

Due to ROE on October 15th  
Due to ISBE on November 15th  
SD/JA11

ILLINOIS STATE BOARD OF EDUCATION  
School Business Services Division  
100 North First Street, Springfield, Illinois 62777-0001  
217/785-8779

Illinois School District/Joint Agreement  
Annual Financial Report \*  
June 30, 2011

☒ School District  
☐ Joint Agreement

| <u>School District/Joint Agreement Information</u><br>(See instructions on inside of this page.)  | <u>Accounting Basis:</u>  | <u>Certified Public Accountant Information</u>                                      |
|---|---|---|
| School District/Joint Agreement Number:<br><b>31045300026</b>   | <input type="checkbox"/> CASH<br><input checked="" type="checkbox"/> ACCRUAL  | Name of Auditing Firm:<br><b>Baker Tilly Virchow Krause, LLP</b>                    |
| County Name:<br><b>Kane</b>   |   | Name of Audit Manager:<br><b>Steve Murray</b>                                       |
| Name of School District/Joint Agreement:<br><b>Community Unit School District No. 300</b>   |   | Address:<br><b>1301 West 22nd Street, Suite 400</b>                                 |
| Address:<br><b>300 Cleveland Avenue</b>   | <u>Filing Status:</u><br><b>Submit electronic AFR directly to ISBE</b>  | City: <b>Oak Brook</b> State: <b>IL</b> Zip Code: <b>60523</b>                      |
| City:<br><b>Carpentersville</b>   | Click on the Link to Submit:<br><a href="#">Send ISBE a File</a>  | Phone Number:<br><b>(630) 990-3131</b> Fax Number:<br><b>(630) 990-0039</b>         |
| Email Address:  |   | IL License Number:<br><b>066-004260</b> Expiration Date:                            |
| Zip Code:<br><b>60110</b>   |   | Email Address:<br><b>steve.murray@bakertilly.com</b>                                |
| <u>Annual Financial Report</u><br>Type of Auditor's Report Issued:<br><input type="checkbox"/> Qualified <input checked="" type="checkbox"/> Unqualified<br><input type="checkbox"/> Adverse<br><input type="checkbox"/> Disclaimer | <u>A-133 Single Audit Status:</u><br><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Are Federal expenditures greater than \$500,000?<br><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Is all A-133 Single Audit Information completed and attached?<br><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Were any findings issued? | ISBE Use Only   |
| <input type="checkbox"/> Reviewed by District Superintendent/Administrator  | <input type="checkbox"/> Reviewed by Township Treasurer (Cook County only)<br>Name of Township:   | <input checked="" type="checkbox"/> Reviewed by Regional Superintendent/Cook ISC    |
| District Superintendent/Administrator Name (Type or Print):<br><b>Michael Bregy</b>   | Township Treasurer Name (type or print)   | Regional Superintendent/Cook ISC Name (Type or Print):<br><b>Douglas E. Johnson</b> |
| Email Address:<br><b>michael.bregy@d300.org</b>   | Email Address:  | Email Address:<br><b>djohnson@kaneroe.org</b>                                       |
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| Signature & Date:<br><b>Michael Bregy 12-13-11</b>  | Signature & Date:   | Signature & Date:<br><b>D E Johnson 12/14/11</b>                                    |

\* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).  
ISBE Form SD50-35/JA50-60 (04/11)



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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Community Unit School District No. 300  
300 Cleveland Avenue  
Carpentersville, Illinois 60110

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Unit School District No. 300, as of and for the year ended June 30, 2011, which collectively comprise the Community Unit School District No. 300's basic financial statements. The basic financial statements have been audited; however, they are not presented as part of this Annual Financial Report form. The basic financial statements should be read in conjunction with the following auditors' opinion. Our opinion reads as follows:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Unit School District No. 300, as of and for the year ended June 30, 2011, which collectively comprise Community Unit School District No. 300's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Community Unit School District No. 300's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information included in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances has been derived from Community Unit School District No. 300's 2010 financial statements. In our report dated November 19, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Community Unit School District No. 300 as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the District adopted the provision of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective July 1, 2010. As discussed in Note 13, the District has restated fund balance as a result of this adoption.



Board of Education  
Community Unit School District No. 300

In accordance with Government Auditing Standards, we have also issued a report dated December 7, 2011 on our consideration of Community Unit School District No. 300's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Required Supplementary Information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Unit School District No. 300's basic financial statements. The financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 2011 supplementary information has been subjected to the auditing procedures applied to the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2011, taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, Community Unit School District No. 300's basic financial statements for the year ended June 30, 2010, which are not presented with the accompanying financial statements. In our report dated November 19, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2010 supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As described more fully in Note 1, these regulatory-based financial statements are issued to comply with regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than, and differs from, accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Board of Education  
Community Unit School District No. 300

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying regulatory-based financial statements, as listed in the table of contents of this Annual Financial Report form, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Community Unit School District No. 300. Such information, except for the financial profile information, estimated financial profile summary, supplementary schedules, statistical section, estimated indirect cost rate for federal programs, administrative cost worksheet and itemization schedules, which were not audited, has been subjected to the auditing procedures applied in our audit of the basic financial statements, and in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management of the Community Unit School District No. 300, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Oak Brook, Illinois  
December 7, 2011

*Robert Telly Vuchow Krause, LLP*



# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Unit School District No. 300 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles 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

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statements have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

#### Basis of Presentation

The accounts of the District in the governmental fund financial statements are organized and operated on the basis of funds and account groups 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, liabilities, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements. Account Groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

#### Measurement Focus and Basis of Accounting

The District has the following fund types and account groups:



# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

Governmental Funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to 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 and pension expenditures.

#### *Major Governmental Funds*

Educational 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.

Each of the District's Special Revenue Funds has been established as a separate fund in accordance with the fund structure required by the State of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's Special Revenue Funds follows:

*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.

*Working Cash Fund* - accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General Fund and the Special Revenue Fund's Operation and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the General Fund or it may be partially abated any other fund of the District.

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 and interfund transfers.

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 UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

*Capital Projects Fund* - accounts for construction projects and renovations financed through bond series and impact fees.

#### *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.

### **Assets, Liabilities and Net Assets 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". Receivables are expected to be collected within one year.

**COMMUNITY UNIT SCHOOL DISTRICT NO. 300**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011

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

*Deferred Revenue*

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

|   | <i>Unearned</i>      |
|---|----------------------|
| Property taxes receivable for subsequent year | \$ 78,723,216        |
| Other - registration fees                     | <u>708,359</u>       |
| Total   | <u>\$ 79,431,575</u> |

*Property Tax Revenues*

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2010 levy resolution was approved during the December 13, 2010 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2010 and 2009 tax levies were 2.7% and 0.1%, 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 2010 property tax levy is recognized as a receivable in fiscal 2011, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2010 levy is to be used to finance operations in fiscal 2011. The District has determined that the second installment of the 2010 levy is to be used to finance operations in fiscal 2012 and has deferred the corresponding receivable.

*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 UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

#### *Fixed Assets*

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Interest incurred during construction is not capitalized on general fixed assets.

Depreciation of general fixed assets is provided over the estimated useful lives using the straight-line method and is reflected within the general fixed assets account group for informational purposes only. Depreciation of general fixed assets is not charged to the operations of the District. The estimated useful lives of the buildings and improvements, and equipment of the District are 15 to 50 years, and 5 to 10 years, respectively.

#### *Compensated Absences*

Only employees that retire from the District are eligible to be compensated for sick days. Certified Staff must give notice four years prior of their intention to retire.

Each early retiree shall be paid for unused sick leave that is not reported to the Teachers' Retirement System for service credit up to a maximum of 40 days. Such payment shall be made in the form of a one-time lump-sum retirement incentive payment to an HRA account for the retiree. The lump-sum retirement incentive payment will be made after the individual's retirement with the District, and within 30 days after the individual's final pay check for regular earnings. The amount of the HRA contribution shall be the highest rate paid to substitute teachers for short term substitution in effect during the teacher's final year before retirement. In the event a member of the bargaining unit elects not to and/or does not receive reimbursement for any such days under this Section, the District shall transfer such unused days to the Sick Leave Bank.

Non Union Exempt Support Staff and members of DESPA who retire from the District through IMRF after completing at least 10 years of continuous service, shall receive separation pay equal to the per diem rate of the member for unused sick leave up to eighty (80) days. The employee may divide or distribute these days however they choose between IMRF usage and separation pay.

Members of D.E.S.A. who retire from the District through IMRF after completion at least 10 years of service shall be paid their current hourly rate for unused sick leave hours that are not reported to IMRF for service credit, up to the equivalent of sixty (60) days.

A liability for the sick days occurring from the above policies have been calculated and reported within long term liabilities for Certified Staff that have given notice of retirement as of June 30, 2011 and other employees with 10 years of service.

All employees that leave the District are eligible to be compensated for unused earned vacation days. 12 Month Administrators shall receive twenty (20) vacation days each year on July 1. These days are non cumulative. However, Administrators may carry over a maximum of five (5) days to the following year.

For full time 12-month employees, vacation time will be accrued, not awarded on a bi-weekly basis. The maximum amount of vacation time a member can accrue in their vacation bank shall be limited to fifteen (15) days more than their annual vacation accrual rate.

A liability for the sick days occurring from the above policy has been calculated and reported within long-term liabilities for employees that have given notice of retirement as of year-end. Compensated absences are reported on the governmental funds only if they matured.

# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

#### *Long-Term Obligations*

The District reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other long-term obligations that do not show evidence of indebtedness are not included in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an "other financing source" net of the applicable premium or discount.

#### **General Fixed Assets and General Long-Term Debt Account Groups**

Account groups are used to establish accounting control and accountability for the District's general fixed assets and general long-term debt. The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

*Fixed Assets* - General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures paid in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are listed at estimated fair market value as of the date of acquisition. Depreciation accounting is not applicable, except to determine the per capita tuition charge. Interest costs incurred during construction are not capitalized as part of fixed assets.

*Long-Term Liabilities* - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The debt recorded in the District's General Long-Term Debt Account Group consists of serial bond issues and long-term debt retirements payable.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

### NOTE 2 - 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.



# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (CONTINUED)

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, 2011, expenditures exceeded budget in the General, Municipal Retirement/Social Security, and Capital Projects Funds by \$1,129,802, \$9,197, and \$379,732 respectively. These excesses were funded by available fund balance.

### NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year 2011, the District has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

### NOTE 4 - DEPOSITS AND INVESTMENTS

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

|                      | <i>Government-<br/>wide</i> | <i>Fiduciary</i> | <i>Total</i>  |
|----------------------|-----------------------------|------------------|---------------|
| Cash and investments | \$ 70,747,410               | \$ 563,815       | \$ 71,311,225 |
| Total                | \$ 70,747,410               | \$ 563,815       | \$ 71,311,225 |

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

|                                      | <i>Cash and<br/>investments</i> |
|--------------------------------------|---------------------------------|
| Cash on hand                         | \$ 3,695                        |
| Deposits with financial institutions | 2,287,007                       |
| Other investments                    | 69,020,523                      |
| Total                                | \$ 71,311,225                   |

**COMMUNITY UNIT SCHOOL DISTRICT NO. 300**

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)**

At year end, the District had the following investments:

| <i>Investment Type</i>                               | <i>Fair Value</i>    | <i>Maturity</i> | <i>% of Portfolio</i> | <i>Interest Rate</i> |
|--|----------------------|-----------------|-----------------------|----------------------|
| Illinois School District Liquid Asset Fund (ISDLAF+) | \$ 42,480,953        | On demand       | 61.55 %               | Variable             |
| First American Treasury Obligation Fund              | 6,539,570            | On demand       | 9.47 %                | Variable             |
| ISDLAF+ Term Series                                  | 12,000,000           | 8/1/11          | 17.39 %               | 0.10%                |
| ISDLAF+ Term Series                                  | 3,500,000            | 12/7/11         | 5.07 %                | 0.13%                |
| ISDLAF+ Term Series                                  | <u>4,500,000</u>     | 12/29/11        | <u>6.52 %</u>         | <u>0.151%</u>        |
| Total  | <u>\$ 69,020,523</u> |                 | <u>100.00 %</u>       |                      |

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to enable the District to meet all operating requirements that may be reasonably anticipated. Maturity information on other investments are shown in the table above.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limits the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District has no investment policy that would further limit its investment choices. As of June 30, 2011, all the District's investments exposed to credit risk has a "AAA" rating by Standard & Poor's.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

*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's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity and rate of return.

*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, 2011, the bank balance of the District's deposit with financial institutions totaled \$2,287,007; the entire amount was collateralized and insured.

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



# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

### NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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.

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

### NOTE 5 - INTERFUND TRANSFERS

During the year, the Board transferred \$1,449,457 to the Debt Service Fund to pay principal and interest from the following funds:

| <i>Fund</i>                | <i>Amount</i>       |
|----------------------------|---------------------|
| General                    | \$ 1,083,457        |
| Operations and Maintenance | <u>366,000</u>      |
| Total                      | <u>\$ 1,449,457</u> |

State law allows for the above transfer.

### NOTE 6 - 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, 2011:

|   | <i>Beginning<br/>Balance</i> | <i>Issuances</i>     | <i>Accretion</i>    | <i>Retirements</i>   | <i>Ending<br/>Balance</i> | <i>Due Within<br/>One Year</i> |
|---|------------------------------|----------------------|---------------------|----------------------|---------------------------|--------------------------------|
| General obligation bonds                              | \$ 340,200,460               | \$ 16,750,000        | \$ 4,900,972        | \$ 21,065,000        | \$ 340,786,432            | \$ 3,850,000                   |
| Deferred refunding                                    | (4,706,595)                  | 795,313              | -                   | (600,971)            | (3,310,311)               | -                              |
| Unamortized premium                                   | <u>15,690,350</u>            | <u>(313,804)</u>     | <u>-</u>            | <u>2,806,146</u>     | <u>12,570,400</u>         | <u>-</u>                       |
| Total bonds payable                                   | <u>351,184,215</u>           | <u>17,231,509</u>    | <u>4,900,972</u>    | <u>23,270,175</u>    | <u>350,046,521</u>        | <u>3,850,000</u>               |
| Claims payable  | 1,754,849                    | 11,492,746           | -                   | 11,783,142           | 1,464,453                 | 1,464,453                      |
| Capital leases  | 4,363,031                    | 943,599              | -                   | 2,304,506            | 3,002,124                 | 1,553,052                      |
| Net IMRF Pension Obligation                           | -                            | 338,519              | -                   | -                    | 338,519                   | -                              |
| Installment purchase agreements                       | 2,574,613                    | -                    | -                   | 254,255              | 2,320,358                 | 344,602                        |
| Compensated absences                                  | <u>403,200</u>               | <u>1,156,337</u>     | <u>-</u>            | <u>79,800</u>        | <u>1,479,737</u>          | <u>265,265</u>                 |
| Total long-term liabilities - governmental activities | <u>\$ 360,279,908</u>        | <u>\$ 31,162,710</u> | <u>\$ 4,900,972</u> | <u>\$ 37,691,878</u> | <u>\$ 358,651,712</u>     | <u>\$ 7,477,372</u>            |

# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

### NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)

The obligations for the claims payable and compensated absences will be repaid from the General Fund. The Net IMRF Pension Obligation will be repaid from Municipal Retirement/Social Security Fund.

*General Obligation Bonds.* General obligation bonds are direct obligations and pledge the full faith and credit of the District. All will be repaid from the Debt Service Fund. General obligation bonds currently outstanding are as follows:

| <i>Purpose</i>   | <i>Interest Rates</i> | <i>Original<br/>Indebtedness</i> | <i>Face<br/>Amount</i> | <i>Carrying<br/>Amount</i> |
|--|-----------------------|----------------------------------|------------------------|----------------------------|
| Series 1994 General Obligation Capital Appreciation School Building Bonds dated June 1, 1994 are due in annual installments through December 1, 2012     | None                  | \$ 80,395,000                    | \$ 8,623,300           | \$ 7,852,993               |
| Series 2001 General Obligation Capital Appreciation School Building Bonds dated December 1, 2001 are due in annual installments through December 1, 2021 | None                  | 78,195,000                       | 62,250,000             | 33,829,831                 |
| Series 2002 General Obligation Working Cash Bonds dated May 1, 2002 are due in annual installments through December 1, 2013                              | 4.30% - 6.50%         | 23,780,000                       | 10,080,000             | 10,080,000                 |
| Series 2002 General Obligation Working Cash Capital Appreciation Bonds dated May 1, 2002 are due in annual installments through December 1, 2021         | None                  | 36,880,000                       | 36,880,000             | 21,903,608                 |
| Series 2005 General Obligation School Refunding Bonds dated August 1, 2005 are due in annual installments through December 1, 2020                       | 3.50% - 6.00%         | 61,690,000                       | 61,475,000             | 61,475,000                 |
| Series 2006 General Obligation School Building Bonds dated May 1, 2006 are due in annual installments through January 1, 2026                            | 4.25% - 5.25%         | 34,970,000                       | 34,970,000             | 34,970,000                 |
| Series 2007 General Obligation School Building Bonds dated March 1, 2007 are due in annual installments through January 1, 2025                          | 3.25% - 9.00%         | 104,680,000                      | 88,635,000             | 88,635,000                 |
| Series 2008 General Obligation School Bonds dated December 21, 2010 are due in annual installments through January 1, 2023                               | 4.50% - 5.25%         | 65,290,000                       | 65,290,000             | 65,290,000                 |
| Series 2010 General Obligation Refunding Bonds dated December 21, 2010 are due in annual installments through January 1, 2023                            | 2.00%-4.25%           | 16,750,000                       | 16,750,000             | 16,750,000                 |
| Total  |                       | <u>\$ 502,630,000</u>            | <u>\$ 384,953,300</u>  | <u>\$ 340,786,432</u>      |



**COMMUNITY UNIT SCHOOL DISTRICT NO. 300****NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2011

**NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)**

During the year, the District issued \$16,750,000 in General Obligation Bonds of with an average interest rate of 3.22% was used to advance refund \$16,045,000 of outstanding 2007 Series bonds with an average interest rate of 5.00%. The net proceeds of \$16,835,093 (after payment of \$244,119 in underwriting fees, insurance, and other insurance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on portions of the 2007 Series bonds. As a result, portions of the 2007 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The District partially advance refunded the 2007 Series bonds reducing the average interest rate; cash flows for the old debt exceed that for the new debt by \$648,778. This transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$515,155.

In current and prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2011, \$71,936,146 of bonds outstanding are considered defeased.

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

|             | <i>Principal</i>      | <i>Interest</i>       | <i>Total</i>          |
|-------------|-----------------------|-----------------------|-----------------------|
| 2012        | \$ 3,850,000          | \$ 14,295,488         | \$ 18,145,488         |
| 2013        | 12,473,300            | 14,091,913            | 26,565,213            |
| 2014        | 11,215,000            | 13,725,225            | 24,940,225            |
| 2015        | 16,820,000            | 13,311,399            | 30,131,399            |
| 2016        | 19,235,000            | 12,810,825            | 32,045,825            |
| 2017 - 2021 | 140,865,000           | 52,245,822            | 193,110,822           |
| 2022 - 2026 | 156,530,000           | 25,242,900            | 181,772,900           |
| 2027 - 2028 | <u>23,965,000</u>     | <u>1,812,000</u>      | <u>25,777,000</u>     |
| Total       | <u>\$ 384,953,300</u> | <u>\$ 147,535,572</u> | <u>\$ 532,488,872</u> |

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2011, the statutory debt limit for the District was \$482,095,200, providing a debt margin of \$169,453,019. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2011, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

*Certificates of Participation.* In 2005, the District entered into a purchasing agreement with Koch Financial Corporation for \$6,659,300 to pay the costs of boiler equipment, computer network equipment and energy efficient fixtures and improvements to the District's facilities. Obligation under the Installment Purchase Agreement will be repaid from the Debt Service Fund.

**COMMUNITY UNIT SCHOOL DISTRICT NO. 300****NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2011

**NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)**

Annual debt service requirements to maturity for certificates of participation are as follows:

|        | <i>Principal</i>    | <i>Interest</i>   | <i>Total</i>        |
|--------|---------------------|-------------------|---------------------|
| 2012   | \$ 341,858          | \$ 111,328        | \$ 453,186          |
| 2013   | 376,256             | 94,930            | 471,186             |
| 2014   | 413,305             | 76,881            | 490,186             |
| 2015   | 453,130             | 57,056            | 510,186             |
| 2016   | 425,681             | 35,319            | 461,000             |
| 2017 - | <u>310,128</u>      | <u>14,886</u>     | <u>325,014</u>      |
| Total  | <u>\$ 2,320,358</u> | <u>\$ 390,400</u> | <u>\$ 2,710,758</u> |

*Capital Leases.* The District has entered into a lease agreement as lessee for financing the acquisition of buses. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2011, \$7,619,020 of amounts included in capital assets were acquired via capital leases. The obligations for the capital lease for the computer equipment will be repaid from the Debt Service Fund funded through a transfer from the General Fund and Operations and Maintenance Fund, and the obligations for the capital lease for the buses will be repaid from the Transportation Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, are as follows:

|   | <i>Amount</i>       |
|---|---------------------|
| 2012                                    | \$ 1,684,931        |
| 2013                                    | 1,216,619           |
| 2014                                    | <u>306,634</u>      |
| Total minimum lease payments            | 3,208,184           |
| Less: amount representing interest      | <u>(206,060)</u>    |
| Present value of minimum lease payments | <u>\$ 3,002,124</u> |

**NOTE 7 - SHORT-TERM DEBT**

A summary of activity in short-term debt of the District is as follows:

|                                   | <i>Beginning<br/>Balance</i> | <i>Issued</i>        | <i>Retired</i>       | <i>Ending<br/>Balance</i> |
|-----------------------------------|------------------------------|----------------------|----------------------|---------------------------|
| Tax anticipation warrants payable | \$ -                         | \$ 18,300,000        | \$ 18,300,000        | \$ -                      |
| Total                             | <u>\$ -</u>                  | <u>\$ 18,300,000</u> | <u>\$ 18,300,000</u> | <u>\$ -</u>               |

The short-term debt was issued due to meet the cash flow needs of the District due to the timing of the collection of property taxes.



# COMMUNITY UNIT SCHOOL DISTRICT NO. 300

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

### NOTE 8 - RISK MANAGEMENT

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

To protect from risks related to the theft of, damage to, and destruction of assets; and natural disasters, the District participates in the following public entity risk pool: Collective Liability Insurance Cooperative. The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. There have been no significant reductions in insurance coverage in any of the past three fiscal years. There have been no amount of settlements that exceeded insurance coverage in each of the past three fiscal years.

The District is self-insured for medical and workers' compensation coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health, dental, and workers' compensation claims and administration fees. The District's liability will not exceed \$150,000 per employee, as provided by stop-loss provisions incorporated in the medical plan. The District's liability will not exceed \$600,000 per accident per employee, as provided by stop-loss provisions incorporated in the workers' compensation plan.

At June 30, 2011, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent for medical and workers' compensation, totaled \$3,637,857 and \$664,353, respectively. Total disclosure includes both IBNR and Fund level Claims Payable. The IBNR and Fund Level Claims Payable portion as of June 30, 2011 are \$1,464,453 and \$2,837,757 respectively. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2010 and June 30, 2011, changes in the liability for unpaid claims are summarized as follows:

|                  | <i>Claims Payable<br/>Beginning of<br/>Year</i> | <i>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</i> | <i>Claims<br/>Payments</i> | <i>Claims Payable<br/>End of Year</i> |
|------------------|---|---|----------------------------|---------------------------------------|
| Fiscal Year 2010 | \$ 2,696,084                                    | \$ 11,424,583   | \$ 10,997,203              | \$ 3,123,464                          |
| Fiscal Year 2011 | \$ 3,123,464                                    | \$ 12,961,888   | \$ 11,783,142              | \$ 4,302,210                          |

### NOTE 9 - 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 postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

## COMMUNITY UNIT SCHOOL DISTRICT NO. 300

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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#### **NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)**

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

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the 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 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$787,336, 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, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of District employees were \$774,266 and \$747,274, respectively.

*Employer Contributions to THIS Fund.* The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the District paid \$590,502 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2010 and 2009, the District paid \$580,700 and \$560,456 to the THIS Fund, respectively, which were 100 percent of the required contribution.

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

#### **NOTE 10 - 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 UNIT SCHOOL DISTRICT NO. 300

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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#### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

TRS members include all active nonannuitants that are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011 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, 2010 and 2009. The District paid 100 percent of required contributions for the years ended June 30, 2011, 2010 and 2009.

*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, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$20,171,646 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and 2009, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$21,092,799) and 17.08 percent (\$14,788,596), respectively.

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

*2.2 Formula Contributions.* For the years ended June 30, 2011, 2010 and 2009, 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 \$518,926, \$534,612 and \$515,975, respectively, which was 100 percent of the required contribution.

*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, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer pension contribution was 23.38 and 17.08 percent, respectively, of salaries paid from those funds. For the year ended June 30, 2011, salaries totaling \$2,146,857 were paid from federal and special trust funds that required employer contributions of \$495,924, which was equal to the District's actual contribution or 100 percent. For the years ended June 30, 2010 and 2009, required District contributions were \$457,607 and \$405,984, respective.

*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 117.5 percent and applies when the member is age 55 at retirement.

For the year ending June 30, 2011, the District paid \$172,921 to TRS for District contributions under the ERO program. For the year ended June 30, 2010, the District paid \$157,582 in ERO contributions. For the year ended June 30, 2009, the District paid no ERO contributions.

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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

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



## COMMUNITY UNIT SCHOOL DISTRICT NO. 300

### NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

## NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

### 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](http://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 2010 was 8.98 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 10.31 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.

*Annual Pension Cost.* For December 31, 2010, the employer's actual contributions for pension cost for the Regular were \$2,285,640. Its required contribution for calendar year 2010 was \$2,624,159. Resulting in 87 percent of annual pension cost contributed and a net pension obligation of \$338,519. For December 31, 2009 and December 31, 2008 the District's annual pension cost of \$1,944,847 and \$1,925,893, respectively, was equal to the District's required and actual contributions; therefore, 100 percent of the annual pension cost was contributed and no net pension obligation was incurred for the years ended December 31, 2009 and 2008.

#### Percentage of annual postemployment benefit costs

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50% investment rate of return (net of administrative 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 IMRF 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 employer Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 basis.

*Funded Status and Funding Progress.* As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 77.32 percent funded. The actuarial accrued liability for benefits was \$50,111,721 and the actuarial value of assets was \$38,744,199, resulting in an underfunded actuarial accrued liability (UAAL) of \$11,367,522. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$25,452,557 and the ratio of the UAAL to the covered payroll was 44.66 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 11 - CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the District will vigorously defend each suit.



# **COMMUNITY UNIT SCHOOL DISTRICT NO. 300**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2011**

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### **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 terms of the grants. Management believes such disallowance, if any, would be immaterial.

### **NOTE 13 - STATE OF ILLINOIS FUNDING**

The District receives approximately 22% of its annual revenue from the State of Illinois ("the state"). Published reports have indicated that the state is experiencing financial difficulties which have led to delays in the state's funding of certain grant programs to Illinois school districts. Included in District receivables at June 30, 2011 is \$10,535,918 of amounts the state has acknowledged as due the District in past due grant funds. The entire amount was received by September 30, 2011.

It is believed that the state will continue to delay payment of certain grants during subsequent fiscal years. At June 30, 2011, the District feels it has adequate fund balance reserves to sustain the revenue shortfall; however, continued delays into subsequent years, or a change in the method of state funding, could have an adverse effect on future District financial results.

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## INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

**Round all amounts to the nearest dollar. Do not enter cents.** (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing)**.

23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

Any errors left unresolved by the **Audit Checklist/Balancing Schedule** must be explained in the itemization page.

### Submit AFR Electronically

- \* The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see Instructions for complete submission procedures).

Attachment Manager Link

*Note: CD/Disk no longer accepted.*

- \* AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (\*.wpd) or Adobe (\*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

*Note: Adobe Acrobat (\*.pdf) files cannot be embedded if you do not have the software. Simply attach files as separate docs in the Attachment Manager and they will be embedded for you.*

### Submit Paper Copy of AFR with Signatures

- 1) The auditor must send three **paper** copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.  
*Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.*
  - 2) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
  - 3) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.
- \* Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Accounting Standards" were utilized.  
Single Audit Act A-133

### Qualifications of Auditing Firm

- \* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current acceptance/completion letter.
- \* A school district/joint agreement who engages with and auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school districts/joint agreements expense.



**AUDITOR'S QUESTIONNAIRE**

**INSTRUCTIONS:** If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left, and attach the appropriate findings/comments.

**PART A - FINDINGS**

- ☐ 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interest statements pursuant to the *Illinois Government Ethics Act*. [5 ILCS 420/4A-101]
- ☐ 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Sections 8-2, 10-20.19 or 19-6 of the School Code*. [105 ILCS 5/8-2; 10-20.19; 19-6]
- ☐ 3. One or more contracts were executed or purchases made contrary to the provisions of *Section 10-20.21 of the School Code*. [105 ILCS 5/10-20.21]
- ☐ 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted. [30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.]
- ☐ 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- ☐ 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
- ☐ 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
- ☐ 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *State Revenue Sharing Act*. [30 ILCS 115/12]
- ☐ 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
- ☐ 10. One or more interfund loans were outstanding beyond the term provided by statute.
- ☐ 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization.
- ☐ 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- ☐ 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to *Sections 2-3.27 and 2-3.28 of the School Code*. [105 ILCS 5/2-3.27; 2-3.28]

**PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to Section 1A-8 of the School Code [105 ILCS 5/1A-8]**

- ☐ 14. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Sections 17-16 or 34-23 thru 34-27 of the School Code*. [105 ILCS 5/17-16 or 34-23 thru 34-27]
- ☐ 15. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- ☐ 16. The district has issued school or teacher orders for wages as permitted in *Sections 8-16, 32-7.2 and 34-76 of the School Code* or issued funding bonds for this purpose pursuant to *Section 19-8 of the School Code*. [105 ILCS 5/8-6, 32-7.2, 34-76, and 19-8]
- ☐ 17. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

**PART C - OTHER ISSUES**

- ☐ 18. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- ☐ 19. Findings, other than those listed in Part A (above), were reported (e.g. student activity fund findings).
- ☐ 20. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- ☒ 21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: 10/1/91
- ☐ 22. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

**PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS**

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Revenue Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score.

23. Enter the date that the district used to accrue mandated categorical payments

Date: 6/30/2011

24. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

| Account Name   | 3110    | 3500   | 3510    | 3100    | 3105    | Total   |
|--|---------|--------|---------|---------|---------|---------|
| <b>Intergovernmental Accounts Receivable (150)</b>             |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | 2047974 | 683863 | 3089946 | 1265199 | 1338540 | 8425522 |
| <b>Other Receivables (160)</b>                                 |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | N/A     | N/A    | N/A     | N/A     | N/A     | 0       |
| <b>Deferred Revenues &amp; Other Current Liabilities (490)</b> |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | 0       | 0      | 0       | 0       | 0       | 0       |
| <b>Direct Receipts/Revenue</b>                                 |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | 2047974 | 683863 | 3089946 | 1265199 | 1338540 | 8425522 |
| <b>Total</b>   |         |        |         |         |         | 8425522 |

\* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities)

**PART E - QUALIFICATIONS OF AUDITING FIRM**

\* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current review and acceptance/completion letter.

\* A school district/joint agreement who engages with and auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school districts/joint agreements expense.

**Comments Applicable to the Auditor's Questionnaire:**

Baker Tilly Virchow Krause, LLP  
Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

Steve Murray  
Signature

12/12/2011  
mm/dd/yyyy



**PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS**

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Revenue Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score.

23. Enter the date that the district used to accrue mandated categorical payments

Date: 8/31/2011

24. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

| Account Name   | 3110    | 3500   | 3510    | 3100    | 3105    | Total   |
|--|---------|--------|---------|---------|---------|---------|
| <b>Intergovernmental Accounts Receivable (150)</b>             |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | 2047974 | 683863 | 3089946 | 1265199 | 1338540 | 8425522 |
| <b>Other Receivables (160)</b>                                 |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | N/A     | N/A    | N/A     | N/A     | N/A     | 0       |
| <b>Deferred Revenues &amp; Other Current Liabilities (490)</b> |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | 0       | 0      | 0       | 0       | 0       | 0       |
| <b>Direct Receipts/Revenue</b>                                 |         |        |         |         |         |         |
| Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)  | 2047974 | 683863 | 3089946 | 1265199 | 1338540 | 8425522 |
| <b>Total</b>   |         |        |         |         |         | 8425522 |

\* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities)

**PART E - QUALIFICATIONS OF AUDITING FIRM**

\* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current review and acceptance/completion letter.

\* A school district/joint agreement who engages with and auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school districts/joint agreements expense.

**Comments Applicable to the Auditor's Questionnaire:**

\_\_\_\_\_  
Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
mm/dd/yyyy

|    | A  | B | C                        | D                          | E                                   | F | G                    | H | I                | J            | K | L | M |
|----|--|---|--------------------------|----------------------------|-------------------------------------|---|----------------------|---|------------------|--------------|---|---|---|
| 1  | <b>FINANCIAL PROFILE INFORMATION</b>   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 2  |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 3  | <i>Required to be completed for School Districts only.</i>   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 4  |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 5  | <b>A. Tax Rates</b> (Enter the tax rate - ex: .0150 for \$1.50)  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 6  |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 7  | Tax Year <b>2010</b>   |   |                          |                            | Equalized Assessed Valuation (EAV): |   |                      |   | 3,532,948,759    |              |   |   |   |
| 8  |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 9  | Educational  |   | Operations & Maintenance |                            | Transportation                      |   | Combined Total       |   | Working Cash     |              |   |   |   |
| 10 | Rate(s): 0.030549  |   | + 0.004026               |                            | + 0.001942                          |   | = 0.036520           |   |                  |              |   |   |   |
| 11 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 12 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 13 | <b>B. Results of Operations *</b>  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 14 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 15 | Receipts/Revenues  |   |                          | Disbursements/Expenditures |                                     |   | Excess/ (Deficiency) |   |                  | Fund Balance |   |   |   |
| 16 | 188,297,942  |   |                          | 187,315,234                |                                     |   | 982,708              |   |                  | 52,221,827   |   |   |   |
| 17 | * The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 65 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds. |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 18 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 19 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 20 | <b>C. Short-Term Debt **</b>   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 21 | CPPRT Notes  |   | TAWs                     |                            | TANs                                |   | TO/EMP. Orders       |   | GSA Certificates |              |   |   |   |
| 22 | 0  |   | + 0                      |                            | + 0                                 |   | + 0                  |   | + 0              |              |   |   |   |
| 23 | Other  |   | Total                    |                            |                                     |   |                      |   |                  |              |   |   |   |
| 24 | 0  |   | = 0                      |                            |                                     |   |                      |   |                  |              |   |   |   |
| 25 | ** The numbers shown are the sum of entries on page 25.  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 26 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 27 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 28 | <b>D. Long-Term Debt</b>   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 29 | Check the applicable box for long-term debt allowance by type of district.   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 30 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 31 | <input type="checkbox"/> a. 6.9% for elementary and high school districts,   |   | 487,546,929              |                            |                                     |   |                      |   |                  |              |   |   |   |
| 32 | <input checked="" type="checkbox"/> b. 13.8% for unit districts.   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 33 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 34 | Long-Term Debt Outstanding:  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 35 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 36 | c. Long-Term Debt (Principal only)   |   | Acct                     |                            |                                     |   |                      |   |                  |              |   |   |   |
| 37 | Outstanding:.....  |   | 511 346,108,914          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 38 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 39 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 40 | <b>E. Material Impact on Financial Position</b>  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 41 | If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.                      |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 42 | Attach sheets as needed explaining each item checked.  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 43 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 44 | <input type="checkbox"/> Pending Litigation  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 45 | <input type="checkbox"/> Material Decrease in EAV  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 46 | <input type="checkbox"/> Material Increase/Decrease in Enrollment  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 47 | <input type="checkbox"/> Adverse Arbitration Ruling  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 48 | <input type="checkbox"/> Passage of Referendum   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 49 | <input type="checkbox"/> Taxes Filed Under Protest   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 50 | <input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 51 | <input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)   |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 52 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 53 | Comments:  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 54 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 55 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 56 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 57 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 58 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 59 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 60 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |
| 61 |  |   |                          |                            |                                     |   |                      |   |                  |              |   |   |   |



|    | A | B | C | D | E | F | G | H | I | K | L | M | N | O | P | Q |
|----|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 2  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 3  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 4  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 5  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 6  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 7  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 8  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 9  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 10 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 11 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 12 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 13 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 14 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 15 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 16 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 17 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 18 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 19 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 20 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 21 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 22 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 23 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 24 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 25 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 26 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 27 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 28 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 29 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 30 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 31 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 32 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 33 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 34 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 35 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 36 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 37 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 38 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 39 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 40 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 41 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

### ESTIMATED FINANCIAL PROFILE SUMMARY

(Go to the following web site for reference to the Financial Profile)

[www.isbe.net/sfms/p/profile.htm](http://www.isbe.net/sfms/p/profile.htm)

**District Name:** Community Unit School District No. 300

**District Code:** 31045300026

**County Name:** Kane

#### 1. Fund Balance to Revenue Ratio:

|   |  | Total          | Ratio | Score  |      |
|---|--|----------------|-------|--------|------|
| Total Sum of Fund Balance (P8, Cells C80, D80, F80 & I80)           | Funds 10, 20, 40, 70 + (50 & 80 if negative) | 52,221,827.00  | 0.277 | Weight | 0.35 |
| Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)             | Funds 10, 20, 40, & 70,                      | 188,297,942.00 |       | Value  | 1.40 |
| Less: Operating Debt Pledged to Other Funds (P8, Cell C53 thru D73) | Minus Funds 10 & 20                          | 0.00           |       |        |      |
| (Excluding C56, D56, C60, D60 C64 and D64)                          |  |                |       |        |      |

#### 2. Expenditures to Revenue Ratio:

|   |                        | Total          | Ratio | Score      |      |
|---|------------------------|----------------|-------|------------|------|
| Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)      | Funds 10, 20 & 40      | 187,315,234.00 | 0.995 | Adjustment | 0    |
| Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)            | Funds 10, 20, 40 & 70, | 188,297,942.00 |       | Weight     | 0.35 |
| Less: Operating Debt Pledged to Other Funds (P8, Cell C53 thru D73) | Minus Funds 10 & 20    | 0.00           |       |            |      |
| (Excluding C56, D56, C60, D60 C64 and D64)                          |                        |                | 0     | Value      | 1.40 |
| Possible Adjustment:  |                        |                |       |            |      |

#### 3. Days Cash on Hand:

|   |                                 | Total         | Days   | Score  |      |
|---|---------------------------------|---------------|--------|--------|------|
| Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5) | Funds 10, 20 40 & 70            | 55,200,790.00 | 106.09 | Weight | 0.10 |
| Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)             | Funds 10, 20, 40 divided by 360 | 520,320.09    |        | Value  | 0.30 |

#### 4. Percent of Short-Term Borrowing Maximum Remaining:

|   |   | Total          | Percent | Score  |      |
|---|---|----------------|---------|--------|------|
| Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11) | Funds 10, 20 & 40                       | 0.00           | 100.00  | Weight | 0.10 |
| EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)      | (.85 x EAV) x Sum of Combined Tax Rates | 109,669,795.38 |         | Value  | 0.40 |

#### 5. Percent of Long-Term Debt Margin Remaining:

|   |  | Total          | Percent | Score  |      |
|---|--|----------------|---------|--------|------|
| Long-Term Debt Outstanding (P3, Cell H37)   |  | 346,108,914.00 | 29.01   | Weight | 0.10 |
| Total Long-Term Debt Allowed (P3, Cell H31) |  | 487,546,928.74 |         | Value  | 0.20 |

**Total Profile Score: 3.70 \***

**Estimated 2012 Financial Profile Designation: RECOGNITION**

\* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**STATEMENT OF POSITION AS OF JUNE 30, 2011**

|    | A   | B       | C           | D                        | E             | F              | G                                    | H                | I            | J    | K                        |
|----|---|---------|-------------|--------------------------|---------------|----------------|--------------------------------------|------------------|--------------|------|--------------------------|
|    |   |         | (10)        | (20)                     | (30)          | (40)           | (50)                                 | (60)             | (70)         | (80) | (90)                     |
|    | ASSETS  | Acct. # | Educational | Operations & Maintenance | Debt Services | Transportation | Municipal Retirement/Social Security | Capital Projects | Working Cash | Tort | Fire Prevention & Safety |
| 3  | <b>CURRENT ASSETS (100)</b>                                 |         |             |                          |               |                |                                      |                  |              |      |                          |
| 4  | Cash (Accounts 111 through 115) <sup>1</sup>                |         | 13,559,597  | 3,620,803                | 12,513,997    | 2,184,850      | 290,432                              | 2,742,191        | 35,835,440   | 0    | 0                        |
| 5  | Investments   | 120     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 6  | Taxes Receivable  | 130     | 55,171,598  | 7,161,758                | 10,785,191    | 3,467,324      | 3,068,677                            | 0                | 9,617        | 0    | 0                        |
| 7  | Interfund Receivables                                       | 140     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 8  | Intergovernmental Accounts Receivable                       | 150     | 9,155,738   | 0                        | 0             | 3,773,809      | 0                                    | 0                | 0            | 0    | 0                        |
| 9  | Other Receivables   | 160     | 382,202     | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 10 | Inventory   | 170     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 11 | Prepaid Items   | 180     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 12 | Other Current Assets (Describe & Itemize)                   | 190     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 13 | <b>Total Current Assets</b>                                 |         | 78,269,135  | 10,782,661               | 23,299,188    | 9,425,983      | 3,359,109                            | 2,742,191        | 35,845,057   | 0    | 0                        |
| 14 | <b>CAPITAL ASSETS (200)</b>                                 |         |             |                          |               |                |                                      |                  |              |      |                          |
| 15 | Works of Art & Historical Treasures                         | 210     |             |                          |               |                |                                      |                  |              |      |                          |
| 16 | Land  | 220     |             |                          |               |                |                                      |                  |              |      |                          |
| 17 | Building & Building Improvements                            | 230     |             |                          |               |                |                                      |                  |              |      |                          |
| 18 | Site Improvements & Infrastructure                          | 240     |             |                          |               |                |                                      |                  |              |      |                          |
| 19 | Capitalized Equipment                                       | 250     |             |                          |               |                |                                      |                  |              |      |                          |
| 20 | Construction in Progress                                    | 260     |             |                          |               |                |                                      |                  |              |      |                          |
| 21 | Amount Available in Debt Service Funds                      | 340     |             |                          |               |                |                                      |                  |              |      |                          |
| 22 | Amount to be Provided for Payment on Long-Term Debt         | 350     |             |                          |               |                |                                      |                  |              |      |                          |
| 23 | <b>Total Capital Assets</b>                                 |         |             |                          |               |                |                                      |                  |              |      |                          |
| 24 | <b>CURRENT LIABILITIES (400)</b>                            |         |             |                          |               |                |                                      |                  |              |      |                          |
| 25 | Interfund Payables  | 410     | 0           | 0                        | 0             | 0              | 0                                    | 0                |              | 0    | 0                        |
| 26 | Intergovernmental Accounts Payable                          | 420     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 27 | Other Payables  | 430     | 1,296,711   | 892,446                  | 1,175         | 1,364,385      | 0                                    | 91,457           | 0            | 0    | 0                        |
| 28 | Contracts Payable   | 440     | 0           | 0                        | 0             | 0              | 0                                    | 26,953           | 0            | 0    | 0                        |
| 29 | Loans Payable   | 460     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 30 | Salaries & Benefits Payable                                 | 470     | 9,776,121   | 193,199                  | 0             | 0              | 0                                    | 1,077            | 0            | 0    | 0                        |
| 31 | Payroll Deductions & Withholdings                           | 480     | 0           | 0                        | 0             | 0              | 265,637                              | 0                | 0            | 0    | 0                        |
| 32 | Deferred Revenues & Other Current Liabilities               | 490     | 58,064,857  | 7,077,234                | 10,658,724    | 3,426,552      | 3,032,461                            | 0                | 9,504        | 0    | 0                        |
| 33 | Due to Activity Fund Organizations                          | 493     | 0           | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 34 | <b>Total Current Liabilities</b>                            |         | 69,137,689  | 8,162,879                | 10,659,899    | 4,790,937      | 3,298,098                            | 119,487          | 9,504        | 0    | 0                        |
| 35 | <b>LONG-TERM LIABILITIES (500)</b>                          |         |             |                          |               |                |                                      |                  |              |      |                          |
| 36 | Long-Term Debt Payable (General Obligation, Revenue, Other) | 511     |             |                          |               |                |                                      |                  |              |      |                          |
| 37 | <b>Total Long-Term Liabilities</b>                          |         |             |                          |               |                |                                      |                  |              |      |                          |
| 38 | Reserved Fund Balance                                       | 714     | 577,785     | 0                        | 0             | 0              | 0                                    | 0                | 0            | 0    | 0                        |
| 39 | Unreserved Fund Balance                                     | 730     | 8,553,661   | 2,619,782                | 12,639,289    | 4,635,046      | 61,011                               | 2,622,704        | 35,835,553   | 0    | 0                        |
| 40 | Investment in General Fixed Assets                          |         |             |                          |               |                |                                      |                  |              |      |                          |
| 41 | <b>Total Liabilities and Fund Balance</b>                   |         | 78,269,135  | 10,782,661               | 23,299,188    | 9,425,983      | 3,359,109                            | 2,742,191        | 35,845,057   | 0    | 0                        |



BASIC FINANCIAL STATEMENTS  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
STATEMENT OF POSITION AS OF JUNE 30, 2011

|    | A   | B       | L           | M                    | N                      |
|----|---|---------|-------------|----------------------|------------------------|
| 1  |   |         |             | Account Groups       |                        |
| 2  | ASSETS  | Acct. # | Agency Fund | General Fixed Assets | General Long-Term Debt |
| 3  | CURRENT ASSETS (100)  |         |             |                      |                        |
| 4  | Cash (Accounts 111 through 115) <sup>1</sup>                |         | 563,815     |                      |                        |
| 5  | Investments   | 120     |             |                      |                        |
| 6  | Taxes Receivable  | 130     |             |                      |                        |
| 7  | Interfund Receivables                                       | 140     |             |                      |                        |
| 8  | Intergovernmental Accounts Receivable                       | 150     |             |                      |                        |
| 9  | Other Receivables   | 160     |             |                      |                        |
| 10 | Inventory   | 170     |             |                      |                        |
| 11 | Prepaid Items   | 180     |             |                      |                        |
| 12 | Other Current Assets (Describe & Itemize)                   | 190     |             |                      |                        |
| 13 | Total Current Assets  |         | 563,815     |                      |                        |
| 14 | CAPITAL ASSETS (200)  |         |             |                      |                        |
| 15 | Works of Art & Historical Treasures                         | 210     |             | 0                    |                        |
| 16 | Land  | 220     |             | 11,180,700           |                        |
| 17 | Building & Building Improvements                            | 230     |             | 330,065,081          |                        |
| 18 | Site Improvements & Infrastructure                          | 240     |             | 13,409,652           |                        |
| 19 | Capitalized Equipment                                       | 250     |             | 29,506,414           |                        |
| 20 | Construction in Progress                                    | 260     |             | 916,561              |                        |
| 21 | Amount Available in Debt Service Funds                      | 340     |             |                      | 12,639,289             |
| 22 | Amount to be Provided for Payment on Long-Term Debt         | 350     |             |                      | 333,469,625            |
| 23 | Total Capital Assets  |         |             | 385,078,408          | 346,108,914            |
| 24 | CURRENT LIABILITIES (400)                                   |         |             |                      |                        |
| 25 | Interfund Payables  | 410     |             |                      |                        |
| 26 | Intergovernmental Accounts Payable                          | 420     |             |                      |                        |
| 27 | Other Payables  | 430     |             |                      |                        |
| 28 | Contracts Payable   | 440     |             |                      |                        |
| 29 | Loans Payable   | 460     |             |                      |                        |
| 30 | Salaries & Benefits Payable                                 | 470     |             |                      |                        |
| 31 | Payroll Deductions & Withholdings                           | 480     |             |                      |                        |
| 32 | Deferred Revenues & Other Current Liabilities               | 490     |             |                      |                        |
| 33 | Due to Activity Fund Organizations                          | 493     | 563,815     |                      |                        |
| 34 | Total Current Liabilities                                   |         | 563,815     |                      |                        |
| 35 | LONG-TERM LIABILITIES (500)                                 |         |             |                      |                        |
| 36 | Long-Term Debt Payable (General Obligation, Revenue, Other) | 511     |             |                      | 346,108,914            |
| 37 | Total Long-Term Liabilities                                 |         |             |                      | 346,108,914            |
| 38 | Reserved Fund Balance                                       | 714     |             |                      |                        |
| 39 | Unreserved Fund Balance                                     | 730     |             |                      |                        |
| 40 | Investment in General Fixed Assets                          |         |             | 385,078,408          |                        |
| 41 | Total Liabilities and Fund Balance                          |         | 563,815     | 385,078,408          | 346,108,914            |



**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2011**

|    | A  | B      | C           | D                        | E             | F              | G                                     | H                | I            | J    | K                        |
|----|--|--------|-------------|--------------------------|---------------|----------------|---------------------------------------|------------------|--------------|------|--------------------------|
|    |  |        | (10)        | (20)                     | (30)          | (40)           | (50)                                  | (60)             | (70)         | (80) | (90)                     |
|    | Description  | Acct # | Educational | Operations & Maintenance | Debt Services | Transportation | Municipal Retirement/ Social Security | Capital Projects | Working Cash | Tort | Fire Prevention & Safety |
| 1  |  |        |             |                          |               |                |                                       |                  |              |      |                          |
| 2  |  |        |             |                          |               |                |                                       |                  |              |      |                          |
| 3  | RECEIPTS/REVENUES  |        |             |                          |               |                |                                       |                  |              |      |                          |
| 4  | Local Sources  | 1000   | 117,593,541 | 17,196,398               | 20,292,026    | 6,907,838      | 5,471,290                             | 627,033          | 55,655       | 0    | 0                        |
| 5  | Flow-Through Receipts/Revenues from One District to Another District                                     | 2000   | 0           | 0                        |               | 0              | 0                                     |                  |              |      |                          |
| 6  | State Sources  | 3000   | 23,707,483  | 0                        | 0             | 7,459,996      | 0                                     | 0                | 0            | 0    | 0                        |
| 7  | Federal Sources  | 4000   | 14,790,518  | 136,098                  | 0             | 450,415        | 0                                     | 0                | 0            | 0    | 0                        |
| 8  | Total Direct Receipts/Revenues   |        | 156,091,542 | 17,332,496               | 20,292,026    | 14,818,249     | 5,471,290                             | 627,033          | 55,655       | 0    | 0                        |
| 9  | Receipts/Revenues for "On Behalf" Payments <sup>2</sup>  | 3998   | 20,958,982  | 0                        | 0             | 0              | 0                                     | 0                |              | 0    | 0                        |
| 10 | Total Receipts/Revenues  |        | 177,050,524 | 17,332,496               | 20,292,026    | 14,818,249     | 5,471,290                             | 627,033          | 55,655       | 0    | 0                        |
| 11 | DISBURSEMENTS/EXPENDITURES   |        |             |                          |               |                |                                       |                  |              |      |                          |
| 12 | Instruction  | 1000   | 97,330,792  |                          |               |                | 2,532,590                             |                  |              |      |                          |
| 13 | Support Services   | 2000   | 48,658,395  | 15,544,987               |               | 11,465,838     | 2,877,689                             | 1,237,088        |              | 0    | 0                        |
| 14 | Community Services   | 3000   | 0           | 0                        |               | 0              | 0                                     |                  |              |      |                          |
| 15 | Payments to Other Districts & Governmental Units   | 4000   | 12,871,520  | 0                        | 0             | 0              | 0                                     | 0                |              |      | 0                        |
| 16 | Debt Service   | 5000   | 94,919      | 0                        | 20,902,103    | 1,348,783      | 0                                     |                  |              | 0    | 0                        |
| 17 | Total Direct Disbursements/Expenditures  |        | 158,955,626 | 15,544,987               | 20,902,103    | 12,814,621     | 5,410,279                             | 1,237,088        |              | 0    | 0                        |
| 18 | Disbursements/Expenditures for "On Behalf" Payments <sup>2</sup>   | 4180   | 20,958,982  | 0                        | 0             | 0              | 0                                     | 0                |              | 0    | 0                        |
| 19 | Total Disbursements/Expenditures   |        | 179,914,608 | 15,544,987               | 20,902,103    | 12,814,621     | 5,410,279                             | 1,237,088        |              | 0    | 0                        |
| 20 | Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures <sup>3</sup>           |        | (2,864,084) | 1,787,509                | (610,077)     | 2,003,628      | 61,011                                | (610,055)        | 55,655       | 0    | 0                        |
| 21 | OTHER SOURCES/USES OF FUNDS  |        |             |                          |               |                |                                       |                  |              |      |                          |
| 22 | OTHER SOURCES OF FUNDS (7000)  |        |             |                          |               |                |                                       |                  |              |      |                          |
| 23 | PERMANENT TRANSFER FROM VARIOUS FUNDS  |        |             |                          |               |                |                                       |                  |              |      |                          |
| 24 | Abolishment of the Working Cash Fund   | 7110   |             |                          |               |                |                                       |                  |              |      |                          |
| 25 | Abatement of the Working Cash Fund   | 7110   | 0           | 0                        | 0             | 0              | 0                                     | 0                |              | 0    | 0                        |
| 26 | Transfer of Working Cash Fund Interest   | 7120   | 0           | 0                        | 0             | 0              | 0                                     | 0                |              | 0    | 0                        |
| 27 | Transfer Among Funds   | 7130   | 0           | 0                        |               | 0              |                                       |                  |              |      |                          |
| 28 | Transfer of Interest <sup>6</sup>  | 7140   | 0           | 0                        | 0             | 0              | 0                                     | 0                | 0            | 0    | 0                        |
| 29 | Transfer from Capital Project Fund to O&M Fund   | 7150   |             | 0                        |               |                |                                       |                  |              |      |                          |
| 30 | Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to Debt Service Fund <sup>4</sup>  | 7160   |             | 0                        |               |                |                                       |                  |              |      |                          |
| 31 | Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>4</sup> | 7170   |             |                          | 0             |                |                                       |                  |              |      |                          |
| 32 | SALE OF BONDS (7200)   |        |             |                          |               |                |                                       |                  |              |      |                          |
| 33 | Principal on Bonds Sold  | 7210   | 943,599     | 0                        | 16,750,000    | 0              |                                       | 0                | 0            | 0    | 0                        |
| 34 | Premium on Bonds Sold  | 7220   | 0           | 0                        | (313,804)     | 0              |                                       | 0                | 0            | 0    | 0                        |
| 35 | Accrued Interest on Bonds Sold   | 7230   | 0           | 0                        | 0             | 0              |                                       | 0                | 0            | 0    | 0                        |
| 36 | Sale or Compensation for Fixed Assets <sup>5</sup>   | 7300   | 0           | 0                        | 0             | 0              | 0                                     | 0                |              | 0    | 0                        |
| 37 | Transfer to Debt Service to Pay Principal on Capital Leases  | 7400   |             |                          | 1,337,712     |                |                                       |                  |              |      |                          |
| 38 | Transfer to Debt Service to Pay Interest on Capital Leases   | 7500   |             |                          | 111,745       |                |                                       |                  |              |      |                          |
| 39 | Transfer to Debt Service to Pay Principal on Revenue Bonds   | 7600   |             |                          | 0             |                |                                       |                  |              |      |                          |
| 40 | Transfer to Debt Service Fund to Pay Interest on Revenue Bonds   | 7700   |             |                          | 0             |                |                                       |                  |              |      |                          |
| 41 | Transfer to Capital Projects Fund  | 7800   |             |                          |               |                |                                       | 0                |              |      |                          |
| 42 | ISBE Loan Proceeds   | 7900   | 0           | 0                        | 0             | 0              | 0                                     | 0                |              |      | 0                        |
| 43 | Other Sources Not Classified Elsewhere   | 7990   | 0           | 0                        | 0             | 0              | 0                                     | 0                | 0            | 0    | 0                        |
| 44 | Total Other Sources of Funds   |        | 943,599     | 0                        | 17,885,653    | 0              | 0                                     | 0                | 0            | 0    | 0                        |
| 45 | OTHER USES OF FUNDS (8000)   |        |             |                          |               |                |                                       |                  |              |      |                          |
| 46 | PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)   |        |             |                          |               |                |                                       |                  |              |      |                          |
| 47 | Abolishment or Abatement of the Working Cash Fund  | 8110   |             |                          |               |                |                                       |                  | 0            |      |                          |
| 48 | Transfer of Working Cash Fund Interest   | 8120   |             |                          |               |                |                                       |                  | 0            |      |                          |



**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2011**

|    | A  | B      | C           | D                        | E             | F              | G                                     | H                | I            | J    | K                        |
|----|--|--------|-------------|--------------------------|---------------|----------------|---------------------------------------|------------------|--------------|------|--------------------------|
| 1  |  |        | (10)        | (20)                     | (30)          | (40)           | (50)                                  | (60)             | (70)         | (80) | (90)                     |
| 2  | Description  | Acct # | Educational | Operations & Maintenance | Debt Services | Transportation | Municipal Retirement/ Social Security | Capital Projects | Working Cash | Tort | Fire Prevention & Safety |
| 49 | Transfer Among Funds   | 8130   | 0           | 0                        |               | 0              |                                       |                  |              |      |                          |
| 50 | Transfer of Interest <sup>6</sup>  | 8140   | 0           | 0                        | 0             | 0              | 0                                     | 0                |              | 0    |                          |
| 51 | Transfer from Capital Project Fund to O&M Fund   | 8150   |             |                          |               |                |                                       | 0                |              |      |                          |
| 52 | Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund  | 8160   |             |                          |               |                |                                       |                  |              |      | 0                        |
| 53 | Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund                            | 8170   |             |                          |               |                |                                       |                  |              |      | 0                        |
| 54 | Taxes Pledged to Pay Principal on Capital Leases   | 8410   | 0           | 0                        |               |                |                                       | 0                |              |      |                          |
| 55 | Grants/Reimbursements Pledged to Pay Principal on Capital Leases   | 8420   | 0           | 0                        |               |                |                                       | 0                |              |      |                          |
| 56 | Other Revenues Pledged to Pay Principal on Capital Leases  | 8430   | 0           | 0                        |               |                |                                       | 0                |              |      |                          |
| 57 | Fund Balance Transfers Pledged to Pay Principal on Capital Leases  | 8440   | 1,083,457   | 254,255                  |               |                |                                       | 0                |              |      |                          |
| 58 | Taxes Pledged to Pay Interest on Capital Leases  | 8510   | 0           | 0                        |               |                |                                       | 0                |              |      |                          |
| 59 | Grants/Reimbursements Pledged to Pay Interest on Capital Leases  | 8520   | 0           | 0                        |               |                |                                       | 0                |              |      |                          |
| 60 | Other Revenues Pledged to Pay Interest on Capital Leases   | 8530   | 0           | 0                        |               |                |                                       | 0                |              |      |                          |
| 61 | Fund Balance Transfers Pledged to Pay Interest on Capital Leases   | 8540   | 0           | 111,745                  |               |                |                                       | 0                |              |      |                          |
| 62 | Taxes Pledged to Pay Principal on Revenue Bonds  | 8610   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 63 | Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds  | 8620   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 64 | Other Revenues Pledged to Pay Principal on Revenue Bonds   | 8630   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 65 | Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds   | 8640   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 66 | Taxes Pledged to Pay Interest on Revenue Bonds   | 8710   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 67 | Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds   | 8720   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 68 | Other Revenues Pledged to Pay Interest on Revenue Bonds  | 8730   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 69 | Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds  | 8740   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 70 | Taxes Transferred to Pay for Capital Projects  | 8810   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 71 | Grants/Reimbursements Pledged to Pay for Capital Projects  | 8820   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 72 | Other Revenues Pledged to Pay for Capital Projects   | 8830   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 73 | Fund Balance Transfers Pledged to Pay for Capital Projects   | 8840   | 0           | 0                        |               |                |                                       |                  |              |      |                          |
| 74 | Transfer to Debt Service Fund to Pay Principal on ISBE Loans   | 8910   | 0           | 0                        |               | 0              | 0                                     | 0                |              |      | 0                        |
| 75 | Other Uses Not Classified Elsewhere  | 8990   | 0           | 0                        | 16,590,974    | 0              | 0                                     | 0                | 0            | 0    | 0                        |
| 76 | <b>Total Other Uses of Funds</b>   |        | 1,083,457   | 366,000                  | 16,590,974    | 0              | 0                                     | 0                | 0            | 0    | 0                        |
| 77 | <b>Total Other Sources/Uses of Funds</b>   |        | (139,658)   | (366,000)                | 1,294,679     | 0              | 0                                     | 0                | 0            | 0    | 0                        |
| 78 | Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds |        | (3,003,942) | 1,421,509                | 684,602       | 2,003,628      | 61,011                                | (610,055)        | 55,655       | 0    | 0                        |
| 79 | <b>Fund Balances - July 1, 2010</b>  |        | 12,135,388  | 1,198,273                | 11,954,687    | 2,631,418      | 0                                     | 3,232,759        | 35,779,898   | 0    | 0                        |
| 80 | Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)  |        |             |                          |               |                |                                       |                  |              |      |                          |
| 81 | <b>Fund Balances - June 30, 2011</b>   |        | 9,131,446   | 2,619,782                | 12,639,289    | 4,635,046      | 61,011                                | 2,622,704        | 35,835,553   | 0    | 0                        |



ILLINOIS STATE BOARD OF EDUCATION  
School Business Services Division (N-330)  
100 North First Street  
Springfield, IL 62777-0001

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**  
(Section 17-1.5 of the School Code)

School District Name: Community Unit School District No. 300  
RCDT Number: 31045300026


| Description   | Funct. No. | Actual Expenditures, Fiscal Year 2011 |                                       |           | Budgeted Expenditures, Fiscal Year 2012 |                                       |           |
|---|------------|---------------------------------------|---------------------------------------|-----------|---|---------------------------------------|-----------|
|   |            | (10)<br>Educational Fund              | (20)<br>Operations & Maintenance Fund | Total     | (10)<br>Educational Fund                | (20)<br>Operations & Maintenance Fund | Total     |
| 1. Executive Administration Services  | 2320       | 753,845                               |                                       | 753,845   | 590,295                                 |                                       | 590,295   |
| 2. Special Area Administration Services   | 2330       | 240,135                               |                                       | 240,135   | 123,100                                 |                                       | 123,100   |
| 3. Other Support Services - School Administration   | 2490       | 2,977,117                             |                                       | 2,977,117 | 2,988,243                               |                                       | 2,988,243 |
| 4. Direction of Business Support Services   | 2510       | 299,563                               | 0                                     | 299,563   | 323,774                                 |                                       | 323,774   |
| 5. Internal Services  | 2570       | 237,297                               |                                       | 237,297   | 306,676                                 |                                       | 306,676   |
| 6. Direction of Central Support Services  | 2610       | 0                                     |                                       | 0         | 0                                       |                                       | 0         |
| 7. Deduct - Early Retirement or other pension obligations required by state law and included above. |            |                                       |                                       | 0         |   |                                       | 0         |
| 8. Totals   |            | 4,507,957                             | 0                                     | 4,507,957 | 4,332,088                               | 0                                     | 4,332,088 |
| 9. Percent Increase (Decrease) for FY2012 (Budgeted) over FY2011 (Actual)                           |            |                                       |                                       |           |   |                                       | -4%       |

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2011" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2011.

I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2012" agree with the amounts on the budget adopted by the Board of Education.

12-13-11  
(Date)

  
Signature of Superintendent

**If line 9 is greater than 5% please check one box below.**

- ☐ The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- ☐ The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 12, 2011 to ensure inclusion in the Fall 2011 report, postmarked by January 13, 2012 to ensure inclusion in the Spring 2012 report, or postmarked by August 17, 2012 to ensure inclusion in the Fall 2012 report. Information on the waiver process can be found at [www.isbe.net/isbewaivers/default.htm](http://www.isbe.net/isbewaivers/default.htm).
- ☐ The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.



Community Unit School District No. 300  
AFR ITEMIZATION  
June 30, 2011

Itemization

Page 10, Row 72 Sales to Pupils - Other  
Page 10, Row 74 Other Food Service  
Page 10, Row 81 Other District/School Activity Revenue  
Page 11, Row 107 Other Local Revenues  
Page 11, Row 139 CTE - Other  
Page 12, Row 171 Other Restricted Revenue from State Sources  
  
Page 13, Row 227 CTE - Other  
Page 14, Row 270 Other Restricted Revenue from Federal Sources

Description

Miscellaneous sales to pupils  
Miscellaneous food service  
Miscellaneous activity revenue  
Miscellaneous local revenue  
Voc Ed Elem Career State Grant  
National Board Certification Grant and Other State Grants  
Perkins Grant  
  
Dept of Rehab Services, Technology Enhancing Education, Food Commodities, Snow Removal Grant  
Expenses for subs and non-certified support  
School administration salary and benefits  
Expenditures for other support services  
Debt management fees to bond agents  
Benefits for subs and non-certified support staff  
Benefits on school administration employees  
Benefits on support services expenditures

Ed Fund - Page 15, Row 40 Other Support Services - Pupils  
Ed Fund - Page 16, Row 55 Other Support Services - School Admin  
Ed Fund - Page 16, Row 72 Other Support Services  
DS Fund - Page 18, Row 164 Debt Services - Other  
IMRF Fund - Page 19, Row 230 Other Support Services - Pupils  
IMRF Fund - Page 20, Row 253 Other Support Services - School Admin  
IMRF Fund - Page 20, Row 271 Other Support Services