

**Downers Grove Grade School
District No. 58**

Annual Financial Report

Year Ended June 30, 2011

Downers Grove Grade School District No. 58
 ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets - Governmental Activities	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12 - 13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15 - 16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Assets and Liabilities - Agency Fund	18
Notes to the Financial Statements	19 - 46
Required Supplementary Information	
Schedule of Funding Progress - Illinois Municipal Retirement Fund	47
Schedule of Funding Progress - Other Postemployment Benefits	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	49 - 59
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Operations and Maintenance Fund	60 - 61
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Transportation Fund	62 - 63
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Retirement/Social Security Fund	64 - 66
Notes to the Required Supplementary Information	67

(Continued)

Downers Grove Grade School District No. 58

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
Supplementary Financial Information	
General Fund	
Combining Balance Sheet	68
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	69
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual - Debt Service Fund	70 - 71
Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual - Fire Prevention and Safety Fund	72
Statement of Changes in Assets and Liabilities - Agency Fund - Student Activity Fund	73
Other Supplemental Information	
General Long-Term Debt - Schedule of General Obligation Bonds	74
Operating Costs and Tuition Charge - June 30, 2011 and 2010	75

(Concluded)

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Downers Grove Grade School District No. 58
Downers Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Downers Grove School District No. 58 as of and for the year ended June 30, 2011, which collectively comprise Downers Grove School District No. 58's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Downers Grove School District No. 58's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2010 financial statements and, in our report dated January 6, 2011, 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 Downers Grove School District No. 58 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.

(Continued)

In accordance with *Government Auditing Standards*, we have issued our report dated November 8, 2011 on our consideration of Downers Grove School District No. 58's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 9, the Illinois Municipal Retirement Fund historical data on page 47, the other postemployment benefits data on page 48, and the budgetary comparison schedules and notes to required supplementary information on pages 49 through 67 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 Downers Grove School District No. 58's basic financial statements. The other schedules, listed in the table of contents as supplementary financial information and other supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
November 8, 2011

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2011

The discussion and analysis of Downers Grove Grade School District 58's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2011. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- ❑ Government-wide revenues were \$63.5 million, \$0.5 million more than the overall government-wide expenditures of \$63.0 million.
- ❑ Governmental funds revenues were \$63.5 million, \$2.8 million less than overall governmental fund expenditures of \$66.3 million. The shortfall was due to one-time Fire Prevention and Safety Fund expenditures for roof replacements.
- ❑ The District's Operating Expenditure per Pupil for fiscal year 2011 was \$11,885.
- ❑ Total net assets on a government-wide basis were \$41.3 million. This represents a \$0.5 million and a 1.2% increase over FY 2010.
- ❑ As a result of one-time capital expenditures for Life Safety projects, the District's financial status declined for FY 2011. The aggregate fund balance dropped \$2.8 million from \$35.5 million to \$32.7 million.
- ❑ There were no amendments to the budget during the fiscal year.
- ❑ At the close of FY 2011, the District's outstanding long-term debt was at \$12.0 million.
- ❑ The District's Financial Profile score of 4.00 earned the designation of Recognition with ISBE.

Overview of the Financial Statements

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

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

Government-wide financial statements

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

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2011

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

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

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District's governmental activities include instructional services (regular education, special education, and other), supporting services, operations and maintenance of facilities, and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The District does not have any proprietary funds.

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all funds.

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

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2011

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

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees. The required supplementary information also has information on other post employment benefit obligations to its certified and non-certified employees.

Government-Wide Financial Analysis

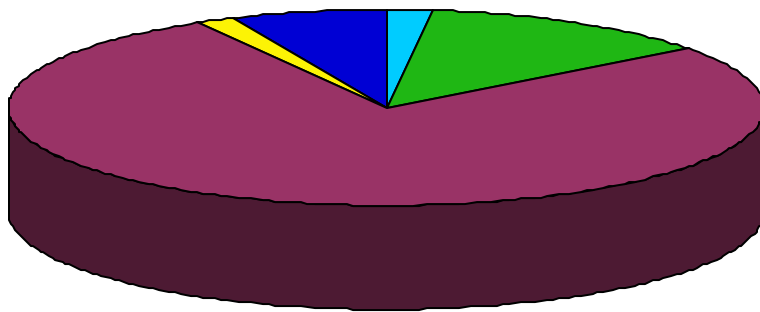
Table 1				
Condensed Statement of Net Assets				
(In millions of dollars)				
	<u>2010</u>	<u>2011</u>	<u>Percentage</u>	
			<u>Change</u>	
Current and other assets	\$ 64.0	\$ 61.7	-3.6%	
Capital assets	18.3	20.2	10.4%	
Total assets	<u>82.3</u>	<u>81.9</u>	<u>-0.5%</u>	
Long-term liabilities	12.9	12.0	(7.0%)	
Other liabilities	28.6	28.6	0.0%	
Total liabilities	<u>41.5</u>	<u>40.6</u>	<u>-2.2%</u>	
Net assets:				
Invested in capital assets, net of related debt	5.5	12.4	125.5%	
Restricted	10.1	2.5	-75.2%	
Unrestricted	25.2	26.4	4.8%	
Total net assets	<u>\$ 40.8</u>	<u>\$ 41.3</u>	<u>1.2%</u>	

Downers Grove Grade School District No. 58
Management's Discussion and Analysis
For the Year Ended June 30, 2011

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

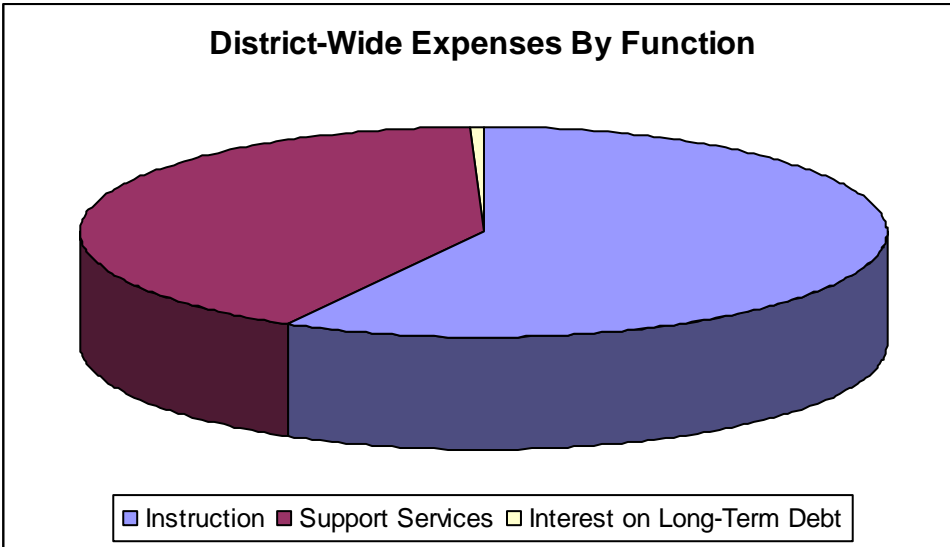
	<u>2010</u>	<u>2011</u>	<u>Percentage of Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1.2	\$ 1.2	1.89%
Operating grants and contributions	13.1	12.0	18.90%
General revenues:			
Property taxes	46.5	47.6	74.96%
Replacement taxes	0.7	0.9	1.42%
Other	1.7	1.8	2.83%
Total revenues	<u>63.2</u>	<u>63.5</u>	<u>100.00%</u>
Expenses:			
Instruction	37.2	38.1	60.48%
Support services	23.4	24.5	38.89%
Interest and fees	0.3	0.4	0.63%
Total expenses	<u>60.9</u>	<u>63.0</u>	<u>100.00%</u>
Increase in Net Assets	<u>\$ 2.3</u>	<u>\$ 0.5</u>	

Government-Wide Revenue By Source



- | | |
|--|---|
| ■ Charges for services | ■ Operating grants and contributions |
| ■ Property taxes | ■ Replacement taxes |
| ■ Other | |

Downers Grove Grade School District No. 58
Management's Discussion and Analysis
For the Year Ended June 30, 2011



Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in the governmental funds statement of revenues, expenditures, and changes in fund balances on pages 15 and 16 of this report. Total revenues in the governmental funds were \$63.5 million compared to \$63.2 million in the prior year, an increase of \$0.3 million, or 0.5%. Total expenditures in the governmental funds were \$66.3 million, compared to \$63.8 million in the prior year, an increase of \$2.5 million, or approximately 3.9%. Expenditures exceeded revenues by approximately \$2.8 million. The fund balances in the governmental funds decreased from \$35.5 million in the prior year to \$32.7 million as of June 30, 2011. The decrease was primarily due to the completion of one-time capital projects using Life Safety proceeds from a bond issue.

General (General and Working Cash) Fund Budgetary Highlights

General Fund (Pages 49-59): The largest revenue source in the General Fund is property taxes at 72.2% of all General Fund revenue. Property tax revenue in the 2011 fiscal year totaled \$47.6 million, which was 2.3% higher than the prior fiscal year. The total revenues in the General Fund amounted to \$54.0 million, which was an increase of 1.9% over the prior year. Revenues from state sources was \$10.5 million, and represented 19.4% of all revenue in the General Fund, which increased by \$1.0 million over the prior year. Federal sources of revenue (\$2.1 million) represented 3.9% of all General Fund revenue, which increased by \$0.9 million from the prior year. It is clear that, in poor economic times, the District's reliance on property taxes, a historically stable source of revenue, increases significantly.

Total expenditures of \$53.1 million in the General Fund increased by 1.5% over the prior year.

Medical Insurance Fund: At June 30, 2011, the self-funded medical insurance plan (which is a sub-fund of the Education Fund) had a net fund balance of \$3,468,278 (\$4,385,123 – \$916,845 unpaid claims). The June 30, 2010 net fund balance for the medical insurance plan was \$3,524,006 (\$4,397,520 - \$873,514 unpaid claims).

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2011

Capital Asset and Debt Administration

Capital assets

By the end of fiscal year 2011, the District had compiled a total investment of \$20.2 million (net of accumulated depreciation) in a broad range of capital assets including land, improvements, buildings, equipment, and furniture. For more detailed information on capital asset activity, refer to Note E in the notes to the financial statements.

Table 3					
Capital Assets (net of depreciation)					
(In millions of dollars)					
	<u>2010</u>		<u>2011</u>		Percentage Change
Land	\$	0.2	\$	0.2	0.0%
Construction in progress		-		0.5	100.0%
Land improvements		0.6		0.7	16.7%
Buildings		16.0		17.5	9.4%
Equipment and furniture		1.5		1.3	-13.3%
Total	\$	<u>18.3</u>	\$	<u>20.2</u>	<u>10.4%</u>

Long-term debt

In February 2010, \$10,000,000 in Life Safety bonds were issued and the remainder of the outstanding bonds from 2001 were refunded. At June 30, 2011, the District had \$12.0 million in general obligation bonds and other long term debt outstanding. For more detailed information on long-term debt activity, refer to Note F in the notes to the financial statements.

Table 4					
Outstanding Long-Term Debt					
(In millions of dollars)					
	<u>2010</u>		<u>2011</u>		Percentage Change
General obligation bonds	\$	12.8	\$	11.9	-7.03%
Other long-term liabilities		0.1		0.1	0.00%
Total	\$	<u>12.9</u>	\$	<u>12.0</u>	<u>-6.98%</u>

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2011

Factors Bearing on the District's Future

The administration and Board of Education secured approval of Life Safety amendments and issued \$10.0 million in Life Safety bonds in February 2010. The money has and will be used for needed repairs to all District buildings. Completed projects include a number of roof replacements. Also planned are plumbing and boiler/HVAC replacements and curtain wall/window replacements, etc. These projects will help the District operate its facilities more efficiently in the future by containing Operations and Maintenance Fund expenditures for utilities and maintenance. All of the approved Life Safety Projects will be completed by September 2012. Also, the District has locked in natural gas and electric utility rates for the next year.

Like all Illinois public school districts, District 58 is struggling with reduced and/or late funding payments from the state. District 58 finished FY 2010-11 with the state owing the District \$1.4 million in categorical aid payments. Given the state of Illinois' finances, this trend is likely to continue for the short term. Also of concern are proposed and/or potential legislative changes that may limit a school district's ability to access property tax revenue in an era of declining property values.

The contract for the Downers Grove Education Association (DGEA) teacher employee group was successfully negotiated in the summer of 2011. The new three-year contract runs through August 2014. No other contracts are due to expire in 2012. The Educational Support Personnel (ESP) contract runs through June, 2013 and the Custodial Maintenance contract runs through June 2014.

The number of certificated retirements each year has recently helped the District maintain a relatively balanced annual operating budget. In 2012-13, the number of certificated retirements will drop dramatically to five, which will put added pressure on the budget. In 2013-14, the number of certificated retirements will rise again to approximately 20.

With the aid of a school architectural firm, the District is currently conducting a physical assessment of all of its facilities and is evaluating each school building for general adequacy. The results are due in January 2012. The results of the study may have implications for future facilities construction and funding needs.

The District's current Superintendent, Paul Zaander is retiring in June 2012. A new Superintendent search will be conducted during 2011-12.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the District's Controller at (630) 719-5829.

BASIC FINANCIAL STATEMENTS

Downers Grove Grade School District No. 58
STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
June 30, 2011

ASSETS

Cash and investments	\$ 35,892,943
Receivables (net of allowance for uncollectibles):	
Interest	48,650
Property taxes	23,272,498
Replacement taxes	106,205
Intergovernmental	1,936,836
Other post employment benefit asset	396,004
Capital assets:	
Land	223,031
Construction in progress	478,485
Depreciable buildings, property, and equipment, net	<u>19,544,877</u>
Total assets	<u>81,899,529</u>

LIABILITIES

Accounts payable	1,507,779
Salaries and wages payable	2,490,823
Payroll deductions payable	321,054
Claims payable	916,845
Other current liabilities	790,746
Interest payable	16,712
Unearned revenue	22,570,859
Long-term liabilities:	
Due within one year	915,000
Due after one year	<u>11,055,591</u>
Total liabilities	<u>40,585,409</u>

NET ASSETS

Invested in capital assets, net of related debt	12,394,013
Restricted For:	
Debt service	1,102,664
Student transportation	536,342
Retirement benefits	687,519
Capital projects	146,373
Unrestricted	<u>26,447,209</u>
Total net assets	<u>\$ 41,314,120</u>

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 21,141,558	\$ 567,850	\$ 339,120	\$ (20,234,588)
Special programs	9,336,712	50,766	4,268,870	(5,017,076)
Other instructional programs	927,703	42,355	26,852	(858,496)
State retirement contributions	6,683,737	-	6,683,737	-
Support services:				
Pupils	2,973,713	-	3,094	(2,970,619)
Instructional staff	5,554,436	-	131,138	(5,423,298)
General administration	1,522,853	-	-	(1,522,853)
School administration	3,536,637	-	-	(3,536,637)
Business	2,103,049	385,244	127,656	(1,590,149)
Transportation	2,547,811	7,648	457,397	(2,082,766)
Operations and maintenance	4,352,419	162,721	-	(4,189,698)
Central	524,735	-	-	(524,735)
Other supporting services	1,388,802	-	-	(1,388,802)
Interest and fees	411,663	-	-	(411,663)
Total governmental activities	\$ 63,005,828	\$ 1,216,584	\$ 12,037,864	(49,751,380)
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				39,060,228
Real estate taxes, levied for specific purposes				7,315,739
Real estate taxes, levied for debt service				1,214,883
Personal property replacement taxes				862,857
State aid-formula grants				1,268,500
Investment earnings				88,437
Miscellaneous				434,855
Total general revenues				50,245,499
Change in net assets				494,119
Net assets, beginning of year				40,820,001
Net assets, end of year				\$ 41,314,120

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

Governmental Funds

BALANCE SHEET

June 30, 2011

With Comparative Totals for June 30, 2010

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 26,159,181	\$ 2,621,832	\$ 694,262	\$ 689,652
Receivables (net of allowance for uncollectibles):				
Interest	-	-	-	-
Property taxes	19,608,556	1,943,594	872,505	847,843
Replacement taxes	92,048	14,157	-	-
Intergovernmental	<u>1,707,918</u>	<u>-</u>	<u>228,918</u>	<u>-</u>
 Total assets	 <u>\$ 47,567,703</u>	 <u>\$ 4,579,583</u>	 <u>\$ 1,795,685</u>	 <u>\$ 1,537,495</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 538,746	\$ 60,115	\$ 424,357	\$ -
Salaries and wages payable	2,490,823	-	-	-
Payroll deductions payable	280,570	1,890	-	38,594
Claims payable	916,845	-	-	-
Other current liabilities	790,746	-	-	-
Deferred revenue	<u>19,030,741</u>	<u>1,860,014</u>	<u>834,986</u>	<u>811,382</u>
 Total liabilities	 <u>24,048,471</u>	 <u>1,922,019</u>	 <u>1,259,343</u>	 <u>849,976</u>
Fund balances:				
Restricted	3,468,279	2,657,564	536,342	687,519
Unassigned	<u>20,050,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total fund balance	 <u>23,519,232</u>	 <u>2,657,564</u>	 <u>536,342</u>	 <u>687,519</u>
Total liabilities and fund balance	 <u>\$ 47,567,703</u>	 <u>\$ 4,579,583</u>	 <u>\$ 1,795,685</u>	 <u>\$ 1,537,495</u>

The accompanying notes are an integral part of this statement

Debt Service	Fire Prevention and Safety	2011	Total 2010
\$ 1,119,376	\$ 4,608,640	\$ 35,892,943	\$ 37,128,109
-	48,650	48,650	19,285
-	-	23,272,498	24,163,095
-	-	106,205	99,602
<u>-</u>	<u>-</u>	<u>1,936,836</u>	<u>2,623,570</u>
<u>\$ 1,119,376</u>	<u>\$ 4,657,290</u>	<u>\$ 61,257,132</u>	<u>\$ 64,033,661</u>
\$ -	\$ 484,561	\$ 1,507,779	\$ 1,219,446
-	-	2,490,823	1,997,144
-	-	321,054	406,733
-	-	916,845	873,514
-	-	790,746	722,614
<u>-</u>	<u>33,736</u>	<u>22,570,859</u>	<u>23,354,390</u>
<u>-</u>	<u>518,297</u>	<u>28,598,106</u>	<u>28,573,841</u>
1,119,376	4,138,993	12,608,073	16,337,964
<u>-</u>	<u>-</u>	<u>20,050,953</u>	<u>19,121,856</u>
<u>1,119,376</u>	<u>4,138,993</u>	<u>32,659,026</u>	<u>35,459,820</u>
<u>\$ 1,119,376</u>	<u>\$ 4,657,290</u>	<u>\$ 61,257,132</u>	<u>\$ 64,033,661</u>

Downers Grove Grade School District No. 58
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
For the Year Ended June 30, 2011

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

Total fund balances - governmental funds	\$ 32,659,026
Net capital assets used in governmental activities and included in the statement of net assets do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	20,246,393
The net other postemployment asset resulting from contributions in excess of the annual required contribution is not a financial resource and, therefore, is not reported in the funds.	396,004
Interest on long-term liabilities (interest payable) accrued in the statement of net assets will not be paid with current financial resources and, accordingly, is not included in the governmental funds balance sheet.	(16,712)
Long-term liabilities included in the statement of net assets are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet.	<u>(11,970,591)</u>
Net assets - governmental activities	<u><u>\$ 41,314,120</u></u>

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2011

With Comparative Actual Totals for the Year Ended June 30, 2010

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 39,060,228	\$ 3,883,966	\$ 1,716,075	\$ 1,715,698
Replacement taxes	735,734	109,962	-	17,161
State aid	10,553,134	9,513	457,397	-
Federal aid	2,142,993	-	-	-
Interest	59,142	7,031	926	1,788
Other	1,457,159	186,632	7,648	-
Total revenues	54,008,390	4,197,104	2,182,046	1,734,647
Expenditures				
Current:				
Instruction:				
Regular programs	20,706,670	-	-	243,725
Special programs	6,925,589	-	-	427,741
Other instructional programs	849,590	-	-	77,169
State retirement contributions	6,683,737	-	-	-
Support services:				
Pupils	2,930,314	-	-	39,221
Instructional staff	5,174,419	-	-	248,612
General administration	1,492,371	-	-	26,729
School administration	3,392,550	-	-	139,052
Business	1,003,420	40,915	-	98,461
Transportation	-	-	2,547,811	-
Operations and maintenance	13,324	3,912,626	-	413,977
Central	451,220	-	-	37,833
Other supporting services	1,388,802	-	-	-
Nonprogrammed charges	1,959,637	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	163,377	233,925	-	-
Total expenditures	53,135,020	4,187,466	2,547,811	1,752,520
Excess (deficiency) of revenues over expenditures	873,370	9,638	(365,765)	(17,873)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Other	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	873,370	9,638	(365,765)	(17,873)
Fund balance, beginning of year (as restated - Note M)	22,645,862	2,647,926	902,107	705,392
Fund balance, end of year	\$ 23,519,232	\$ 2,657,564	\$ 536,342	\$ 687,519

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total	
		2011	2010
\$ 1,214,883	\$ -	\$ 47,590,850	\$ 46,491,944
-	-	862,857	665,359
-	-	11,020,044	11,207,798
143,327	-	2,286,320	3,072,142
3,537	16,013	88,437	145,613
-	-	1,651,439	1,588,713
<u>1,361,747</u>	<u>16,013</u>	<u>63,499,947</u>	<u>63,171,569</u>
-	-	20,950,395	20,703,686
-	-	7,353,330	6,905,416
-	-	926,759	914,270
-	-	6,683,737	6,719,648
-	-	2,969,535	3,046,988
-	-	5,423,031	5,797,291
-	-	1,519,100	1,437,750
-	-	3,531,602	3,567,323
-	116,144	1,258,940	1,521,724
-	-	2,547,811	2,140,523
-	-	4,339,927	4,092,673
-	-	489,053	508,859
-	-	1,388,802	918,458
-	-	1,959,637	1,780,326
930,000	-	930,000	1,045,000
412,050	-	412,050	351,641
-	3,219,730	3,617,032	2,336,417
<u>1,342,050</u>	<u>3,335,874</u>	<u>66,300,741</u>	<u>63,787,993</u>
<u>19,697</u>	<u>(3,319,861)</u>	<u>(2,800,794)</u>	<u>(616,424)</u>
-	-	-	74,725
-	-	-	(74,725)
-	-	-	12,840,268
-	-	-	(2,837,672)
-	-	-	10,002,596
19,697	(3,319,861)	(2,800,794)	9,386,172
<u>1,099,679</u>	<u>7,458,854</u>	<u>35,459,820</u>	<u>26,073,648</u>
<u>\$ 1,119,376</u>	<u>\$ 4,138,993</u>	<u>\$ 32,659,026</u>	<u>\$ 35,459,820</u>

Downers Grove Grade School District No. 58

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds	\$ (2,800,794)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.	1,989,671
--	-----------

The net other postemployment asset is not considered to represent a financial resource and, therefore, is not reported in the funds.	396,004
--	---------

Accrued interest reported in the statement of activities does not require the use of current financial resources and is not reported as expenditures in the governmental funds.	387
---	-----

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	<u>908,851</u>
---	----------------

Change in net assets - governmental activities	<u><u>\$ 494,119</u></u>
--	--------------------------

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2011

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 133,971</u>
LIABILITIES	
Due to student groups	<u>\$ 133,971</u>

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Downers Grove Grade School District No. 58 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The governmental accounting standards board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in DuPage County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

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

2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (Debt Service Funds), and the acquisition or construction of major capital facilities (Capital Projects Fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and local fees.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation.

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds (Continued)

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 is as follows:

Operations and Maintenance Fund - is used for expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

Transportation Fund - accounts for all revenues and expenditures made for student transportation. Revenues are 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 noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

c. Debt Service Fund

The *Debt Service Fund* - is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Funds

The *Fire Prevention and Safety Fund* - accounts for state-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Fund

The Fiduciary Fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The *Student Activity Funds* - are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These 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. They account for activities such as student yearbook, student clubs and council, and scholarships.

4. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund statements. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are vouchered by year end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, replacement taxes, interest, and intergovernmental grant revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Deposits and Investments

State statutes authorize the District's Treasurer to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and money market mutual funds registered under the Investment Company Act of 1940, with certain restrictions. Investments are stated at fair value. Changes in the fair value of investments are recorded as investment income.

6. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, and other equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual or group cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10 - 20
Buildings and improvements	45
Other equipment	5 - 15

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Accumulated Unpaid Vacation and Sick Pay

All employees are provided sick leave and vacation benefits in accordance with their contractual agreements (teachers, secretaries, instructional aides, custodians, maintenance) or employee handbooks (administrators, technology, food service). Teachers receive 15 days of sick leave per year and may accumulate up to a maximum of 195 days, not including the current year's allocation. Secretaries, clerks, and instructional aides receive sick leave benefits as follows: 12-month employees receive 18 days per year up to a maximum of 260; 10-month employees receive 15 days per year up to a maximum of 210; and instructional aides receive 10 days per year up to maximum of 180. Custodial/maintenance employees receive 1.5 days of sick leave per month, cumulative up to 260 days. Part-time custodians receive 10 days of sick leave per year, cumulative to 180 days. Administrators receive an annual accumulation at the beginning of each fiscal year as follows: 10-month administrators receive 198 days; 11-month administrators receive 216 days; and 12-month administrators receive 226 days. Upon retirement, a certified employee may apply up to 355 days of unused sick leave toward service credit for the Teachers' Retirement System (TRS); therefore, the District does not pay an employee for any unused sick days.

Full-time and 600-hour or more secretarial/clerical employees scheduled on a 12-month basis receive 10 days of vacation annually. After the fifth year, an additional day is added each year to a maximum of 20 days annually. At no time may the accumulation of vacation days exceed 40 days.

Full-time custodial/maintenance employees earn one vacation day each full month after 90 days of employment to a maximum of 10 days during the first 5 years of employment. Thereafter, an employee will continue to earn one additional day each year to a maximum of 20 days vacation. All vacation must be exhausted within the allocated work year.

Twelve-month administrators receive 20 days vacation each year with a maximum accumulation of 50 days. After 20 years, an additional day is added each year to a maximum accumulation of 50 days annually.

Upon leaving employment, employees are paid for any unused vacation days up to 50. Current compensated absences would be reported within the individual funds as salary-related payments.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Long-Term Obligations

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

10. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted at the fund level for the governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

11. Restricted Net Assets

For the government-wide financial statements, net assets are reported as restricted when constraints placed on net assets are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. All of the District's restricted net assets were restricted as a result of enabling legislation.

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

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), which was adopted by the District as of the fiscal year ended June 30, 2011. In the fund financial statements, governmental funds now report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. As of June 30, 2011, the District has no assigned fund balances, as the Board of Education has not delegated this authority.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Comparative Total Data

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

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets

The governmental funds balance sheet includes a reconciliation between total fund balances - governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Long-term liabilities included in the statement of net assets are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ (11,845,000)
Compensated absences	(104,153)
IMRF pension obligation	<u>(21,438)</u>
Net adjustment to reduce total fund balance - governmental funds to arrive at net assets - governmental activities	\$ <u><u>(11,970,591)</u></u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net assets - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlays	\$	3,616,138
Depreciation expense		(1,617,903)
Loss on disposal of capital assets		<u>(8,564)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets - governmental activities	\$	<u><u>1,989,671</u></u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Principal repayments		
General obligation bonds	\$	930,000
Compensated absences		289
IMRF pension obligation		<u>(21,438)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net assets - governmental activities	\$	<u><u>908,851</u></u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE C - DEPOSITS AND INVESTMENTS

At June 30, 2011, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 35,892,943	\$ 133,971	\$ 36,026,914

For disclosure purposes, this amount is segregated into three components: 1) Cash on hand, 2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts, and nonnegotiable certificates of deposit; and 3) an investment in the Illinois Institutional Investors Trust.

	<u>Total</u>
Cash on hand	\$ 1,250
Deposits with financial institutions	33,125,057
Illinois Institutional Investors Trust	<u>2,900,607</u>
	<u>\$ 36,026,914</u>

1. Interest Rate Risk

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

2. Credit Risk

State statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations. The District's investment policy authorizes investments in any type of security as permitted by Sections 2 through 6 of the Illinois Public Funds Investment Act. As of June 30, 2011, the District had no investments in commercial paper or corporate bonds.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration 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.

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The 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. At June 30, 2011, the bank balances of the District's deposits with financial institutions totaled \$36,209,560, all of which was fully insured and collateralized.

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 that all investments be secured by private insurance or collateral. As of June 30, 2011, the District had no unsecured investments.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2010 tax levy resolution was approved by the Board of Education on December 13, 2010. 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 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent that 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 portion of the 2010 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1.0%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days is reflected as unearned revenues.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets, not being depreciated				
Land	\$ 223,031	\$ -	\$ -	\$ 223,031
Construction in Progress	-	478,485	-	478,485
Total capital assets, not being depreciated	223,031	478,485	-	701,516
Capital assets, being depreciated				
Land improvements	1,523,743	118,164	-	1,641,907
Buildings and improvements	32,563,375	2,754,877	-	35,318,252
Other equipment	7,524,432	264,612	480,069	7,308,975
Total capital assets, being depreciated	41,611,550	3,137,653	480,069	44,269,134
Less accumulated depreciation for:				
Land improvements	874,739	58,415	-	933,154
Buildings and improvements	16,645,303	1,137,410	-	17,782,713
Other equipment	6,057,817	422,078	471,505	6,008,390
Total accumulated depreciation	23,577,859	1,617,903	471,505	24,724,257
Total capital assets, being depreciated, net	18,033,691	1,519,750	8,564	19,544,877
Governmental activities capital assets, net	\$ 18,256,722	\$ 1,998,235	\$ 8,564	\$ 20,246,393

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE E - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Regular programs	\$	575,018
Special programs		18,512
Pupils		3,699
Instructional staff		128,364
General administration		3,426
School administration		3,334
Business		850,333
Central		<u>35,217</u>
 Total depreciation expense - governmental activities	 \$	 <u><u>1,617,903</u></u>

NOTE F - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2011, the following is the long-term liability activity for the District:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2011</u>
Bonds payable:				
General obligation bonds	\$ 12,775,000	\$ -	\$ 930,000	\$ 11,845,000
Compensated absences	104,442	-	289	104,153
IMRF pension obligation	<u>-</u>	<u>21,438</u>	<u>-</u>	<u>21,438</u>
 Total long-term liabilities - governmental activities	 \$ <u><u>12,879,442</u></u>	 \$ <u><u>21,438</u></u>	 \$ <u><u>930,289</u></u>	 \$ <u><u>11,970,591</u></u>
 Due within one year				
General obligation bonds	<u><u>\$ 915,000</u></u>			

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE F - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds

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

Purpose	Interest Rates	Amount
2010A General Obligation Bonds, due December 15, 2012	2.00%	\$ 1,845,000
2010B General Obligation Bonds, due December 15, 2022 (Build America Bonds)	2.2% - 4.65%	10,000,000
		\$ 11,845,000

At June 30, 2011, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ 915,000	\$ 391,920	\$ 1,306,920
2013	930,000	373,470	1,303,470
2014	1,005,000	353,115	1,358,115
2015	1,020,000	327,780	1,347,780
2016	1,040,000	297,900	1,337,900
2017-2021	5,565,000	894,777	6,459,777
2022-2023	1,370,000	38,858	1,408,858
Total	\$ 11,845,000	\$ 2,677,820	\$ 14,522,820

35% of the interest amount reported on the Build America Bonds will be refunded to the District by the federal government.

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,119,376 in the Debt Service Fund to service the outstanding bonds payable. As of June 30, 2011, the District was in compliance with all significant bond covenants.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE F - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds (Continued)

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2011, the statutory debt limit for the District was \$189,101,435, of which \$177,256,435 is fully available.

During fiscal year 2010, the District defeased the 2001A General Obligation 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, \$1,725,000 of bonds outstanding are considered defeased.

NOTE G - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased insurance from private insurance companies for general liability, workers' compensation, and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in prior years. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The District is self-insured for medical coverage that is provided to District personnel. A third-party administrator processes 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 claims and administration fees. The District's liability will not exceed \$100,000 per employee, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2011, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$916,845. These estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. Claims incurred but not yet reported (IBNRs) include known loss events that are expected to later be presented as claims, unknown loss events that are expected to become claims, and expected future developments on claims already reported.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE G - RISK MANAGEMENT (Continued)

Balances of claims liabilities during the past two years are as follows:

	<u>2011</u>	<u>2010</u>
Unpaid claims, beginning of fiscal year	\$ 873,514	\$ 943,648
Incurred claims (including IBNRs)	5,903,018	5,512,620
Claim payments	<u>(5,859,687)</u>	<u>(5,582,754)</u>
Unpaid claims, end of fiscal year	<u>\$ 916,845</u>	<u>\$ 873,514</u>

NOTE H - RETIREMENT FUND COMMITMENTS

1. Teachers' Retirement System of the State of Illinois

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action, with the Governor's approval. The state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of the employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and June 30, 2009.

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

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

On-behalf Contributions

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2011, the 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 \$6,438,462 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent, or \$6,486,597, and 17.08 percent, or \$4,648,050, respectively.

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

2.2 Formula Contributions

Employers contributed 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$161,658. Contributions for the years ended June 30, 2010 and June 30, 2009 were \$160,916 and \$157,838, respectively.

Federal and Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

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 June 30, 2009, the employer pension contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$128,473 were paid from federal and special trust funds that required employer contributions of \$29,677. For the years ended June 30, 2010 and June 30, 2009, required District contributions were \$64,008 and \$36,436, respectively.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Early Retirement Option (ERO)

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

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

For the year ended June 30, 2011, the District paid \$558,677 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the District paid \$154,044 and \$230,423 in employer ERO contributions, respectively.

Salary Increased Over 6 percent and Excess Sick Leave

Public Act 94-0004 added two additional employer contributions to TRS.

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

For the year ended June 30, 2011, the District paid \$3,195 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010 and June 30, 2009, the District paid \$21,026 and \$0, respectively, to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011).

For the year ended June 30, 2011, the District paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2010 and June 30, 2009, the District paid \$0 and \$0, respectively, in employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2010. The report for the year ended June 30, 2011 is expected to be available in late 2011.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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, Illinois 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

THIS Fund Employer Contributions

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund, and amendments to the plan can be made only by legislative action, with the Governor's approval. 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 that all active contributors to the TRS who are not employees of the state make a contribution to the THIS Fund.

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 the 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 the THIS Fund from active members, which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$245,275, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of District employees were \$233,051 and \$228,593, respectively.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Employer Contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011, and .63 for the years ended June 30, 2010 and June 30, 2009. For the year ended June 30, 2011, the District paid \$183,956 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$174,789 and \$171,444, respectively, to the THIS Fund, which was 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, Illinois 62763-3838.

2. Illinois Municipal Retirement Fund

Plan Description

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

Funding Policy

As set by state statute, the District's regular plan members 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 employer contribution rate for calendar year 2010 was 12.50 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 12.82 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 state statute.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost

For the calendar year ended December 31, 2010, the District's actual contributions for pension cost for the regular plan were \$827,927. The District's required contribution for calendar year 2010 was \$849,122.

Trend Information				
Actuarial Valuation Date		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$	849,122	98%	\$ 21,195 *
12/31/09		717,702	100%	-
12/31/08		658,863	100%	-

* Information above represents the net pension obligation as of December 31, 2010, the plan's year-end. As of June 30, 2011, the District's net pension obligation was \$21,438.

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial value and market value of assets. The District's 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-year basis. The remaining amortization period at the December 31, 2008 valuation was 30 years.

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 64.65 percent funded. The actuarial accrued liability for benefits was \$18,831,882 and the actuarial value of assets was \$12,173,966, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,657,916. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$6,623,416 and the ratio of the UAAL to the covered payroll was 101 percent.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Funded Status and Funding Progress (Continued)

The schedule of funding progress, presented as required supplementary information (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 liabilities for benefits.

3. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

NOTE I - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan ("The Retiree Health Plan"). The plan provides the ability for a retired administrator, custodian, maintenance, clerical personnel, and aides and their spouses/dependents to access the District's self insured group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement and until the age of 65. Retirees may be responsible to contribute a portion or all of the premium toward the cost of their health insurance. Retired administrators meeting certain service qualifications receive 100% Board-paid coverage for themselves and their spouse/dependents. Retired teachers access the health plan coverage provided through the Teachers' Retirement System (TRS). Retired teachers meeting certain qualifications may be eligible to have a portion of their health insurance with TRS paid for by the Board. Retirees may access dental benefits. Retirees may also be responsible to contribute a portion or all of the premium toward the cost of their dental insurance. For fiscal year 2010 (most recent date available), 17 former employees and/or spouses/dependents accessed a postemployment benefit through the District's plan. Also, the Board made contributions for 80 retired teachers to be in the TRS health insurance plan to obtain insurance benefits.

Funding Policy

Retired employees (except teachers) have the option to access the District's group health plan. Teachers access the TRS plan of health benefits. Depending on circumstances and qualifications, the retiree will contribute between 0% and 100% of the cost of the premiums for health and dental coverage. For fiscal year 2011, the District contributed \$338,887 toward the premium cost of the postemployment benefits for retirees to the District's plan and \$236,393 to TRS for retired teacher coverage. For fiscal year 2011, total retiree postemployment contributions were \$575,280.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net estimated OPEB asset to the Retiree Health Plan:

	<u>June 30, 2011</u>
Annual required contribution	\$ 441,356
Interest on net OPEB obligation	(12,480)
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	428,876
Contributions made	<u>(575,280)</u>
Increase in net OPEB asset	(146,404)
Net OPEB asset beginning of year	<u>(249,600)</u>
Net OPEB asset end of year	<u>\$ (396,004)</u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for fiscal year 2011 and the two preceding fiscal years were as follows:

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/11*	\$ 428,876	134.1%	\$ (396,004)
6/30/10	439,460	130.9%	(249,600)
6/30/09	461,500	124.7%	(113,780)

* Annual OPEB cost estimated using ARC from most recent valuation information.

Funding Status and Funding Progress

As of June 30, 2011, the actuarial accrued liability for benefits was \$5,486,203, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

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

Methods and Assumptions

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

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE I - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Methods and Assumptions (Continued)

The following simplifying assumptions were made:

Contribution rates:	
District	Not applicable
Plan members	0.00%
Actuarial valuation date	June 30, 2010
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate
Mortality, Turnover, Disability, Retirement ages	Same rates utilized for IMRF
Percentage of active employees assumed to elect benefit	Teachers and administrators: 100% All others: 20%
Employer provided benefit	Explicit (teachers and administrators): \$383/mo-\$1,960/mo to age 65 Implicit (all employees except teachers): 20% of premium to age 65 (\$623/mo-\$1,960/mo)

*Includes inflation at 3.00%

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE J - JOINT AGREEMENT

The District is a member of the School Association for Special Education in DuPage County (SASED), a joint agreement that provides certain special education services to residents of many school districts. The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these should not be included as component units of the District.

NOTE K - CONTINGENCIES

1. Litigation

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 management, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE L - CONSTRUCTION COMMITMENTS

The District has certain commitments in various funds for construction projects which have been approved by the Board of Education at June 30, 2011. Commitments approximate \$4,000,000.

NOTE M - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 54 (Note A-12) required the restatement of the General Fund to include the Working Cash Fund. Prior to GASB 54, these two funds were reported as special revenue funds. As a result of this implementation, the beginning fund balance of the General Fund was restated by \$9,818,860.

NOTE N - SUBSEQUENT EVENT

Management has evaluated subsequent events through November 8, 2011, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Downers Grove Grade School District No. 58

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/10	\$ 12,173,966	\$ 18,831,882	64.65 %	\$ 6,657,916	\$ 6,623,416	100.52 %
12/31/09	11,289,671	17,110,844	65.98	5,821,173	6,301,160	92.38
12/31/08	11,264,604	16,160,914	69.70	4,896,310	5,856,560	83.60

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$13,206,126.
On a market basis, the funded ratio would be 70.13%.

Downers Grove Grade School District No. 58

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS

June 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/11	\$ NA	\$ 5,486,203	NA	% \$ 5,486,203	\$ NA	NA %
6/30/10	NA	5,486,203	NA	5,486,203	NA	NA
6/30/09	NA	5,486,203	NA	5,486,203	NA	NA

NA - not available

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$38,303,600	\$39,060,228	\$ 756,628	\$37,936,332
Corporate personal property replacement taxes	650,000	735,734	85,734	558,117
Regular tuition from pupils or parents	-	616	616	-
Summer school tuition from pupils or parents	40,000	42,355	2,355	43,680
Special Ed tuition from other Districts	50,000	50,766	766	37,325
Interest on investments	225,500	59,142	(166,358)	118,674
Sales to pupils - lunch	405,000	385,244	(19,756)	395,739
Other District/school activity revenue	72,000	101,950	29,950	63,745
Rentals - regular textbook	450,000	418,076	(31,924)	425,134
Refund of prior years' expenditures	-	1,002	1,002	-
Local fees	40,000	47,208	7,208	37,853
Other	379,000	409,942	30,942	382,027
Total local sources	40,615,100	41,312,263	697,163	39,998,626
State sources				
General State Aid	1,200,000	1,268,500	68,500	980,049
General State Aid - Supplemental/Hold Harmless	-	-	-	5,704
Special Education - Private Facility Tuition	250,000	389,341	139,341	332,726
Special Education - Extraordinary	600,000	920,348	320,348	621,644
Special Education - Personnel	1,000,000	1,051,765	51,765	1,046,978
Special Education - Orphanage - Individual	-	47,831	47,831	64,886
Special Education - Orphanage - Summer Individual	500	-	(500)	-
Special Education - Summer School	2,500	3,435	935	2,744
CTE - Student Organizations	4,900	-	(4,900)	-
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	20,000	26,852	6,852	34,138

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
State sources (Continued)				
State Free Lunch and Breakfast	\$ 3,000	\$ 5,238	\$ 2,238	\$ 3,705
Early Childhood - Block Grant	152,000	147,159	(4,841)	133,824
Reading Improvement Block Grant	-	-	-	155,243
School Safety and Educational Block Grant (Flat Grant)	-	-	-	40,432
Other state sources	6,500	8,928	2,428	1,760
On Behalf Payments to TRS from the State	<u>6,400,000</u>	<u>6,683,737</u>	<u>283,737</u>	<u>6,719,648</u>
Total state sources	<u>9,639,400</u>	<u>10,553,134</u>	<u>913,734</u>	<u>10,143,481</u>
Federal sources				
National School Lunch Program	60,000	79,241	19,241	81,616
Special Milk Program	30,000	43,177	13,177	38,506
Title I - Low Income	150,000	190,551	40,551	173,560
Safe and Drug Free Schools - Form. (Title IV)	-	3,094	3,094	10,078
Fed. - Sp. Ed. - Pre-School Flow Through	-	28,198	28,198	29,726
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	1,150,000	1,038,543	(111,457)	1,163,357
Fed. - Sp. Ed. - I.D.E.A. - Room and Board	50,000	7,877	(42,123)	29,823
ARRA General State Aid - Ed. Stabilization	-	-	-	163,981
ARRA IDEA - Part B - Preschool	-	17,142	17,142	44,245
ARRA IDEA - Part B - Flow-Through	500,000	362,082	(137,918)	886,359
ARRA General State Aid - Other Govt Svcs Stab.	-	-	-	54,660
Other ARRA Funds - XI	-	115,497	115,497	-
Title II - Teacher Quality	140,000	112,697	(27,303)	162,036
Medicaid Matching Funds - Administrative Outreach	250,000	121,139	(128,861)	103,268
Medicaid Matching Funds - Fee-For-Service-Program	-	22,345	22,345	99,356
Other federal sources	<u>-</u>	<u>1,410</u>	<u>1,410</u>	<u>-</u>
Total federal sources	<u>2,330,000</u>	<u>2,142,993</u>	<u>(187,007)</u>	<u>3,040,571</u>
Total revenues	<u>52,584,500</u>	<u>54,008,390</u>	<u>1,423,890</u>	<u>53,182,678</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Expenditures				
Instruction				
Regular programs				
Salaries	\$17,476,046	\$17,398,684	\$ 77,362	\$17,260,070
Employee benefits	2,711,115	2,723,239	(12,124)	2,112,457
On-behalf payments to TRS from the state	6,400,000	6,683,737	(283,737)	6,719,648
Purchased services	99,750	66,121	33,629	81,238
Supplies and materials	763,270	466,231	297,039	886,275
Capital outlay	8,575	12,087	(3,512)	4,145
Other objects	71,825	52,395	19,430	59,271
Total	27,530,581	27,402,494	128,087	27,123,104
Pre-K programs				
Salaries	125,300	101,238	24,062	100,811
Employee benefits	26,600	41,382	(14,782)	53,745
Purchased services	3,000	818	2,182	261
Supplies and materials	4,400	2,569	1,831	2,967
Total	159,300	146,007	13,293	157,784
Special education programs				
Salaries	5,166,000	4,868,456	297,544	4,877,221
Employee benefits	620,950	581,425	39,525	676,313
Purchased services	79,000	30,819	48,181	43,134
Supplies and materials	68,650	118,003	(49,353)	173,877
Capital outlay	2,500	-	2,500	2,638
Other objects	720,000	1,112,089	(392,089)	596,476
Total	6,657,100	6,710,792	(53,692)	6,369,659
Special education programs pre-K				
Supplies and materials	-	-	-	207
Total	-	-	-	207

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Remedial and Supplemental programs K-12				
Salaries	\$ -	\$ 175,456	\$ (175,456)	\$ 117,821
Employee benefits	-	3,075	(3,075)	1,575
Purchased services	-	36	(36)	-
Supplies and materials	-	36,230	(36,230)	2,147
Total	-	214,797	(214,797)	121,543
Interscholastic programs				
Salaries	92,000	90,533	1,467	91,107
Employee benefits	700	450	250	492
Purchased services	5,000	9,134	(4,134)	7,045
Supplies and materials	7,900	7,895	5	7,059
Total	105,600	108,012	(2,412)	105,703
Summer school programs				
Salaries	66,600	966	65,634	69,909
Employee benefits	1,150	1	1,149	539
Supplies and materials	7,000	2,388	4,612	1,421
Capital outlay	1,000	-	1,000	1,199
Total	75,750	3,355	72,395	73,068
Gifted programs				
Salaries	152,750	229,332	(76,582)	195,916
Employee benefits	17,800	13,541	4,259	13,038
Purchased services	1,300	(1,475)	2,775	1,549
Supplies and materials	9,080	2,318	6,762	5,404
Capital outlay	1,500	7,000	(5,500)	1,798
Total	182,430	250,716	(68,286)	217,705

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Bilingual programs				
Salaries	\$ 331,300	\$ 308,441	\$ 22,859	\$ 301,428
Employee benefits	39,550	37,481	2,069	44,733
Purchased services	1,000	1,827	(827)	2,346
Supplies and materials	<u>750</u>	<u>751</u>	<u>(1)</u>	<u>612</u>
Total	<u>372,600</u>	<u>348,500</u>	<u>24,100</u>	<u>349,119</u>
Total instruction	<u>35,083,361</u>	<u>35,184,673</u>	<u>(101,312)</u>	<u>34,517,892</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	592,000	591,172	828	570,015
Employee benefits	95,100	90,309	4,791	97,276
Purchased services	500	29	471	127
Supplies and materials	<u>1,950</u>	<u>1,274</u>	<u>676</u>	<u>1,003</u>
Total	<u>689,550</u>	<u>682,784</u>	<u>6,766</u>	<u>668,421</u>
Guidance services				
Salaries	350,000	354,400	(4,400)	336,290
Employee benefits	51,200	51,284	(84)	64,333
Supplies and materials	<u>350</u>	<u>64</u>	<u>286</u>	<u>204</u>
Total	<u>401,550</u>	<u>405,748</u>	<u>(4,198)</u>	<u>400,827</u>
Health services				
Salaries	350,000	314,369	35,631	348,956
Employee benefits	49,700	35,853	13,847	50,625
Purchased services	1,400	1,037	363	1,394
Supplies and materials	<u>247,861</u>	<u>112,024</u>	<u>135,837</u>	<u>161,622</u>
Total	<u>648,961</u>	<u>463,283</u>	<u>185,678</u>	<u>562,597</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Psychological services				
Salaries	\$ 400,000	\$ 370,828	\$ 29,172	\$ 373,574
Employee benefits	64,950	58,859	6,091	68,604
Purchased services	800	285	515	134
Supplies and materials	<u>2,500</u>	<u>1,493</u>	<u>1,007</u>	<u>1,649</u>
Total	<u>468,250</u>	<u>431,465</u>	<u>36,785</u>	<u>443,961</u>
Speech pathology and audiology services				
Salaries	840,000	845,972	(5,972)	810,617
Employee benefits	105,200	99,919	5,281	117,799
Purchased services	5,000	273	4,727	349
Supplies and materials	<u>1,950</u>	<u>870</u>	<u>1,080</u>	<u>820</u>
Total	<u>952,150</u>	<u>947,034</u>	<u>5,116</u>	<u>929,585</u>
Total pupils	<u>3,160,461</u>	<u>2,930,314</u>	<u>230,147</u>	<u>3,005,391</u>
Instructional staff				
Improvement of instruction services				
Salaries	1,683,100	1,373,936	309,164	1,591,389
Employee benefits	162,050	147,682	14,368	175,625
Purchased services	45,800	40,547	5,253	10,152
Supplies and materials	<u>76,000</u>	<u>87,944</u>	<u>(11,944)</u>	<u>42,552</u>
Total	<u>1,966,950</u>	<u>1,650,109</u>	<u>316,841</u>	<u>1,819,718</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Educational media services				
Salaries	\$ 2,035,000	\$ 1,980,611	\$ 54,389	\$ 2,031,108
Employee benefits	345,190	325,988	19,202	371,431
Purchased services	462,900	410,381	52,519	489,386
Supplies and materials	718,300	707,210	11,090	746,063
Capital outlay	157,500	144,290	13,210	76,532
Other objects	18,500	15,730	2,770	18,135
Total	3,737,390	3,584,210	153,180	3,732,655
Assessment and testing				
Purchased services	40,000	84,390	(44,390)	91,046
Total	40,000	84,390	(44,390)	91,046
Total instructional staff	5,744,340	5,318,709	425,631	5,643,419
General administration				
Board of education services				
Salaries	12,000	13,260	(1,260)	12,509
Purchased services	574,300	580,454	(6,154)	505,096
Other objects	25,000	44,664	(19,664)	36,797
Total	611,300	638,378	(27,078)	554,402
Executive administration services				
Salaries	558,000	579,888	(21,888)	566,995
Employee benefits	199,300	208,653	(9,353)	224,774
Purchased services	66,500	51,024	15,476	50,617
Supplies and materials	22,000	13,111	8,889	20,088
Capital outlay	-	-	-	(280)
Other objects	5,000	1,317	3,683	896
Total	850,800	853,993	(3,193)	863,090
Total general administration	1,462,100	1,492,371	(30,271)	1,417,492

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Office of the principal services				
Salaries	\$ 2,331,000	\$ 2,362,282	\$ (31,282)	\$ 2,297,323
Employee benefits	770,800	781,179	(10,379)	826,152
Purchased services	<u>248,050</u>	<u>249,089</u>	<u>(1,039)</u>	<u>307,675</u>
Total	<u>3,349,850</u>	<u>3,392,550</u>	<u>(42,700)</u>	<u>3,431,150</u>
Total school administration	<u>3,349,850</u>	<u>3,392,550</u>	<u>(42,700)</u>	<u>3,431,150</u>
Business				
Direction of business support services				
Salaries	128,000	140,373	(12,373)	138,831
Employee benefits	22,230	6,982	15,248	15,196
Purchased services	<u>62,250</u>	<u>61,130</u>	<u>1,120</u>	<u>65,572</u>
Total	<u>212,480</u>	<u>208,485</u>	<u>3,995</u>	<u>219,599</u>
Fiscal services				
Salaries	188,500	194,486	(5,986)	185,395
Employee benefits	33,300	27,088	6,212	31,791
Purchased services	<u>6,500</u>	<u>6,743</u>	<u>(243)</u>	<u>6,165</u>
Total	<u>228,300</u>	<u>228,317</u>	<u>(17)</u>	<u>223,351</u>
Operations and maintenance of plant services				
Purchased services	<u>13,000</u>	<u>13,324</u>	<u>(324)</u>	<u>9,799</u>
Total	<u>13,000</u>	<u>13,324</u>	<u>(324)</u>	<u>9,799</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Food services				
Salaries	\$ 31,923	\$ 32,448	\$ (525)	\$ 30,060
Purchased services	481,500	420,441	61,059	472,662
Supplies and materials	2,000	1,160	840	872
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>2,550</u>
Total	<u>520,423</u>	<u>454,049</u>	<u>66,374</u>	<u>506,144</u>
Internal services				
Salaries	87,000	89,430	(2,430)	86,834
Employee benefits	25,000	21,939	3,061	25,128
Purchased services	<u>1,950</u>	<u>1,200</u>	<u>750</u>	<u>2,241</u>
Total	<u>113,950</u>	<u>112,569</u>	<u>1,381</u>	<u>114,203</u>
Total business	<u>1,088,153</u>	<u>1,016,744</u>	<u>71,409</u>	<u>1,073,096</u>
Central				
Direction of central support services				
Salaries	153,000	155,102	(2,102)	149,341
Employee benefits	50,200	61,423	(11,223)	67,465
Purchased services	<u>2,500</u>	<u>2,320</u>	<u>180</u>	<u>2,340</u>
Total	<u>205,700</u>	<u>218,845</u>	<u>(13,145)</u>	<u>219,146</u>
Information services				
Salaries	62,400	56,317	6,083	59,403
Employee benefits	22,100	21,844	256	25,048
Purchased services	<u>80,000</u>	<u>55,193</u>	<u>24,807</u>	<u>67,623</u>
Total	<u>164,500</u>	<u>133,354</u>	<u>31,146</u>	<u>152,074</u>

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Staff services				
Salaries	\$ 69,000	\$ 68,830	\$ 170	\$ 65,854
Employee benefits	30,180	26,001	4,179	29,294
Purchased services	17,500	4,190	13,310	5,560
Supplies and materials	6,200	-	6,200	(656)
Total	122,880	99,021	23,859	100,052
Total central	493,080	451,220	41,860	471,272
Other supporting services				
Employee benefits	756,900	1,388,802	(631,902)	910,586
Other objects	-	-	-	7,872
Total	756,900	1,388,802	(631,902)	918,458
Total support services	16,054,884	15,990,710	64,174	15,960,278
Payments to Other Districts and Gov't Units				
Payments for special education programs				
Other objects	1,500,000	1,959,637	(459,637)	1,780,326
Total	1,500,000	1,959,637	(459,637)	1,780,326
Total payments to other districts and other Gov'ts	1,500,000	1,959,637	(459,637)	1,780,326
Total expenditures	52,638,245	53,135,020	(496,775)	52,258,496

(Continued)

Downers Grove Grade School District No. 58

General Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Excess (deficiency) of revenues over expenditures	\$ (53,745)	\$ 873,370	\$ 927,115	\$ 924,182
Other financing uses				
Permanent transfer from working cash fund - interest	(100,000)	-	100,000	(74,725)
Total other financing uses	(100,000)	-	100,000	(74,725)
Net change in fund balance	\$ (153,745)	873,370	\$ 1,027,115	849,457
Fund balance, beginning of year (as restated - Note M)		22,645,862		21,796,405
Fund balance, end of year		\$23,519,232		\$22,645,862

(Concluded)

Downers Grove Grade School District No. 58

Operations and Maintenance Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 3,826,000	\$ 3,883,966	\$ 57,966	\$ 3,724,638
Corporate personal property replacement taxes	100,000	109,962	9,962	90,081
Interest on investments	53,000	7,031	(45,969)	6,230
Rentals	150,000	162,721	12,721	148,471
Contributions and donations from private sources	20,000	3,337	(16,663)	1,939
Impact fees from municipal or county gov'ts	10,000	-	(10,000)	-
Other	20,000	20,574	574	48,656
Total local sources	4,179,000	4,187,591	8,591	4,020,015
Other State Sources	-	9,513	(9,513)	-
Total state sources	-	9,513	(9,513)	-
Total revenues	4,179,000	4,197,104	(922)	4,020,015
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	30,000	40,915	(10,915)	4,512
Capital outlay	200,000	221,433	(21,433)	44,526
Total	230,000	262,348	(32,348)	49,038

(Continued)

Downers Grove Grade School District No. 58

Operations and Maintenance Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Operations and maintenance of plant services				
Salaries	\$ 2,105,000	\$ 2,068,772	\$ 36,228	\$ 1,854,036
Employee benefits	483,000	441,838	41,162	476,414
Purchased services	523,600	461,001	62,599	438,299
Supplies and materials	1,042,500	941,015	101,485	925,778
Capital outlay	<u>10,000</u>	<u>12,492</u>	<u>(2,492)</u>	<u>5,998</u>
Total	<u>4,164,100</u>	<u>3,925,118</u>	<u>238,982</u>	<u>3,700,525</u>
Total business	<u>4,394,100</u>	<u>4,187,466</u>	<u>206,634</u>	<u>3,749,563</u>
Total support services	<u>4,394,100</u>	<u>4,187,466</u>	<u>206,634</u>	<u>3,749,563</u>
Total expenditures	<u>4,394,100</u>	<u>4,187,466</u>	<u>206,634</u>	<u>3,749,563</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (215,100)</u>	9,638	<u>\$ 205,712</u>	270,452
Fund balance, beginning of year		<u>2,647,926</u>		<u>2,377,474</u>
Fund balance, end of year		<u>\$ 2,657,564</u>		<u>\$ 2,647,926</u>

(Concluded)

Downers Grove Grade School District No. 58

Transportation Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 1,685,500	\$ 1,716,075	\$ 30,575	\$ 1,515,560
Regular transportation fees from pupils or parents	4,000	7,648	3,648	4,144
Interest on investments	<u>6,000</u>	<u>926</u>	<u>(5,074)</u>	<u>1,715</u>
Total local sources	<u>1,695,500</u>	<u>1,724,649</u>	<u>29,149</u>	<u>1,521,419</u>
State sources				
Transportation - Regular/Vocational	450,000	26,947	(423,053)	620,799
Transportation - Special Education	<u>220,000</u>	<u>430,450</u>	<u>210,450</u>	<u>443,518</u>
Total state sources	<u>670,000</u>	<u>457,397</u>	<u>(212,603)</u>	<u>1,064,317</u>
Total revenues	<u>2,365,500</u>	<u>2,182,046</u>	<u>(183,454)</u>	<u>2,585,736</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>2,377,500</u>	<u>2,547,811</u>	<u>(170,311)</u>	<u>2,140,523</u>
Total support services	<u>2,377,500</u>	<u>2,547,811</u>	<u>(170,311)</u>	<u>2,140,523</u>
Total expenditures	<u>2,377,500</u>	<u>2,547,811</u>	<u>(170,311)</u>	<u>2,140,523</u>
Excess (deficiency) of revenues over expenditures	<u>(12,000)</u>	<u>(365,765)</u>	<u>(353,765)</u>	<u>445,213</u>

(Continued)

Downers Grove Grade School District No. 58

Transportation Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Permanent transfer from working cash fund - interest	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ 74,725</u>
Total other financing sources	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>74,725</u>
Net change in fund balance	<u>\$ 88,000</u>	<u>(365,765)</u>	<u>\$ (453,765)</u>	<u>519,938</u>
Fund balance, beginning of year		<u>902,107</u>		<u>382,169</u>
Fund balance, end of year		<u>\$ 536,342</u>		<u>\$ 902,107</u>

(Concluded)

Downers Grove Grade School District No. 58

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 941,000	\$ 958,732	\$ 17,732	\$ 816,985
Social security/medicare only levy	745,000	756,966	11,966	679,504
Corporate personal property				
Replacement taxes	17,000	17,161	161	17,161
Interest on investments	<u>21,000</u>	<u>1,788</u>	<u>(19,212)</u>	<u>2,631</u>
Total local sources	<u>1,724,000</u>	<u>1,734,647</u>	<u>10,647</u>	<u>1,516,281</u>
Total revenues	<u>1,724,000</u>	<u>1,734,647</u>	<u>10,647</u>	<u>1,516,281</u>
Expenditures				
Instruction				
Regular programs	260,260	243,725	16,535	304,375
Pre-K programs	70,000	68,038	1,962	-
Special education programs	418,500	395,218	23,282	395,225
Remedial and supplemental programs K-12	-	32,523	(32,523)	21,627
Summer school programs	2,450	128	2,322	5,433
Gifted programs	5,100	4,751	349	4,282
Bilingual programs	<u>4,000</u>	<u>4,252</u>	<u>(252)</u>	<u>3,966</u>
Total instruction	<u>760,310</u>	<u>748,635</u>	<u>11,675</u>	<u>734,908</u>

(Continued)

Downers Grove Grade School District No. 58

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 8,000	\$ 9,080	\$ (1,080)	\$ 9,055
Guidance services	5,000	5,091	(91)	4,821
Health services	11,550	7,398	4,152	10,563
Psychological services	5,800	5,296	504	5,337
Speech pathology and audiology services	<u>12,000</u>	<u>12,356</u>	<u>(356)</u>	<u>11,821</u>
Total pupils	<u>42,350</u>	<u>39,221</u>	<u>3,129</u>	<u>41,597</u>
Instructional staff				
Improvement of instruction services	400	81,806	(81,406)	83,258
Educational media services	<u>235,800</u>	<u>166,806</u>	<u>68,994</u>	<u>147,146</u>
Total instructional staff	<u>236,200</u>	<u>248,612</u>	<u>(12,412)</u>	<u>230,404</u>
General administration				
Board of education services	3,000	2,712	288	2,451
Executive administration services	16,300	15,878	422	15,455
Special area administrative services	<u>7,200</u>	<u>8,139</u>	<u>(939)</u>	<u>2,072</u>
Total general administration	<u>26,500</u>	<u>26,729</u>	<u>(229)</u>	<u>19,978</u>
School administration				
Office of the principal services	<u>134,400</u>	<u>139,052</u>	<u>(4,652)</u>	<u>136,173</u>
Total school administration	<u>134,400</u>	<u>139,052</u>	<u>(4,652)</u>	<u>136,173</u>

(Continued)

Downers Grove Grade School District No. 58

Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2011
With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services	\$ 66,500	\$ 91,810	\$ (25,310)	\$ 90,416
Operations and maintenance of plant services	405,000	413,977	(8,977)	388,347
Food services	<u>6,300</u>	<u>6,651</u>	<u>(351)</u>	<u>5,918</u>
Total business	<u>477,800</u>	<u>512,438</u>	<u>(34,638)</u>	<u>484,681</u>
Central				
Direction of central support services	9,500	10,127	(627)	9,289
Information services	12,500	11,506	994	11,640
Staff services	13,400	14,079	(679)	12,907
Data processing services	<u>3,900</u>	<u>2,121</u>	<u>1,779</u>	<u>3,751</u>
Total central	<u>39,300</u>	<u>37,833</u>	<u>1,467</u>	<u>37,587</u>
Total support services	<u>956,550</u>	<u>1,003,885</u>	<u>(47,335)</u>	<u>950,420</u>
Total expenditures	<u>1,716,860</u>	<u>1,752,520</u>	<u>(35,660)</u>	<u>1,685,328</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 7,140</u>	(17,873)	<u>\$ (25,013)</u>	(169,047)
Fund balance, beginning of year		<u>705,392</u>		<u>874,439</u>
Fund balance, end of year		<u>\$ 687,519</u>		<u>\$ 705,392</u>

(Concluded)

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2011

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level.

- a) 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.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Budgetary control is maintained at line-item levels and built up into programs and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is available to the District's management in real time. These expenditure reports list each item's year-to-date expenditures, budget amount, and account balance.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 13, 2010.
- g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds have an excess of expenditures over budget as follows:

<u>Funds</u>	<u>Variance</u>
General	\$ 496,775
Transportation	170,311
Municipal Retirement / Social Security	35,660
Debt Service	128,550

SUPPLEMENTARY FINANCIAL INFORMATION

Downers Grove Grade School District No. 58

General Fund

COMBINING BALANCE SHEET

June 30, 2011

	Educational	Working Cash	Total
ASSETS			
Cash and investments	\$ 16,212,546	\$ 9,946,635	\$ 26,159,181
Receivables (net of allowance for uncollectibles):			
Property taxes	19,557,886	50,670	19,608,556
Replacement taxes	92,048	-	92,048
Intergovernmental	<u>1,707,918</u>	<u>-</u>	<u>1,707,918</u>
 Total assets	 <u>\$ 37,570,398</u>	 <u>\$ 9,997,305</u>	 <u>\$ 47,567,703</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 538,746	\$ -	\$ 538,746
Salaries and wages payable	2,490,823	-	2,490,823
Payroll deductions payable	280,570	-	280,570
Claims payable	916,845	-	916,845
Other current liabilities	790,746	-	790,746
Deferred revenue	<u>18,982,251</u>	<u>48,490</u>	<u>19,030,741</u>
 Total liabilities	 <u>23,999,981</u>	 <u>48,490</u>	 <u>24,048,471</u>
Fund balances:			
Restricted	3,468,279	-	3,468,279
Unassigned	<u>10,102,138</u>	<u>9,948,815</u>	<u>20,050,953</u>
 Total fund balance	 <u>13,570,417</u>	 <u>9,948,815</u>	 <u>23,519,232</u>
 Total liabilities and fund balance	 <u>\$ 37,570,398</u>	 <u>\$ 9,997,305</u>	 <u>\$ 47,567,703</u>

Downers Grove Grade School District No. 58

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2011

	General	Working Cash	Total
Revenues			
Property taxes	\$ 38,958,642	\$ 101,586	\$ 39,060,228
Replacement taxes	735,734	-	735,734
State aid	10,553,134	-	10,553,134
Federal aid	2,142,993	-	2,142,993
Interest	30,773	28,369	59,142
Other	1,457,159	-	1,457,159
Total revenues	<u>53,878,435</u>	<u>129,955</u>	<u>54,008,390</u>
Expenditures			
Current:			
Instruction:			
Regular programs	20,706,670	-	20,706,670
Special programs	6,925,589	-	6,925,589
Other instructional programs	849,590	-	849,590
State retirement contributions	6,683,737	-	6,683,737
Support services:			
Pupils	2,930,314	-	2,930,314
Instructional staff	5,174,419	-	5,174,419
General administration	1,492,371	-	1,492,371
School administration	3,392,550	-	3,392,550
Business	1,003,420	-	1,003,420
Operations and maintenance	13,324	-	13,324
Central	451,220	-	451,220
Other supporting services	1,388,802	-	1,388,802
Nonprogrammed charges	1,959,637	-	1,959,637
Capital outlay	163,377	-	163,377
Total expenditures	<u>53,135,020</u>	<u>-</u>	<u>53,135,020</u>
Excess of revenues over expenditures	743,415	129,955	873,370
Fund balance, beginning of year	<u>12,827,002</u>	<u>9,818,860</u>	<u>22,645,862</u>
Fund balance, end of year	<u>\$ 13,570,417</u>	<u>\$ 9,948,815</u>	<u>\$ 23,519,232</u>

Downers Grove Grade School District No. 58

Debt Service Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 1,200,500	\$ 1,214,883	\$ 14,383	\$ 1,818,925
Interest on investments	<u>6,000</u>	<u>3,537</u>	<u>(2,463)</u>	<u>67</u>
Total local sources	<u>1,206,500</u>	<u>1,218,420</u>	<u>11,920</u>	<u>1,818,992</u>
Federal sources				
Build America Bonds Interest Reimbursement	<u>-</u>	<u>143,327</u>	<u>143,327</u>	<u>31,571</u>
Total federal sources	<u>-</u>	<u>143,327</u>	<u>143,327</u>	<u>31,571</u>
Total revenues	<u>1,206,500</u>	<u>1,361,747</u>	<u>155,247</u>	<u>1,850,563</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds - interest	<u>283,000</u>	<u>410,370</u>	<u>(127,370)</u>	<u>322,160</u>
Total debt service - interest	<u>283,000</u>	<u>410,370</u>	<u>(127,370)</u>	<u>322,160</u>
Principal payments on long-term debt	<u>930,000</u>	<u>930,000</u>	<u>-</u>	<u>1,045,000</u>
Other debt service				
Purchased services	-	-	-	62,861
Other objects	<u>500</u>	<u>1,680</u>	<u>(1,180)</u>	<u>-</u>
Total	<u>500</u>	<u>1,680</u>	<u>(1,180)</u>	<u>62,861</u>
Total debt service	<u>1,213,500</u>	<u>1,342,050</u>	<u>(128,550)</u>	<u>1,430,021</u>
Total expenditures	<u>1,213,500</u>	<u>1,342,050</u>	<u>(128,550)</u>	<u>1,430,021</u>

(Continued)

Downers Grove Grade School District No. 58

Debt Service Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011			2010 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Excess (deficiency) of revenues over expenditures	<u>(7,000)</u>	<u>19,697</u>	<u>26,697</u>	<u>420,542</u>
Other financing sources (uses)				
Principal on bonds sold	-	-	-	2,775,000
Premium on bonds sold	-	-	-	65,268
Other sources not classified elsewhere	-	-	-	69,912
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,874,204)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,976</u>
Net change in fund balance	<u>\$ (7,000)</u>	<u>19,697</u>	<u>\$ 26,697</u>	456,518
Fund balance, beginning of year		<u>1,099,679</u>		<u>643,161</u>
Fund balance, end of year		<u>\$ 1,119,376</u>		<u>\$ 1,099,679</u>

(Concluded)

Downers Grove Grade School District No. 58

Fire Prevention and Safety Fund

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

For the Year Ended June 30, 2011

With Comparative Actual Amounts for the Year Ended June 30, 2010

	2011		Variance From Final Budget	2010 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 50,000	\$ 16,013	\$ (33,987)	\$ 16,296
Total local sources	<u>50,000</u>	<u>16,013</u>	<u>(33,987)</u>	<u>16,296</u>
Total revenues	<u>50,000</u>	<u>16,013</u>	<u>(33,987)</u>	<u>16,296</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	300,000	116,144	183,856	360,131
Capital outlay	<u>3,500,000</u>	<u>3,219,730</u>	<u>280,270</u>	<u>2,197,311</u>
Total support services	<u>3,800,000</u>	<u>3,335,874</u>	<u>464,126</u>	<u>2,557,442</u>
Total expenditures	<u>3,800,000</u>	<u>3,335,874</u>	<u>464,126</u>	<u>2,557,442</u>
Deficiency of revenues over expenditures	<u>(3,750,000)</u>	<u>(3,319,861)</u>	<u>430,139</u>	<u>(2,541,146)</u>
Other financing sources				
Principal on bonds sold	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Net change in fund balance	<u>\$ (3,750,000)</u>	<u>(3,319,861)</u>	<u>\$ 430,139</u>	<u>7,458,854</u>
Fund balance, beginning of year		<u>7,458,854</u>		<u>-</u>
Fund balance, end of year		<u>\$ 4,138,993</u>		<u>\$ 7,458,854</u>

Downers Grove Grade School District No. 58
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Assets				
Cash	\$ 83,543	\$ 1,061,676	\$ 1,011,248	\$ 133,971
Liabilities				
Due to student groups				
Belle Aire	\$ 1,011	\$ 67,845	\$ 66,071	\$ 2,785
El Sierra	3,100	47,272	47,207	3,165
Fairmount	3,210	73,623	70,935	5,898
Henry Puffer	717	67,544	64,880	3,381
Highland	3,263	59,869	59,106	4,026
Hillcrest	5,483	74,439	70,980	8,942
Indian Trail	5,730	69,286	65,928	9,088
Kingsley	2,948	66,606	43,601	25,953
Lester	2,226	87,325	86,945	2,606
Pierce Downer	9,958	81,034	81,002	9,990
Whittier	5,491	69,149	64,562	10,078
Herrick Middle	22,554	159,590	153,637	28,507
O'Neill Middle	17,852	138,094	136,394	19,552
	<u>\$ 83,543</u>	<u>\$ 1,061,676</u>	<u>\$ 1,011,248</u>	<u>\$ 133,971</u>

OTHER SUPPLEMENTAL INFORMATION

Downers Grove Grade School District No. 58

GENERAL LONG-TERM DEBT

SCHEDULE OF GENERAL OBLIGATION BONDS

Year Ended June 30, 2011

	Maturity as follows			
	for the Year Ended June 30	Principal	Interest	Total
General Obligation Bonds	2012	\$ 915,000	\$ 27,750	\$ 942,750
Series 2010A, due	2013	930,000	9,300	939,300
December 15, 2012				
 Total		<u>\$ 1,845,000</u>	<u>\$ 37,050</u>	<u>\$ 1,882,050</u>
* General Obligation Bonds	2012	\$ -	\$ 364,170	\$ 364,170
Series 2010B, due	2013	-	364,170	364,170
December 15, 2022	2014	1,005,000	353,115	1,358,115
	2015	1,020,000	327,780	1,347,780
	2016	1,040,000	297,900	1,337,900
	2017	1,060,000	263,485	1,323,485
	2018	1,085,000	224,598	1,309,598
	2019	1,110,000	182,602	1,292,602
	2020	1,140,000	136,740	1,276,740
	2021	1,170,000	87,353	1,257,353
	2022	1,200,000	34,905	1,234,905
	2023	170,000	3,952	173,952
 Total		<u>\$ 10,000,000</u>	<u>\$ 2,640,770</u>	<u>\$ 12,640,770</u>
Total general obligation bonds payable		<u>\$ 11,845,000</u>	<u>\$ 2,677,820</u>	<u>\$ 14,522,820</u>

* 35% of the interest amount reported on the Build America Bonds will be refunded to the District by the federal government.

Downers Grove Grade School District No. 58

OPERATING COSTS AND TUITION CHARGE

JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>4,441</u>	<u>4,385</u>
Operating costs:		
Educational	\$ 46,451,283	\$ 45,538,848
Operations and Maintenance	4,187,466	3,749,563
Debt Service	1,342,050	1,430,021
Transportation	2,547,811	2,140,523
Municipal Retirement/Social Security	<u>1,752,520</u>	<u>1,685,328</u>
Subtotal	<u>56,281,130</u>	<u>54,544,283</u>
Less Revenues/Expenditures of Nonregular Programs:		
Early childhood	214,045	157,991
Summer school	3,483	77,302
Capital outlay	397,302	139,106
Debt principal retired	930,000	1,045,000
Nonprogrammed charges	<u>1,959,637</u>	<u>1,780,326</u>
Subtotal	<u>3,504,467</u>	<u>3,199,725</u>
Operating costs	<u>\$ 52,776,663</u>	<u>\$ 51,344,558</u>
Operating costs per pupil - based on ADA	<u>\$ 11,885</u>	<u>\$ 11,709</u>
Tuition Charge		
Operating costs	\$ 52,776,663	\$ 51,344,558
Less - revenues from specific programs, such as special education or lunch programs	<u>6,301,617</u>	<u>6,104,077</u>
Net operating costs	46,475,046	45,240,481
Depreciation allowance	<u>1,617,903</u>	<u>610,983</u>
Allowance tuition costs	<u>\$ 48,092,949</u>	<u>\$ 45,851,464</u>
Tuition charge per pupil - based on ADA	<u>\$ 10,830</u>	<u>\$ 10,456</u>