u>16,193</u>
Total	<u>20,000</u>	<u>15,512</u>	<u>4,488</u>	<u>16,193</u>
Total central	<u>93,589</u>	<u>79,393</u>	<u>14,196</u>	<u>95,084</u>
Total support services	<u>5,982,687</u>	<u>6,352,721</u>	<u>(370,034)</u>	<u>5,826,114</u>
Community services				
Purchased services	<u>1,307</u>	<u>1,293</u>	<u>14</u>	<u>1,595</u>
Total community services	<u>1,307</u>	<u>1,293</u>	<u>14</u>	<u>1,595</u>

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Payments to other districts and governmental units				
Payments for special education programs - tuition				
Other objects	\$ 1,375,000	\$ 1,379,832	\$ (4,832)	\$ 1,401,401
Total	<u>1,375,000</u>	<u>1,379,832</u>	<u>(4,832)</u>	<u>1,401,401</u>
Total payments to other districts and governmental units	<u>1,375,000</u>	<u>1,379,832</u>	<u>(4,832)</u>	<u>1,401,401</u>
Total expenditures	<u>26,839,555</u>	<u>28,251,860</u>	<u>(1,412,305)</u>	<u>25,804,211</u>
Excess (deficiency) of revenues over expenditures	<u>(174,497)</u>	<u>(291,336)</u>	<u>(116,839)</u>	<u>82,132</u>
Other financing sources (uses)				
Capital lease value	-	472,742	472,742	-
Transfer to debt service fund to pay principal on capital leases	(129,465)	(129,465)	-	(121,025)
Transfer to debt service fund to pay interest on capital leases	-	-	-	(8,441)
Total other financing sources (uses)	<u>(129,465)</u>	<u>343,277</u>	<u>472,742</u>	<u>(129,466)</u>
Net change in fund balance	<u>\$ (303,962)</u>	<u>51,941</u>	<u>\$ 355,903</u>	<u>(47,334)</u>
Fund balance, beginning of year		<u>10,302,917</u>		<u>10,350,251</u>
Fund balance, end of year		<u>\$ 10,354,858</u>		<u>\$ 10,302,917</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014		VARIANCE WITH FINAL BUDGET	2013 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net change in fund balance	\$ -	-	\$ -	-
Fund balance, beginning of year		2,174,084		2,174,084
Fund balance, end of year		\$ 2,174,084		\$ 2,174,084

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**AGENCY FUND - ACTIVITY FUNDS****SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES****FOR THE YEAR ENDED JUNE 30, 2014**

	BALANCE JUNE 30, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
Assets				
Cash	<u>\$ 168,118</u>	<u>\$ 115,219</u>	<u>\$ 130,533</u>	<u>\$ 152,804</u>
Liabilities				
Due to Student Groups				
Arbor View	\$ 39,707	\$ 11,924	\$ 17,892	\$ 33,739
Brian Glen	27,111	1,827	7,457	21,481
Park View	20,019	6,277	128	26,168
Westfield	14,132	4,767	298	18,601
Elementary Schools	1,757	15,097	1,100	15,754
Glen Crest	<u>65,392</u>	<u>75,327</u>	<u>103,658</u>	<u>37,061</u>
Total Liabilities	<u>\$ 168,118</u>	<u>\$ 115,219</u>	<u>\$ 130,533</u>	<u>\$ 152,804</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
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.	72
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	84
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.	89
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	94
Operating Information These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	98

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Governmental activities				
Net investment				
in capital assets	\$ 6,561,877	\$ 6,514,479	\$ 12,772,397	\$ 12,477,851
Restricted	3,007,654	3,102,165	3,045,147	2,787,854
Unrestricted	<u>11,705,054</u>	<u>11,753,302</u>	<u>11,965,221</u>	<u>11,556,736</u>
Total governmental activities				
net position	<u>\$ 21,274,585</u>	<u>\$ 21,369,946</u>	<u>\$ 27,782,765</u>	<u>\$ 26,822,441</u>

NOTE: In 2011 the District implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. The implementation of this accounting principle required fund balances in all special revenue funds to be restricted in the Statement of Net Assets. Fiscal years prior to 2011 were not adjusted for affects of implementing GASB 54.

2010	2009	2008	2007	2006	2005
\$ 12,516,304	\$ 11,939,019	\$ 9,397,384	\$ 9,009,125	\$ 7,949,278	\$ 7,149,474
2,389,655	2,563,203	2,774,831	2,148,932	2,165,301	2,092,241
<u>10,514,114</u>	<u>10,975,695</u>	<u>11,653,715</u>	<u>11,916,636</u>	<u>11,424,315</u>	<u>11,186,922</u>
<u>\$ 25,420,073</u>	<u>\$ 25,477,917</u>	<u>\$ 23,825,930</u>	<u>\$ 23,074,693</u>	<u>\$ 21,538,894</u>	<u>\$ 20,428,637</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2014	2013	2012
GOVERNMENT-WIDE EXPENSES:			
Instructional services:			
Regular programs (1)	\$ 11,956,060	\$ 11,115,060	\$ 11,345,922
Special programs	5,171,085	5,328,347	4,374,584
Other programs	1,179,102	1,099,241	949,116
State Retirement Contributions (1)	5,087,366	3,823,298	3,318,961
Supporting services:			
Students	1,236,240	1,228,564	1,167,773
Instructional staff	1,972,395	1,853,447	1,315,899
District administration	731,879	708,271	714,133
School administration	1,167,717	1,162,344	1,101,246
Business	1,142,849	1,098,613	1,210,545
Operations and maintenance of facilities	2,545,140	2,086,353	2,154,173
Transportation	911,514	951,994	876,866
Food service (2)	-	-	-
Staff (2)	-	-	-
Central (2)	126,825	140,186	150,199
Community services	1,293	1,595	1,648
Non-programmed charges	-	-	15,535
Interest on long-term liabilities	1,075,139	888,737	918,613
Change in estimated useful lives of capital assets	-	6,502,926	-
Total Government-Wide Expenses	<u>\$ 34,304,604</u>	<u>\$ 37,988,976</u>	<u>\$ 29,615,213</u>
PROGRAM REVENUES:			
Charges for services	\$ 1,650,102	\$ 1,665,004	\$ 1,447,685
Operating grants and contributions	6,786,948	5,507,587	4,910,328
Capital grants and contributions	-	-	13,152
Total program revenues	<u>\$ 8,437,050</u>	<u>\$ 7,172,591</u>	<u>\$ 6,371,165</u>
NET EXPENSE	<u>\$ (25,867,554)</u>	<u>\$ (30,816,385)</u>	<u>\$ (23,244,048)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Taxes:			
General purpose (2)	\$ -	\$ -	\$ -
Transportation (2)	-	-	-
Retirement (2)	-	-	-
Real estate taxes, levied for general purposes (2)	18,778,800	17,911,157	17,617,818
Real estate taxes, levied for specific purposes (2)	3,641,490	3,409,649	3,420,178
Real estate taxes, levied for debt service	2,244,851	2,086,400	2,010,459
Personal property replacement taxes (2)	199,060	192,528	196,829
Federal and state aid formula grants	820,356	711,952	888,964
Earnings on investments	14,400	26,004	15,024
Miscellaneous	73,236	65,876	55,100
Total general revenues	<u>\$ 25,772,193</u>	<u>\$ 24,403,566</u>	<u>\$ 24,204,372</u>
Change in net position	<u>\$ (95,361)</u>	<u>\$ (6,412,819)</u>	<u>\$ 960,324</u>

(1) Includes effect of on-behalf payments required by GASB #24, prior to FY 2011.

(2) Prior to FY2011, the District recorded supporting services expenses and general revenues to different categories than those listed here.

	2011	2010	2009	2008	2007	2006	2005
\$	10,013,502	\$ 13,938,876	\$ 12,925,070	\$ 12,125,276	\$ 11,321,890	\$ 10,671,197	\$ 11,195,373
	4,023,243	4,022,833	3,471,292	4,066,425	3,602,903	3,497,867	3,555,171
	961,578	677,512	819,811	724,199	646,735	644,363	643,935
	2,984,905	-	-	-	-	-	-
	1,096,650	1,014,150	999,044	737,530	610,644	564,048	601,647
	1,589,701	1,795,668	1,970,734	1,679,780	1,474,546	1,385,869	1,173,234
	615,750	744,185	589,784	613,783	617,862	667,434	620,581
	1,213,339	1,225,346	1,486,469	1,382,909	1,290,187	1,240,349	1,205,502
	743,417	555,146	703,347	832,353	622,245	692,654	849,677
	2,026,596	2,392,843	2,125,448	2,179,437	1,818,432	1,765,232	1,696,697
	1,164,853	1,158,421	1,089,462	1,108,196	1,091,855	1,025,067	945,475
	-	145,318	238,791	203,662	188,254	183,975	180,414
	-	146,801	46,748	-	-	-	299
	129,218	-	-	-	-	-	-
	11,765	19,769	1,681	-	-	-	-
	-	-	-	-	-	-	-
	971,056	992,661	801,026	378,344	319,797	383,114	432,173
	-	-	-	-	-	-	-
\$	<u>27,545,573</u>	<u>\$ 28,829,529</u>	<u>\$ 27,268,707</u>	<u>\$ 26,031,894</u>	<u>\$ 23,605,350</u>	<u>\$ 22,721,169</u>	<u>\$ 23,100,178</u>
\$	757,682	\$ 577,435	\$ 947,325	\$ 701,556	\$ 636,349	\$ 655,703	\$ 540,187
	4,912,526	4,933,571	4,645,851	3,467,753	2,986,804	2,443,114	2,979,101
	-	-	4,503	31,559	51,866	68,929	16,125
\$	<u>5,670,208</u>	<u>\$ 5,511,006</u>	<u>\$ 5,597,679</u>	<u>\$ 4,200,868</u>	<u>\$ 3,675,019</u>	<u>\$ 3,167,746</u>	<u>\$ 3,535,413</u>
\$	<u>(21,875,365)</u>	<u>\$ (23,318,523)</u>	<u>\$ (21,671,028)</u>	<u>\$ (21,831,026)</u>	<u>\$ (19,930,331)</u>	<u>\$ (19,553,423)</u>	<u>\$ (19,564,765)</u>
\$	-	\$ 19,135,968	\$ 18,668,252	\$ 17,870,493	\$ 17,143,116	\$ 16,703,296	\$ 16,330,145
	-	553,287	560,807	554,975	537,085	518,573	445,140
	-	582,831	502,206	468,255	407,337	353,151	337,041
	16,837,061	-	-	-	-	-	-
	3,405,043	-	-	-	-	-	-
	1,887,790	1,852,110	1,793,271	1,626,866	1,448,768	1,399,455	1,339,809
	206,175	-	-	-	-	-	-
	853,821	731,682	685,062	881,776	869,192	869,151	928,632
	57,462	90,036	621,237	743,952	742,085	512,693	288,430
	30,381	314,765	492,180	435,946	318,547	307,361	212,264
\$	<u>23,277,733</u>	<u>\$ 23,260,679</u>	<u>\$ 23,323,015</u>	<u>\$ 22,582,263</u>	<u>\$ 21,466,130</u>	<u>\$ 20,663,680</u>	<u>\$ 19,881,461</u>
\$	<u>1,402,368</u>	<u>\$ (57,844)</u>	<u>\$ 1,651,987</u>	<u>\$ 751,237</u>	<u>\$ 1,535,799</u>	<u>\$ 1,110,257</u>	<u>\$ 316,696</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Unassigned	<u>12,528,942</u>	<u>12,477,001</u>	<u>12,524,335</u>	<u>12,309,227</u>
Total general fund	<u>\$ 12,528,942</u>	<u>\$ 12,477,001</u>	<u>\$ 12,524,335</u>	<u>\$ 12,309,227</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service fund	-	-	-	-
Capital projects fund	-	-	-	-
Restricted	<u>3,354,730</u>	<u>3,476,162</u>	<u>3,436,275</u>	<u>3,193,354</u>
Total all other governmental funds	<u>\$ 3,354,730</u>	<u>\$ 3,476,162</u>	<u>\$ 3,436,275</u>	<u>\$ 3,193,354</u>

NOTE: In 2011 the District implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. The implementation of this accounting principle required the Educational Fund and Working Cash Fund to be consolidated into the General Fund. Additional fund balance classifications were also implemented to remain in compliance with the reporting requirements of GASB 54.

Fiscal years prior to 2011 were not adjusted for the effects of implementing GASB 54.

2010	2009	2008	2007	2006	2005
\$ -	\$ -	\$ 13,751	\$ 29,595	\$ 11,090	\$ 12,321
10,826,485	11,503,658	10,906,839	10,712,926	10,406,235	10,169,516
-	-	-	-	-	-
<u>\$ 10,826,485</u>	<u>\$ 11,503,658</u>	<u>\$ 10,920,590</u>	<u>\$ 10,742,521</u>	<u>\$ 10,417,325</u>	<u>\$ 10,181,837</u>
\$ -	\$ -	\$ -	\$ 405	\$ 591	\$ 4,168
2,688,331	2,806,099	2,701,765	2,638,028	2,587,250	2,616,751
1,013,951	965,434	1,264,970	772,534	749,855	708,238
788,942	12,564,321	7,352,533	-	-	-
-	-	-	-	-	-
<u>\$ 4,491,224</u>	<u>\$ 16,335,854</u>	<u>\$ 11,319,268</u>	<u>\$ 3,410,967</u>	<u>\$ 3,337,696</u>	<u>\$ 3,329,157</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Revenues:				
Local Sources:				
Taxes	\$ 24,864,201	\$ 23,599,734	\$ 23,245,284	\$ 22,336,069
Earnings on investments	14,400	26,004	15,024	57,462
Other local sources	<u>1,723,338</u>	<u>1,730,880</u>	<u>1,515,937</u>	<u>788,063</u>
 Total local sources	 26,601,939	 25,356,618	 24,776,245	 23,181,594
 State sources	 7,145,088	 5,881,641	 5,390,437	 5,057,397
Federal sources	<u>490,433</u>	<u>628,105</u>	<u>370,090</u>	<u>429,291</u>
 Total revenues	 <u>\$ 34,237,460</u>	 <u>\$ 31,866,364</u>	 <u>\$ 30,536,772</u>	 <u>\$ 28,668,282</u>

2010	2009	2008	2007	2006	2005
\$ 22,124,196	\$ 21,524,536	\$ 20,520,589	\$ 19,536,306	\$ 18,974,475	\$ 18,452,135
90,036	621,237	743,952	742,085	512,693	288,430
<u>892,200</u>	<u>1,444,008</u>	<u>1,169,061</u>	<u>1,006,762</u>	<u>1,032,410</u>	<u>778,193</u>
23,106,432	23,589,781	22,433,602	21,285,153	20,519,578	19,518,758
4,899,253	4,816,108	4,091,686	3,547,757	3,000,105	3,589,008
<u>766,000</u>	<u>514,805</u>	<u>257,843</u>	<u>308,239</u>	<u>312,160</u>	<u>318,725</u>
<u>\$ 28,771,685</u>	<u>\$ 28,920,694</u>	<u>\$ 26,783,131</u>	<u>\$ 25,141,149</u>	<u>\$ 23,831,843</u>	<u>\$ 23,426,491</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Current:				
Instruction				
Regular programs (1)	\$ 10,989,269	\$ 10,195,856	\$ 10,185,570	\$ 9,657,266
Special programs	3,529,623	3,714,538	3,335,845	3,072,827
Other instructional programs	1,179,102	1,099,241	949,116	961,578
State retirement contributions (1)	<u>5,087,366</u>	<u>3,823,298</u>	<u>3,318,961</u>	<u>2,984,905</u>
Total instruction	<u>20,785,360</u>	<u>18,832,933</u>	<u>17,789,492</u>	<u>16,676,576</u>
Supporting Services (2)				
Pupils	1,236,240	1,228,564	1,167,773	1,096,650
Instructional staff	1,885,287	1,755,054	1,686,312	1,554,059
General administration	731,879	708,271	714,133	615,750
School administration	1,166,388	1,163,833	1,102,735	1,219,053
Business	964,562	928,555	1,057,175	666,869
Central	87,749	102,914	116,980	111,504
Community services	1,293	1,595	1,648	11,765
Payments to other districts and gov't units	1,379,832	1,401,401	864,964	850,551
Instruction	-	-	-	-
Operations and maintenance	2,399,154	1,952,171	2,035,193	1,977,020
Transportation	897,337	938,471	864,814	1,159,056
IMRF/Social security benefits	-	-	-	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>10,749,721</u>	<u>10,180,829</u>	<u>9,611,727</u>	<u>9,262,277</u>
Other:				
Debt service				
Principal	2,455,356	1,421,025	1,465,587	1,218,541
Interest, fees and bond issuance costs	937,619	958,589	985,706	1,030,953
Capital outlay	<u>771,637</u>	<u>480,435</u>	<u>601,358</u>	<u>295,063</u>
Total other	<u>4,164,612</u>	<u>2,860,049</u>	<u>3,052,651</u>	<u>2,544,557</u>
Total expenditures	<u>\$ 35,699,693</u>	<u>\$ 31,873,811</u>	<u>\$ 30,453,870</u>	<u>\$ 28,483,410</u>
Debt service as a percentage of noncapital expenditures	<u>9.71%</u>	<u>7.58%</u>	<u>8.21%</u>	<u>7.98%</u>

(1) Includes effect of on-behalf payments required by GASB #24, prior to FY 2011.

(2) Prior to FY2011, the District recorded supporting services expenditures to different categories than those listed here.

2010	2009	2008	2007	2006	2005
\$ 13,074,490	\$ 12,293,695	\$ 11,616,899	\$ 10,839,736	\$ 10,084,617	\$ 10,616,895
3,123,529	2,777,234	2,904,808	3,042,936	2,983,533	3,082,891
676,931	817,527	722,401	645,276	643,088	642,703
-	-	-	-	-	-
<u>16,874,950</u>	<u>15,888,456</u>	<u>15,244,108</u>	<u>14,527,948</u>	<u>13,711,238</u>	<u>14,342,489</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,097,527	6,121,019	6,101,332	4,888,880	4,809,807	4,618,021
2,185,714	1,961,332	2,143,111	1,793,502	1,736,304	1,637,531
1,150,785	1,080,537	1,099,887	1,082,371	1,016,754	937,623
513,261	498,261	486,256	414,211	424,736	376,474
-	600	-	-	-	-
<u>9,947,287</u>	<u>9,661,749</u>	<u>9,830,586</u>	<u>8,178,964</u>	<u>7,987,601</u>	<u>7,569,649</u>
1,127,022	1,933,820	1,605,589	1,333,197	1,249,514	1,119,858
1,083,937	738,955	428,569	331,694	392,416	499,147
<u>12,260,292</u>	<u>10,283,969</u>	<u>2,732,270</u>	<u>370,879</u>	<u>264,680</u>	<u>207,748</u>
<u>14,471,251</u>	<u>12,956,744</u>	<u>4,766,428</u>	<u>2,035,770</u>	<u>1,906,610</u>	<u>1,826,753</u>
<u>\$ 41,293,488</u>	<u>\$ 38,506,949</u>	<u>\$ 29,841,122</u>	<u>\$ 24,742,682</u>	<u>\$ 23,605,449</u>	<u>\$ 23,738,891</u>
<u>7.62%</u>	<u>9.47%</u>	<u>7.50%</u>	<u>6.83%</u>	<u>7.03%</u>	<u>6.88%</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Excess of revenues over (under) expenditures	\$ (1,462,233)	\$ (7,447)	\$ 82,902	\$ 184,872
Other financing sources (uses)				
Proceeds from borrowing		-	-	-
Proceeds from refunding	920,000	-	-	-
Payments to escrow agent		-	-	-
Transfers in	545,964	327,791	669,382	396,261
Transfers out	(545,964)	(327,791)	(669,382)	(396,261)
Capital lease value	<u>472,742</u>	<u>-</u>	<u>375,127</u>	<u>-</u>
Total	<u>1,392,742</u>	<u>-</u>	<u>375,127</u>	<u>-</u>
Net change in fund balances	<u>\$ (69,491)</u>	<u>\$ (7,447)</u>	<u>\$ 458,029</u>	<u>\$ 184,872</u>

2010	2009	2008	2007	2006	2005
\$ (12,521,803)	\$ (9,586,255)	\$ (3,057,991)	\$ 398,467	\$ 226,394	\$ (312,400)
-	15,185,909	12,542,481	-	-	50,083
-	-	-	-	-	2,221,433
-	-	(1,398,120)	-	-	(2,176,630)
428,190	445,134	179,632	145,058	95,168	436,775
(428,190)	(445,134)	(179,632)	(145,058)	(95,168)	(436,775)
-	-	-	-	17,633	-
-	15,185,909	11,144,361	-	17,633	94,886
<u>\$ (12,521,803)</u>	<u>\$ 5,599,654</u>	<u>\$ 8,086,370</u>	<u>\$ 398,467</u>	<u>\$ 244,027</u>	<u>\$ (217,514)</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN TAX LEVY YEARS

LEVY YEAR	ASSESSED VALUATION			TOTAL ASSESSED VALUE	TOTAL DIRECT RATE	ESTIMATED ACTUAL VALUE
	RESIDENTIAL	FARMS	COMMERCIAL AND INDUSTRIAL			
2013	\$ 607,202,080	\$ -	\$ 128,508,650	\$ 735,710,730	3.3612	\$2,207,132,190
2012	636,992,670	2,687	133,103,905	770,099,262	3.1426	2,310,297,786
2011	687,965,863	3,317	132,278,087	820,247,267	2.8555	2,460,741,801
2010	743,936,335	3,016	136,863,365	880,802,716	2.6035	2,642,408,148
2009	772,047,843	2,742	143,351,702	915,402,287	2.4238	2,746,206,861
2008	773,170,758	2,494	138,907,550	912,080,802	2.4132	2,736,242,406
2007	738,219,003	2,267	127,296,356	865,517,626	2.4271	2,596,552,878
2006	677,152,879	2,519	114,689,960	791,845,358	2.5370	2,375,536,074
2005	628,036,487	4,402	113,080,970	741,121,859	2.6104	2,223,365,577
2004	581,774,554	4,891	107,161,340	688,940,785	2.7083	2,066,822,355

Source: DuPage County Clerk

Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value. This Total Direct Rate includes Bond & Interest Fund.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN TAX LEVY YEARS

DISTRICT DIRECT RATES	2013	2012	2011	2010	2009
Educational	2.5496	2.3912	2.1914	1.9795	1.8430
Special Education	0.0054	0.0052	0.0013	0.0012	0.0012
Operations and Maintenance	0.2990	0.2688	0.2403	0.2339	0.2450
Tort immunity	-	-	-	-	-
Transportation	0.1022	0.1152	0.1065	0.1033	0.0600
Illinois Municipal Retirement	0.0475	0.0384	0.0272	0.0264	0.0302
Social Security	0.0475	0.0416	0.0362	0.0354	0.0393
Debt services	0.3100	0.2822	0.2526	0.2238	0.2051
Total direct	3.3612	3.1426	2.8555	2.6035	2.4238

OVERLAPPING RATES

TAXING DISTRICTS

DuPage County	0.2040	0.1929	0.1773	0.166	0.155
DuPage County Forest Preserve	0.1657	0.1542	0.1414	0.132	0.122
DuPage Airport Authority	0.0178	0.0168	0.0169	0.016	0.015
Milton Township	0.0468	0.0439	0.0406	0.037	0.035
Milton Township Road District	0.0767	0.0720	0.0651	0.060	0.056

MUNICIPALITIES

Village of Glen Ellyn & Library	0.9182	0.8489	0.769	0.693	0.647
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MISCELLANEOUS DISTRICTS

Glen Ellyn Mosquito Abatement	0.0111	0.0103	0.009	0.008	0.008
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PARK DISTRICTS

Glen Ellyn Park District	0.4377	0.4114	0.371	0.338	0.318
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SCHOOL DISTRICTS

Township High School District No. 87	2.4877	2.2868	2.020	1.838	1.675
Community College District 502	0.2956	0.2681	0.250	0.235	0.213

Source: DuPage County Clerk

Note: Tax rates are per \$100 of assessed value.

2008	2007	2006	2005	2004
1.8425	1.8427	1.9432	2.0092	2.0930
0.0012	0.0161	0.0176	0.0176	0.0176
0.2500	0.2429	0.2566	0.2645	0.2712
0.0012	0.0012	0.0042	0.0045	0.0047
0.0610	0.0653	0.0690	0.0726	0.0726
0.0185	0.0173	0.0188	0.0147	0.0152
0.0391	0.0379	0.0393	0.0339	0.0352
0.1997	0.2037	0.1883	0.1934	0.1988
<u>2.4132</u>	<u>2.4271</u>	<u>2.5370</u>	<u>2.6104</u>	<u>2.7083</u>

0.156	0.165	0.171	0.180	0.185
0.121	0.119	0.130	0.127	0.136
0.016	0.017	0.018	0.020	0.021
0.035	0.034	0.038	0.039	0.041
0.056	0.056	0.058	0.060	0.062
0.600	0.611	0.657	0.682	0.732
0.008	0.008	0.008	0.009	0.009
0.312	0.316	0.332	0.342	0.356
1.651	1.661	1.721	1.720	1.772
0.186	0.189	0.193	0.187	0.197

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT * CURRENT LEVY YEAR AND NINE YEARS AGO

TAXPAYER	TYPE OF BUSINESS, PROPERTY	2013 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF DISTRICT'S TOTAL 2013 EQUALIZED ASSESSED VALUATION
1. FF Realty	Apartments	\$12,050,420	1.64%
2. Market Plaza 450 LLC	Strip Shopping Center	11,288,670	1.53%
3. Clover Creek Owner LLC	Apartments	9,111,280	1.24%
4. BVF Glen Ellyn LLC	Apartments	8,333,330	1.13%
5. Brookdale Living Community	Retirement Community	8,066,660	1.10%
6. Baker Hill Station LLC	Baker Hill shopping center	6,854,440	0.93%
7. Friedkin Realty Group	Apartments	6,701,640	0.91%
8. Glen Hill North LLC	Office buildings	5,925,900	0.81%
9. Butterfield Associates	Hillcrest Apartments	5,079,090	0.69%
10. Central DuPage Health System	Convenient Care Center	<u>3,803,390</u>	<u>0.52%</u>
		<u>\$77,214,820</u>	<u>10.50%</u>

TAXPAYER	TYPE OF BUSINESS, PROPERTY	2004 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF DISTRICT'S TOTAL 2004 EQUALIZED ASSESSED VALUATION
1. Villages II LLC	Apartment Complex	\$10,943,810	1.82%
2. Leland Stahelin	Office Building	6,523,800	1.08%
3. Bassman FBT LLC	Office Building	6,193,930	1.03%
4. Great Lakes Principals	Baker Hill Shopping Center	5,521,440	0.92%
5. Brookdale Living Community	Retirement Community	5,337,480	0.89%
6. Flanagan/Bilton Ept.	Apartment Complex	5,216,010	0.87%
7. Glen Ellyn Plaza Corp.	Strip Shopping Center	3,968,310	0.66%
8. Flanagan Alliance	Apartment Complex	3,750,880	0.62%
9. Briarcliffe Lakeside Apartments	Apartment Complex	3,244,290	0.54%
10. Hillcrest Apartments	Apartment Complex	<u>2,792,090</u>	<u>0.45%</u>
Total		<u>\$53,492,040</u>	<u>8.88%</u>

**For tax year 2013, the figures above are totals of numerous parcel valuations with equalized assessed valuations of \$300,000 and over as recorded in the County Assessors' office. It is possible, however, that certain parcels may have been overlooked.

NOTE: 2013 was the most recent year available

Sources: Offices of the DuPage County Clerk

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX LEVY YEARS

LEVY YEAR	TAXES LEVIED FOR THE LEVY YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE				
			AMOUNT	PERCENTAGE OF LEVY		PERCENTAGE				
	AMOUNT	OF LEVY				AMOUNT	OF LEVY			
2013	\$	24,728,709	\$	12,280,349	49.66%	\$	-	\$	12,280,349	49.66%
2012		24,201,139		11,793,568	48.73%		12,339,502		24,133,070	99.72%
2011		23,422,161		11,654,597	49.76%		11,622,244		23,276,841	99.38%
2010		22,931,699		11,356,779	49.52%		11,372,517		22,729,296	99.12%
2009		22,187,520		10,747,032	48.44%		11,420,151		22,167,183	99.91%
2008		22,010,334		10,291,679	46.76%		11,690,265		21,981,944	99.87%
2007		21,006,979		10,119,870	48.17%		10,845,848		20,965,718	99.80%
2006		20,089,117		9,811,548	48.84%		10,197,064		20,008,612	99.60%
2005		19,346,245		9,560,864	49.42%		9,727,501		19,288,365	99.70%
2004		18,658,583		8,984,267	49.14%		9,650,764		18,635,031	99.87%

Source: DuPage County Levy, Rate and Extension Reports for 2004-2013

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASES	DEBT CERTIFICATES	TOTAL	PERCENTAGE OF PERSONAL INCOME	OUTSTANDING DEBT PER CAPITA
2014	\$ 20,005,000	\$ 472,742	\$ 910,000	\$ 21,387,742	1.52%	770
2013	21,290,000	125,356	1,035,000	22,450,356	1.62%	812
2012	22,440,000	246,381	1,185,000	23,871,381	1.73%	863
2011	23,460,000	178,541	1,330,000	24,968,541	1.88%	910
2010	24,360,000	350,382	1,470,000	26,180,382	1.95%	948
2009	25,165,000	-	1,605,000	26,770,000	2.49%	992
2008	12,425,000	-	1,735,000	14,160,000	1.32%	524
2007	3,700,000	-	1,865,000	5,565,000	0.52%	206
2006	4,870,000	-	1,985,000	6,855,000	0.64%	254
2005	5,925,000	-	2,105,000	8,030,000	0.75%	297

Note: See Demographic and Economic Statistics table for personal and population data.

Source: DuPage County Clerk and District Financial Records

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
RATIOS OF OUTSTANDING DEBT BY TYPE (GENERAL BONDED DEBT)
 LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE TO REPAY PRINCIPAL	NET GENERAL BONDED DEBT	PERCENTAGE OF NET GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUATION	NET GENERAL BONDED DEBT PER CAPITA
2014	\$ 20,005,000	\$ 891,509	\$ 19,113,491	2.60%	689
2013	21,290,000	769,350	20,520,650	2.66%	742
2012	22,440,000	1,104,603	21,335,397	2.60%	772
2011	23,460,000	1,042,729	22,417,271	2.55%	817
2010	24,360,000	1,013,951	23,346,049	2.55%	857
2009	25,165,000	965,434	24,199,566	2.65%	896
2008	12,425,000	1,264,970	11,160,030	1.29%	413
2007	3,700,000	772,534	2,927,466	0.37%	108
2006	4,870,000	749,855	4,120,145	0.56%	153
2005	5,925,000	708,238	5,216,762	0.76%	193

Source: DuPage County Clerk and District Financial Records

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

(As of June 30, 2014)

	Outstanding Bonds		Applicable to District Percent	Amount
DuPage County	\$45,085,000 (1)(3)		2.246%	\$1,012,539
DuPage County Forest Preserve	174,143,156 (1)(2)		2.246%	3,910,985
Municipalities:				
Village of Downers Grove	80,950,000		0.005%	3,961
Village of Glen Ellyn	10,260,000		23.916%	2,453,757
City of Wheaton	37,360,000		7.442%	2,780,446
Miscellaneous:				
DuPage Special Service Area #19	1,368,999		100.000%	1,368,999
Park Districts:				
Butterfield	250,885 (1)		41.948%	105,241
Downers Grove	5,550,000 (1)		0.005%	257
Glen Ellyn	11,290,000		19.854%	2,241,571
Lombard	8,182,000		2.581%	211,148
Wheaton	34,546,000 (1)		7.253%	2,505,593
School Districts:				
High School District #87	30,060,000 (1)		15.537%	4,670,487
Community College District #502	223,940,000 (1)		2.326%	<u>5,208,511</u>
Total Overlapping General Obligation Bonded Debt				26,473,495
Glen Ellyn Community Consolidated School District Number 89	20,005,000		100.000%	<u>20,005,000</u>
Total Direct and Overlapping General Obligation Bonded Debt				<u>\$46,478,495</u>

- (1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
(3) Excludes Certificates of Indebtedness

Source: DuPage County Clerk's Office

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Valuation	\$ 735,710,730
Debt Limit - 6.9% of Assessed Valuation	\$ 50,764,040
Total Debt Outstanding	\$ 21,387,742
Net Subject to 6.9% Limit	<u>21,387,742</u>
Total Debt Margin	<u>\$ 29,376,298</u>

	2014	2013	2012	2011
Debt Limit	\$ 50,764,040	\$ 53,136,849	\$ 56,597,061	\$ 60,775,387
Total Net Debt Applicable to Limit	<u>21,387,742</u>	<u>22,450,356</u>	<u>23,625,000</u>	<u>24,790,000</u>
Legal Debt Margin	<u>\$ 29,376,298</u>	<u>\$ 30,686,493</u>	<u>\$ 32,972,061</u>	<u>\$ 35,985,387</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	42%	42%	42%	41%

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 63,162,758	\$ 62,933,575	\$ 59,720,716	\$ 54,637,330	\$ 51,137,408	\$ 47,536,914
<u>24,816,049</u>	<u>25,804,566</u>	<u>12,895,030</u>	<u>4,792,466</u>	<u>6,105,145</u>	<u>7,321,762</u>
<u>\$ 38,346,709</u>	<u>\$ 37,129,009</u>	<u>\$ 46,825,686</u>	<u>\$ 49,844,864</u>	<u>\$ 45,032,263</u>	<u>\$ 40,215,152</u>
39%	41%	22%	9%	12%	15%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2013	27,761	\$ 1,404,428,990	\$ 50,590	6.5%
2012	27,650	1,381,753,450	49,973	6.4%
2011	27,648	1,378,252,000	49,850	7.2%
2010	27,450	1,327,074,100	48,689	7.0%
2009	27,236	1,327,074,100	48,725	7.3%
2008	26,999	1,074,101,217	39,783	10.3%
2007	26,999	1,074,101,217	39,783	6.8%
2006	26,999	1,074,101,217	39,783	5.1%
2005	26,999	1,074,101,217	39,783	5.0%
2004	26,999	1,074,101,217		5.7%

SOURCE:

Population - U.S. Census Bureau

Per capita personal income - U.S. Census Bureau, American FactFinder, and American Community Survey
 5-Year Estimates

Unemployment rate - Illinois Department of Employment Security

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2014			
EMPLOYER	TYPE OF BUSINESS	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
College of DuPage	Community College	2,820	37.4%
Wheaton College	Private College and main campus	950	12.6%
IMS Co. LLC	Metal strapping, dies and tools	885	11.7%
Acosta Sales & Marketing	Food brokers	500	6.6%
First Trust Portfolios L.P.	Portfolio mgnt and software development	401	5.3%
M & R Holdings Inc.	Corporate headquarters	400	5.3%
M & R Printing Equipment	Textile and printing machinery	400	5.3%
Adjustable Forms Inc.	Concrete shell contractors	350	4.6%
Cinch Connectors	Electrical connectors	300	4.0%
WM Recycle America	Waste paper brokerage	300	4.0%
West Suburban Bancorp, Inc.	Corp HQ - Commercial banking	300	4.0%

The 2014 directories listed below list the number of employees in the previous year (2013).

The estimated number of persons employed in the District in 2013 is 7,549

Sources: (1) 2014 Illinois Manufacturers' News Directory
 (2) 2014 Illinois Services Directory
 (3) College of DuPage Financial Report
 (4) Phone canvass of employers
 (5) Reference USA
 (6) Illinois Department of Employment

2005			
EMPLOYER		EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
College of DuPage	Community College	2,600	(A)
Commercial Testing and Engineering Company	Testing and chemical analysis	600	(A)
Wheaton College	College	560	(A)
Acosta PMI, Inc.	Food brokers	500	(A)
Carson Pirie Scott & Company	Retail & Wholesale Merchandise	475	(A)
M & R Printing Equipment Inc.	Printing equipment	425	(A)
Adjustable Forms, Inc.	Concrete construction forms	350	(A)
Bank One	Banking services	350	(A)
College Craft Painters	Painting contractors	300	(A)
Successories, Inc.	Clocks, Plaques & Awards	300	(A)
West Suburban Bank	Full Service Bank	300	(A)

(A) Information not readily available

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
NUMBER OF EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	2013- 2014	2012- 2013	2011- 2012	2010- 2011
General Administration:				
Superintendent	1	1	1	1
Assistant Superintendent	2	2	2	2
District Administrators	3	3	3	3
School Administration:				
Principals and Assistants	6	6	6	6
Total Administration	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Instruction:				
Pre-K	3	3	3	3
K-5, Gifted	54	53	54	52
Jr. High	35	34	34	35
Art, Music, PE, Health	19	20	20	19
Special Program:				
Special Ed	13	14	14	10
Psychologists	1	1	1	1
Other student support	31	30	30	34
Total teachers	<u>156</u>	<u>155</u>	<u>156</u>	<u>154</u>
Support Services:				
Clerical 10/12 Month	18	18	18	21
Aides	60	68	61	61
Nurses (RNs)	5	5	5	6
Total support staff	83	91	84	88
Total staff	<u>251</u>	<u>258</u>	<u>252</u>	<u>254</u>

Source: District Payroll Records

2009- 2010	2008- 2009	2007- 2008	2006 - 2007	2005 - 2006
1	1	1	1	1
2	2	2	2	2
3	2	3	3	1
6	7	7	7	7
<u>12</u>	<u>12</u>	<u>13</u>	<u>13</u>	<u>11</u>
4	3	3	3	3
53	59	55	60	62
39	34	35	35	34
15	17	21	17	18
16	17	16	18	16
1	1	1	1	1
35	28	42	22	18
<u>162</u>	<u>157</u>	<u>173</u>	<u>154</u>	<u>151</u>
19	19	19	15	15
70	59	73	67	76
6	6	6	5	5
95	84	98	87	96
<u>269</u>	<u>253</u>	<u>284</u>	<u>254</u>	<u>258</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT (ADA)	EXPENSES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL - TEACHER RATIO
2014	1,904	\$ 23,963,850	\$ 12,583	2.33%	155	12.3
2013	1,937	23,824,617	12,297	0.84%	30	64.6
2012	1,908	23,271,657	12,194	5.06%	156	12.2
2011	1,932	22,429,896	11,607	-5.18%	119	16.2
2010	1,908	23,355,682	12,241	7.69%	133	14.3
2009	1,984	22,552,217	11,367	2.80%	128	15.5
2008	2,030	22,446,710	11,057	7.30%	130	15.6
2007	2,050	21,124,581	10,305	1.68%	135	15.2
2006	2,030	20,574,744	10,135	3.80%	135	15.0
2005	2,087	20,378,280	9,764	13.02%	135	15.5

Source: DuPage County Clerk and District Financial Records

Note: Amounts exclude state "on-behalf" payments.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Arbor View Elementary (1959)				
Square Feet, Main Building	42,384	42,384	42,384	42,384
Capacity (Students)	424	424	424	424
Enrollment - Fall Housing	307	318	341	343
Briar Glen Elementary (1971)				
Square Feet, Main Building	53,849	53,849	53,849	53,849
Capacity (Students)	538	538	538	538
Enrollment - Fall Housing	309	296	305	306
Park View Elementary (1965)				
Square Feet, Main Building	47,756	47,756	47,756	47,756
Capacity (Students)	478	478	478	478
Enrollment - Fall Housing	431	414	389	372
Westfield Elementary (1967)				
Square Feet, Main Building	49,990	49,990	49,990	49,990
Capacity (Students)	500	500	500	500
Enrollment - Fall Housing	303	282	274	302
Glen Crest Middle (1962)				
Square Feet, Main Building	123,254	123,254	123,254	123,254
Capacity (Students)	1,027	1,027	1,027	1,027
Enrollment - Fall Housing	622	658	688	737
Administration Center (1999)				
Square Feet	9,000	9,000	9,000	9,000
Maintenance Garage				
Square Feet	2,607	2,607	2,607	2,607

Source: District Building Records

2010	2009	2008	2007	2006	2005
42,384	42,384	42,384	42,384	42,384	42,384
424	424	424	424	424	424
343	320	317	316	318	338
53,849	53,849	53,849	53,849	53,849	53,849
538	538	538	538	538	538
306	328	342	373	401	425
47,756	47,756	47,756	47,756	47,756	47,756
478	478	478	478	478	478
372	365	352	363	394	446
49,990	49,990	49,990	49,990	49,990	49,990
500	500	500	500	500	500
302	316	317	314	313	282
123,254	123,254	123,254	123,254	123,254	123,254
1,027	1,027	1,027	1,027	1,027	1,027
737	745	810	843	838	863
9,000	9,000	9,000	9,000	9,000	9,000
2,607	2,607	2,607	2,607	2,607	2,607