

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

Annual Financial Report

Year Ended June 30, 2010

Downers Grove Grade School District No. 58
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2010

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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 Grade School District No. 58, as of and for the year ended June 30, 2010, which collectively comprise the Downers Grove Grade School District No. 58's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Downers Grove Grade 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, 2009 financial statements and, in our report dated February 3, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Downers Grove Grade School District No. 58's as of June 30, 2010, 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 January 6, 2011, on our consideration of Downers Grove Grade School District 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 and Other Postemployment Benefits historical data on pages 47 and 48, and the budgetary comparison schedules and notes to required supplementary information on pages 49 through 69 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 Grade 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
January 6, 2011

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2010

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, 2010. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- ❑ Overall government-wide revenues were \$63.2 million, \$2.3 million more than the overall government-wide expenditures of \$60.9 million.
- ❑ Government Funds revenues were \$63.2 million, \$600,000 less than overall governmental fund expenditures of \$63.8 million. The shortfall was due to one-time Life Safety Fund expenditures for roof replacement.
- ❑ The District received nearly \$1.2 million in federal ARRA funds in fiscal year 2010.
- ❑ The District issued \$10.0 million in Life Safety bonds and refunded the remaining outstanding 2001 bonds in fiscal year 2010.
- ❑ Due to an error in the DuPage County Clerk's Office the levy for Debt Service related to the 2001 bond issue was extended. As previously noted the 2001 bonds were refunded in FY 2010 and therefore the extension for their repayment should not have occurred.
- ❑ The District's Operating Expenditure per Pupil for fiscal year 2010 was \$11,709.
- ❑ Total net assets on a government wide basis were \$40.8 million. This represents a \$2.3 million and a 5.7% increase over FY 2009.
- ❑ As a result of the Governmental Funds operating surplus and the bond issue, the District's financial status improved for FY 2010. The aggregate fund balance rose \$9.4 million from \$26.1 million to \$35.5 million.
- ❑ There were no amendments to the budget during the fiscal year.
- ❑ At the close of FY 2010, the District's outstanding long-term debt was low at \$12.9 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 also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2010

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, operation and maintenance of facilities, and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund, 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 seven 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.

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

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2010

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

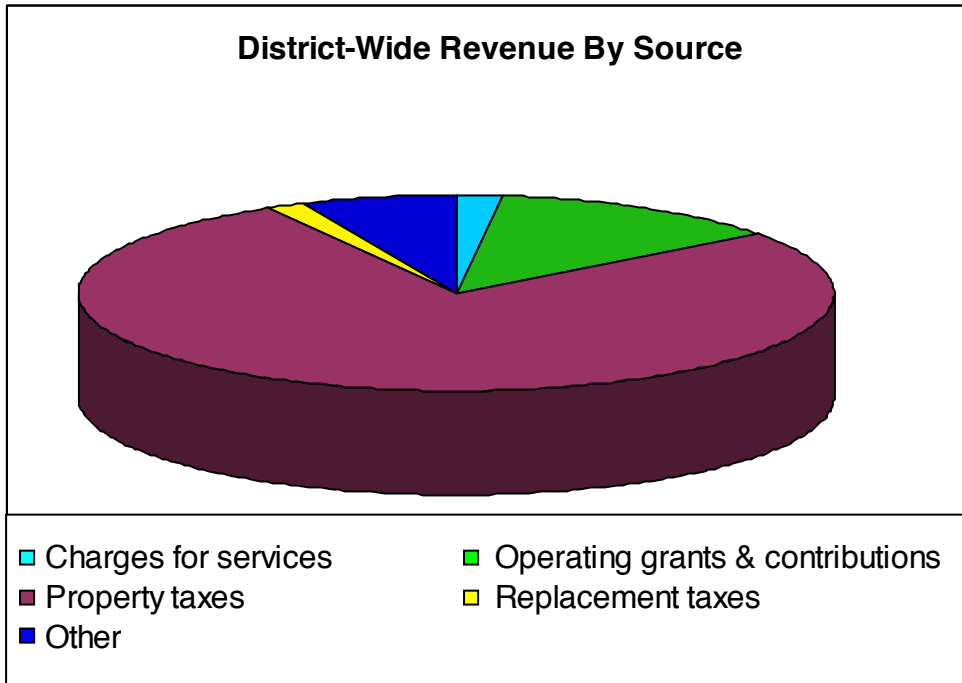
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

Government-Wide Financial Analysis

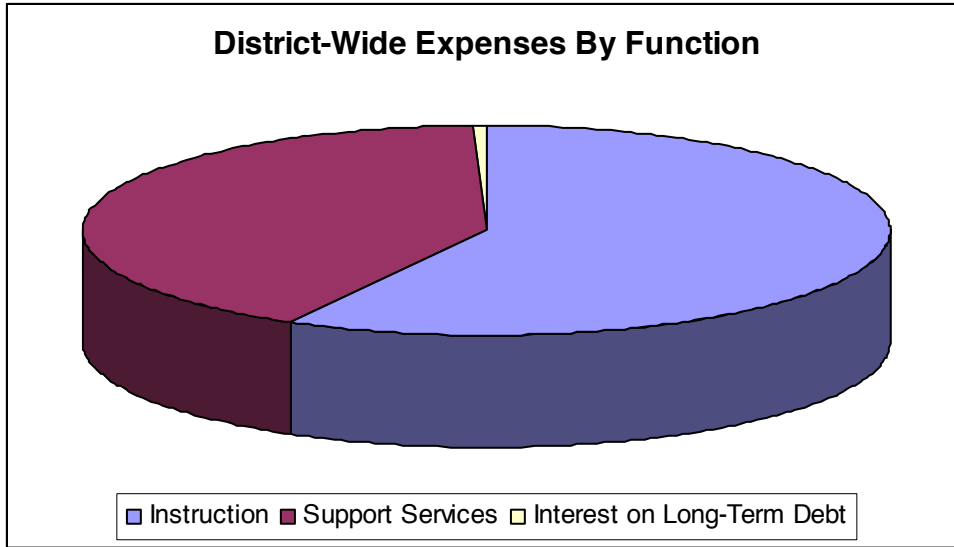
Table 1			
Condensed Statement of Net Assets			
<i>(In millions of dollars)</i>			
	<u>2009</u>	<u>2010</u>	<i>Percentage Change</i>
Current and other assets	54.6	64.0	17.2%
Capital assets	16.5	18.3	10.9%
Total assets	71.1	82.3	15.8%
Long-term liabilities	4.0	12.9	222.5%
Other liabilities	28.5	28.6	0.4%
Total liabilities	32.5	41.5	27.7%
Net assets:			
Invested in capital assets, net of related debt	12.6	5.5	-56.3%
Restricted	1.9	10.1	431.6%
Unrestricted	24.1	25.2	4.6%
Total net assets	38.6	40.8	5.7%

Downers Grove Grade School District No. 58
Management's Discussion and Analysis
For the Year Ended June 30, 2010

Table 2			
Changes in Net Assets			
<i>(In millions of dollars)</i>			
	<u>2009</u>	<u>2010</u>	<u>Percentage of Total</u>
Revenues:			
Program revenues:			
Charges for services	1.1	1.2	1.90%
Operating grants and contributions	9.7	13.1	20.73%
General revenues:			
Property taxes	44.1	46.5	73.57%
Replacement taxes	0.8	0.7	1.11%
Other	3.1	1.7	2.69%
Total revenues	58.8	63.2	100.00%
Expenses:			
Instruction	35.7	37.2	61.08%
Support services	24.0	23.4	38.42%
Interest and fees	0.2	0.3	0.50%
Total expenses	59.9	60.9	100.00%
Increase (Decrease) in Net Assets	(1.1)	2.3	



Downers Grove Grade School District No. 58
Management's Discussion and Analysis
For the Year Ended June 30, 2010



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 \$63.2 million compared to \$58.8 million in the prior year, an increase of \$4.4 million or 7.5%. Total expenditures in the governmental funds were \$63.8 million compared to \$63.7 million in the prior year, an increase of \$70,000 or approximately .1%. Expenditures exceeded revenues by approximately \$600,000. The fund balances in the Governmental Funds increased from \$26.1 million in the prior year to \$35.5 million as of June 30, 2010. The increase was primarily due to a \$10.0 million Life Safety bond issue.

General Fund Budgetary Highlights

Education Fund (Pages 49-58): The largest revenue source in the Educational Fund is property taxes at 71.3% of all Educational Fund revenue. Property tax revenue in the 2010 fiscal year totaled \$37.8 million, which was 3.3% higher than the prior fiscal year. The total revenues in the Educational Fund amounted to \$53.0 million, which was an increase of 7.3% over the prior year. Revenues from state sources was \$10.1 million, represented 19.0% of all revenue in the Educational Fund, which increased by \$1.8 million over the prior year. Federal sources of revenue (\$3.0 million) represented 5.7% of all Educational Fund revenue, which increased by \$1.2 million over 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 \$52.3 million in the Educational Fund increased by 5.0% over the prior year.

Medical Insurance Fund: At 6/30/10, the self-funded medical insurance plan (which is a sub-fund of the Education Fund) had a fund balance of \$4,397,520. The 6/30/09 fund balance for the medical insurance plan was \$3,434,302.

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2010

Capital Asset and Debt Administration

Capital assets

By the end of 2010 the District had compiled a total investment of \$18.3 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)			
<i>(In millions of dollars)</i>			
	<u>2009</u>	<u>2010</u>	Percentage
			Change
Land	0.2	0.2	0.00%
Land Improvements	0.5	0.6	(20.00%)
Buildings	14.0	16.0	14.29%
Equipment & furniture	1.8	1.5	-(16.67%)
Total	16.5	18.3	(10.91%)

Long-term debt

At the beginning of FY09, the District had one outstanding bond issue from 2001. In 2010, \$10,000,000 in Life Safety bonds were issued and the remainder of the outstanding bonds from 2001 were refunded. At year end the District had \$12.9 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			
<i>(In millions of dollars)</i>			
	<u>2009</u>	<u>2010</u>	Percentage
			Change
General obligation bonds and other	4.0	12.9	-(222.50%)
Total	4.0	12.9	-(222.50%)

Downers Grove Grade School District No. 58

Management's Discussion and Analysis

For the Year Ended June 30, 2010

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 Operation and Maintenance Fund expenditures for utilities and maintenance. Also the District has locked in natural gas and electric utility rates for the next two years.

Like all Illinois public school districts, District 58 is struggling with reduced and/or late funding payments from the State. District 58 finished FY 2009-10 with the State owing the District \$2.0 million in categorial aid payments. Given the State of Illinois' finances this trend is likely to continue for the short term.

The contract for the DGESP clerical/aide employee group is currently being negotiated and is in mediation. The contract expired on June 30, 2010. Also negotiations on the expiring DGEA teacher contract will begin in the spring, 2011.

ARRA funds to the District will drop significantly for FY 2010-11 and will not be a funding source in FY 2011-12.

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 putting added pressure on the budget.

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, 2010

ASSETS

Cash and investments	\$ 37,128,109
Receivables (net of allowance for uncollectibles):	
Interest	19,285
Property taxes	24,163,095
Replacement taxes	99,602
Intergovernmental	2,623,570
Capital assets:	
Land	223,031
Depreciable buildings, property, and equipment, net	<u>18,033,691</u>
Total assets	<u>82,290,383</u>

LIABILITIES

Accounts payable	1,219,446
Salaries and wages payable	1,997,144
Payroll deductions payable	406,733
Claims payable	873,514
Other current liabilities	722,614
Interest payable	17,099
Unearned revenue	23,354,390
Long-term liabilities:	
Due within one year	930,000
Due after one year	<u>11,949,442</u>
Total liabilities	<u>41,470,382</u>

NET ASSETS

Invested in capital assets, net of related debt	5,481,722
Restricted For:	
Debt service	1,082,580
Student transportation	902,107
Retirement benefits	705,392
Capital projects	7,458,854
Unrestricted	<u>25,189,346</u>
Total net assets	<u>\$ 40,820,001</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, 2010

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	\$ 20,914,974	\$ 526,732	\$ 362,044	\$ (20,026,198)
Special programs	8,692,940	37,325	4,456,683	(4,198,932)
Other instructional programs	914,063	43,680	189,381	(681,002)
State retirement contributions	6,719,648	-	6,719,648	-
Support services:				
Pupils	3,048,385	-	10,078	(3,038,307)
Instructional staff	5,826,015	-	163,796	(5,662,219)
General administration	1,439,044	-	-	(1,439,044)
School administration	3,568,582	-	-	(3,568,582)
Business	1,836,845	395,739	164,259	(1,276,847)
Transportation	2,140,523	4,144	1,064,317	(1,072,062)
Operations and maintenance	4,098,671	148,471	-	(3,950,200)
Central	522,158	-	-	(522,158)
Other supporting services	918,458	-	-	(918,458)
Interest and fees	302,315	-	-	(302,315)
Total governmental activities	<u>\$ 60,942,621</u>	<u>\$ 1,156,091</u>	<u>\$ 13,130,206</u>	<u>(46,656,324)</u>
General revenues:				
Taxes:				
				37,933,443
				6,739,576
				1,818,925
				665,359
				1,149,734
				145,613
				432,622
				<u>48,885,272</u>
				2,228,948
				<u>38,591,053</u>
				<u>\$ 40,820,001</u>

The accompanying notes are an integral part of this statement.

Downers Grove Grade School District No. 58

Governmental Funds

BALANCE SHEET

June 30, 2010

With Comparative Totals for June 30, 2009

	Educational	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 14,648,933	\$ 2,683,761	\$ 525,078	\$ 714,436
Receivables (net of allowance for uncollectibles):				
Interest	4,371	-	-	-
Property taxes	19,252,824	1,925,881	836,630	861,881
Replacement taxes	86,325	13,277	-	-
Intergovernmental	<u>1,936,212</u>	<u>-</u>	<u>687,358</u>	<u>-</u>
 Total assets	 <u>\$ 35,928,665</u>	 <u>\$ 4,622,919</u>	 <u>\$ 2,049,066</u>	 <u>\$ 1,576,317</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 532,928	\$ 111,729	\$ 338,330	\$ -
Salaries and wages payable	1,997,144	-	-	-
Payroll deductions payable	367,003	1,839	-	37,891
Claims payable	873,514	-	-	-
Other current liabilities	722,614	-	-	-
Deferred revenue	<u>18,608,460</u>	<u>1,861,425</u>	<u>808,629</u>	<u>833,034</u>
 Total liabilities	 <u>23,101,663</u>	 <u>1,974,993</u>	 <u>1,146,959</u>	 <u>870,925</u>
Fund balances:				
Unreserved fund balance:				
Designated for self-insurance claims	3,524,006	-	-	-
Undesignated	<u>9,302,996</u>	<u>2,647,926</u>	<u>902,107</u>	<u>705,392</u>
 Total fund balance	 <u>12,827,002</u>	 <u>2,647,926</u>	 <u>902,107</u>	 <u>705,392</u>
Total liabilities and fund balance	 <u>\$ 35,928,665</u>	 <u>\$ 4,622,919</u>	 <u>\$ 2,049,066</u>	 <u>\$ 1,576,317</u>

The accompanying notes are an integral part of this statement.

Working Cash	Debt Service	Fire Prevention and Safety	2010	Total 2009
\$ 9,817,169	\$ 1,058,333	\$ 7,680,399	\$ 37,128,109	\$ 29,282,266
-	-	14,914	19,285	41,785
50,524	1,235,355	-	24,163,095	23,284,665
-	-	-	99,602	128,352
-	-	-	2,623,570	1,834,436
<u>\$ 9,867,693</u>	<u>\$ 2,293,688</u>	<u>\$ 7,695,313</u>	<u>\$ 64,033,661</u>	<u>\$ 54,571,504</u>
\$ -	\$ -	\$ 236,459	\$ 1,219,446	\$ 902,619
-	-	-	1,997,144	3,436,223
-	-	-	406,733	476,382
-	-	-	873,514	943,648
-	-	-	722,614	599,930
48,833	1,194,009	-	23,354,390	22,139,054
<u>48,833</u>	<u>1,194,009</u>	<u>236,459</u>	<u>28,573,841</u>	<u>28,497,856</u>
-	-	-	3,524,006	2,490,654
<u>9,818,860</u>	<u>1,099,679</u>	<u>7,458,854</u>	<u>31,935,814</u>	<u>23,582,994</u>
<u>9,818,860</u>	<u>1,099,679</u>	<u>7,458,854</u>	<u>35,459,820</u>	<u>26,073,648</u>
<u>\$ 9,867,693</u>	<u>\$ 2,293,688</u>	<u>\$ 7,695,313</u>	<u>\$ 64,033,661</u>	<u>\$ 54,571,504</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, 2010

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

Total fund balances - governmental funds	\$ 35,459,820
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.	18,256,722
Interest on long-term liabilities (interest payable) accrued in the statement of net assets will not be paid with current financial resources and, accordingly, are not included in the governmental funds balance sheet.	(17,099)
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>(12,879,442)</u>
Net assets - governmental activities	<u>\$ 40,820,001</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, 2010

With Comparative Actual Totals for the Year Ended June 30, 2009

	Educational	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Working Cash
Revenues					
Property taxes	\$ 37,816,894	\$ 3,724,638	\$ 1,515,560	\$ 1,496,489	\$ 119,438
Replacement taxes	558,117	90,081	-	17,161	-
State aid	10,143,481	-	1,064,317	-	-
Federal aid	3,040,571	-	-	-	-
Interest	59,346	6,230	1,715	2,631	59,328
Other	<u>1,385,503</u>	<u>199,066</u>	<u>4,144</u>	<u>-</u>	<u>-</u>
Total revenues	<u>53,003,912</u>	<u>4,020,015</u>	<u>2,585,736</u>	<u>1,516,281</u>	<u>178,766</u>
Expenditures					
Current:					
Instruction:					
Regular programs	20,399,311	-	-	304,375	-
Special programs	6,488,564	-	-	416,852	-
Other instructional programs	900,589	-	-	13,681	-
State retirement contributions	6,719,648	-	-	-	-
Support services:					
Pupils	3,005,391	-	-	41,597	-
Instructional staff	5,566,887	-	-	230,404	-
General administration	1,417,772	-	-	19,978	-
School administration	3,431,150	-	-	136,173	-
Business	1,060,747	4,512	-	96,334	-
Transportation	-	-	2,140,523	-	-
Operations and maintenance	9,799	3,694,527	-	388,347	-
Central	471,272	-	-	37,587	-
Other supporting services	918,458	-	-	-	-
Nonprogrammed charges	1,780,326	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other	-	-	-	-	-
Capital outlay	<u>88,582</u>	<u>50,524</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>52,258,496</u>	<u>3,749,563</u>	<u>2,140,523</u>	<u>1,685,328</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>745,416</u>	<u>270,452</u>	<u>445,213</u>	<u>(169,047)</u>	<u>178,766</u>
Other financing sources (uses)					
Transfers in	-	-	74,725	-	-
Transfers (out)	-	-	-	-	(74,725)
Bond proceeds	-	-	-	-	-
Deposit with escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>74,725</u>	<u>-</u>	<u>(74,725)</u>
Net change in fund balance	745,416	270,452	519,938	(169,047)	104,041
Fund balance, beginning of year	<u>12,081,586</u>	<u>2,377,474</u>	<u>382,169</u>	<u>874,439</u>	<u>9,714,819</u>
Fund balance, end of year	<u>\$ 12,827,002</u>	<u>\$ 2,647,926</u>	<u>\$ 902,107</u>	<u>\$ 705,392</u>	<u>\$ 9,818,860</u>

The accompanying notes are an integral part of this statement.

Debt Service	Fire Prevention and Safety	Total	
		2010	2009
\$ 1,818,925	\$ -	\$ 46,491,944	\$ 44,137,018
-	-	665,359	822,459
-	-	11,207,798	9,330,867
31,571	-	3,072,142	1,792,456
67	16,296	145,613	677,315
-	-	1,588,713	2,033,407
<u>1,850,563</u>	<u>16,296</u>	<u>63,171,569</u>	<u>58,793,522</u>
-	-	20,703,686	21,651,560
-	-	6,905,416	6,284,580
-	-	914,270	1,054,494
-	-	6,719,648	4,876,643
-	-	3,046,988	3,126,429
-	-	5,797,291	5,278,250
-	-	1,437,750	1,532,785
-	-	3,567,323	3,460,304
-	360,131	1,521,724	1,355,489
-	-	2,140,523	2,903,815
-	-	4,092,673	4,638,574
-	-	508,859	435,527
-	-	918,458	691,429
-	-	1,780,326	1,180,781
1,045,000	-	1,045,000	1,000,000
351,641	-	351,641	213,500
-	2,197,311	2,336,417	4,033,380
<u>1,396,641</u>	<u>2,557,442</u>	<u>63,787,993</u>	<u>63,717,540</u>
<u>453,922</u>	<u>(2,541,146)</u>	<u>(616,424)</u>	<u>(4,924,018)</u>
-	-	74,725	6,507,834
-	-	(74,725)	(6,507,834)
2,840,268	10,000,000	12,840,268	-
(2,837,672)	-	(2,837,672)	-
<u>2,596</u>	<u>10,000,000</u>	<u>10,002,596</u>	<u>-</u>
456,518	7,458,854	9,386,172	(4,924,018)
<u>643,161</u>	<u>-</u>	<u>26,073,648</u>	<u>30,997,666</u>
<u>\$ 1,099,679</u>	<u>\$ 7,458,854</u>	<u>\$ 35,459,820</u>	<u>\$ 26,073,648</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, 2010

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

Net change in fund balances - total governmental funds	\$ 9,386,172
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.	1,745,185
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.	(3,270)
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>(8,899,139)</u>
Change in net assets - governmental activities	<u>\$ 2,228,948</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, 2010

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>83,543</u>
LIABILITIES	
Due to student groups	\$ <u>83,543</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, 2010

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, 2010

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 and 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 is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund includes the Educational Fund.

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, 2010

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. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue 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.

Working Cash Fund - accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the General Fund or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Fund of at least .05% of the District's current equalized assessed valuation.

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 source is local property taxes levied specifically for debt service and transfers from other funds.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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. It accounts 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.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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.

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>
Buildings and improvements	45
Land improvements	10 - 20
Other equipment	5 - 15

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

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; 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, 2010

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, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. 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.

13. 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 fund balance – total 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	\$ (12,775,000)
Compensated absences	<u>(104,442)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets – governmental activities	\$ <u><u>(12,879,442)</u></u>

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

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 balance - 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	\$	2,356,168
Depreciation expense		<u>(610,983)</u>
Net adjustment to increase net change in fund balance - total governmental funds to arrive at change in net asset - governmental activities	\$	<u>1,745,185</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	\$	3,870,000
Issuance of debt		(12,775,000)
Compensated absences		<u>5,861</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$	<u>(8,899,139)</u>

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE C - DEPOSITS AND INVESTMENTS

At June 30, 2010, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>37,128,109</u>	\$ <u>83,543</u>	\$ <u>37,211,652</u>

For disclosure purposes, this amount is segregated into two 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) investment in the Illinois Institutional Investors Trust.

	<u>Total</u>
Cash on hand	\$ 1,250
Deposits with financial institutions	32,091,994
Illinois Institutional Investors Trust	<u>5,118,408</u>
	<u>\$ 37,211,652</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, 2010, the District has no investments in commercial paper or corporate bonds.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

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, 2010, the bank balances of the District's deposits with financial institutions totaled \$30,338,765, 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, 2010, the District had no unsecured investments.

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 2009 tax levy resolution was approved by the Board of Education on December 14, 2009. 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).

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

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 2009 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, 2010

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets, not being depreciated				
Land	\$ 223,031	\$ -	\$ -	\$ 223,031
 Total capital assets not being depreciated	 223,031	 -	 -	 223,031
Capital assets, being depreciated				
Land improvements	1,338,882	184,861	-	1,523,743
Buildings and improvements	30,557,355	2,006,020	-	32,563,375
Other equipment	8,393,058	165,287	1,033,913	7,524,432
 Total capital assets being depreciated	 40,289,295	 2,356,168	 1,033,913	 41,611,550
Less accumulated depreciation for:				
Land improvements	819,979	54,760	-	874,739
Buildings and improvements	16,533,649	111,654	-	16,645,303
Other equipment	6,647,161	444,569	1,033,913	6,057,817
 Total accumulated depreciation	 24,000,789	 610,983	 1,033,913	 23,577,859
 Total capital assets being depreciated, net	 16,288,506	 1,745,185	 -	 18,033,691
Governmental activities capital assets, net	\$ 16,511,537	\$ 1,745,185	\$ -	\$ 18,256,722

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE E - CAPITAL ASSETS (Continued)

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

Regular programs	\$ 219,008
Special programs	6,407
Pupils	471
Instructional staff	48,743
General administration	436
School administration	424
Business	322,911
Central	<u>12,583</u>
 Total depreciation expense - governmental activities	 \$ <u><u>610,983</u></u>

NOTE F - LONG-TERM LIABILITIES

1. **Changes in General Long-term Liabilities**

During the year ended June 30, 2010, the following is the long-term liability activity for the District:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions/</u> <u>Issued</u>	<u>Payments/</u> <u>Defeased</u>	<u>Balance</u> <u>June 30, 2010</u>
Bonds payable:				
General obligation bonds	\$ 3,870,000	\$ 12,775,000	\$ 3,870,000	\$ 12,775,000
Compensated absences	<u>110,303</u>	<u>112,102</u>	<u>117,963</u>	<u>104,442</u>
 Total long-term liabilities - governmental activities	 \$ <u><u>3,980,303</u></u>	 \$ <u><u>12,887,102</u></u>	 \$ <u><u>3,987,963</u></u>	 \$ <u><u>12,879,442</u></u>
 Due within one year				
General obligation bonds	 \$ <u><u>930,000</u></u>			

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

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:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
2010A General Obligation Bonds, due December 15, 2012	2.00%	\$ 2,775,000
2010B General Obligation Bonds, due December 15, 2022 (Build America Bonds)	2.2% - 4.65%	<u>10,000,000</u>
		<u>\$ 12,775,000</u>

At June 30, 2010, the District's future cash flow requirements for retirement of bond principal was as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 930,000	\$ 410,370	\$ 1,340,370
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
2016-2020	5,435,000	1,105,325	6,540,325
2021-2022	<u>2,540,000</u>	<u>126,210</u>	<u>2,666,210</u>
Total	<u>\$ 12,775,000</u>	<u>\$ 3,088,190</u>	<u>\$ 15,863,190</u>

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 \$1,099,679 in the Debt Service Fund to service the outstanding bonds payable. As of June 30, 2010, the District was in compliance with all significant bond covenants.

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, 2010, the statutory debt limit for the District was \$201,381,496, of which \$188,606,496 is fully available.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE F - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds

During the current year, 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, 2010, \$2,825,000 of bonds outstanding are considered defeased.

NOTE G- INTERFUND TRANSFERS

The District transferred \$74,725 from the Working Cash Fund to the Transportation Fund. The amount transferred represents interest earned on investments.

NOTE H - 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 \$75,000 per employee as provided by stop-loss provisions incorporated in the plan.

At June 30, 2010, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$873,514. 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, 2010

NOTE H - RISK MANAGEMENT (Continued)

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

	2010	2009
Unpaid claims, beginning of fiscal year	\$ 943,648	\$ 936,436
Incurred claims (including IBNRs)	5,512,620	6,038,202
Claim payments	(5,582,754)	(6,030,990)
Unpaid claims, end of fiscal year	\$ 873,514	\$ 943,648

NOTE I - 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, 2010 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, 2009 and June 30, 2008.

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, 2010

NOTE I - 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, 2010, the state of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$6,486,597 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent, or \$4,648,050, and 13.11%, or \$2,491,718, 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, 2010 were \$160,916. Contributions for the years ended June 30, 2009 and June 30, 2008 were \$157,838 and \$153,366, 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, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and June 30, 2008, the employer pension contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$273,771 were paid from federal and special trust funds that required employer contributions of \$64,008. For the years ended June 30, 2009 and June 30, 2008, required District contributions were \$36,436 and \$29,639, respectively.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE I - 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.

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

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

For the year ended June 30, 2010, the District paid \$154,044 to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the District paid \$230,423 and \$100,826 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, 2010, the District paid \$21,026 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2009 and June 30, 2008, the District paid \$0 and \$0, respectively, to TRS for employer contributions due on salary increases in excess of 6 percent.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE I - RETIREMENT FUND COMMITMENTS (Continued)

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

Salary Increased Over 6 percent and Excess Sick Leave (Continued)

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010).

For the year ended June 30, 2010, the District paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2009 and June 30, 2008, 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, 2009. The report for the year ended June 30, 2010 is expected to be available in late 2010.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, 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.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE I - RETIREMENT FUND COMMITMENTS (Continued)

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

THIS Fund Employer Contributions (Continued)

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 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$233,051, 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, 2009 and June 30, 2008 were also 0.84 percent of pay. State contributions on behalf of District employees were \$228,593 and \$159,652, respectively.

Employer Contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the District paid \$174,789 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the District paid \$171,444 and \$119,739, 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.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE I - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Funding Policy

As set by state statute, the District's regular plan members are required to contribute 4.5 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 2009 was 11.39 percent of annual covered payroll. 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.

Annual Pension Cost

For fiscal year ended December 31, 2009, the District's annual pension cost of \$717,702 for the regular plan was equal to the District's required and actual contributions.

Trend Information			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 717,702	100%	\$ -
12/31/08	658,863	100%	-
12/31/07	633,313	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 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 15 percent corridor between the actuarial value and market value of assets. The District's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE I - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 65.98 percent funded. The actuarial accrued liability for benefits was \$17,110,844 and the actuarial value of assets was \$11,289,671, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,821,173. The covered payroll (annual payroll of active employees covered by the plan) was \$6,301,160 and the ratio of the UAAL to the covered payroll was 92 percent. In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period, with a 20 percent corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30-year basis.

The schedule of funding progress, presented as 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.

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE J - 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, 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 -100% of the cost of the premiums for health and dental coverage. For fiscal year 2010, the District contributed \$338,887 toward the premium cost of the postemployment benefits for retirees to the District's plan and \$236,393 to a TRS for retired teacher coverage. For fiscal year 2010, total retiree postemployment contributions were \$575,280.

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 OPEB asset to the Retiree Health Plan:

Downers Grove Grade School District No. 58

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

	June 30, 2010
	<u> </u>
Annual required contribution	\$ 441,356
Interest on net OPEB obligation	(5,689)
Adjustment to annual required contribution	<u>3,793</u>
Annual OPEB cost	439,460
Contributions made	<u>575,280</u>
Increase in net OPEB asset	(135,820)
Net OPEB asset beginning of year	<u>(113,780)</u>
Net OPEB asset end of year	\$ <u><u>(249,600)</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for fiscal year 2010 and the two preceding fiscal years were as follows:

<u>Actuarial</u>		<u>Annual</u>	<u>Percentage</u>	
<u>Valuation</u>		<u>OPEB</u>	<u>Annual OPEB</u>	
<u>Date</u>		<u>Cost</u>	<u>Cost</u>	<u>Net OPEB</u>
			<u>Contributed</u>	<u>Asset</u>
6/30/10	\$	439,460	130.9%	\$ (249,600)
6/30/09		461,500	124.7	(113,780)
6/30/08		NA	NA	NA

NA - not available

Downers Grove Grade School District No. 58
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE J - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funding Status and Funding Progress

As of June 30, 2010, 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, 2010

NOTE J - 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, 2010

NOTE K - 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 L - 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 M - CONSTRUCTION COMMITMENTS

The District has certain contracts in various funds for construction projects which were in progress at June 30, 2010. Commitments remaining under these contracts approximated \$3,000,000.

NOTE N - SUBSEQUENT EVENT

Management has evaluated subsequent events through January 6, 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, 2010

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)
12/31/09	\$ 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
12/31/07	13,991,229	15,896,361	88.02	1,905,132	5,511,866	34.56

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$10,838,231. On a market basis, the funded ratio would be 63.34%.

Downers Grove Grade School District No. 58

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS

June 30, 2010

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)
6/30/10	\$ NA	\$ 5,486,203	NA	% \$ 5,486,203	\$ NA	NA %
6/30/09	NA	5,486,203	NA	5,486,203	NA	NA
6/30/08	NA	NA	NA	NA	NA	NA

NA - not available

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenue				
Local sources				
General levy	\$ 37,953,600	\$ 37,814,005	\$ (139,595)	\$ 36,635,023
Tort immunity levy	-	2,889	2,889	-
Corporate personal property replacement taxes	625,000	558,117	(66,883)	692,557
Summer school tuition from pupils or parents	37,000	43,680	6,680	38,635
Special Ed tuition from other Districts	50,000	37,325	(12,675)	-
Interest on investments	181,000	59,346	(121,654)	302,852
Sales to pupils - lunch	405,000	395,739	(9,261)	387,707
Other District/school activity revenue	72,000	63,745	(8,255)	70,510
Rentals - regular textbook	450,000	425,134	(24,866)	430,306
Local fees	32,000	37,853	5,853	29,258
Other	328,250	382,027	53,777	715,587
Total local sources	<u>40,133,850</u>	<u>39,819,860</u>	<u>(313,990)</u>	<u>39,302,435</u>
State sources				
General State Aid	300,000	980,049	680,049	321,321
General State Aid - Supplemental/Hold Harmless	20,000	5,704	(14,296)	41,517
Other Unrest. Grants-In-Aid from State Sources	260,500	-	(260,500)	260,623
Special Education - Private Facility Tuition	300,000	332,726	32,726	307,883
Special Education - Extraordinary	650,000	621,644	(28,356)	912,661
Special Education - Personnel	1,025,000	1,046,978	21,978	993,000
Special Education - Orphanage - Individual	-	64,886	64,886	35,498
Special Education - Orphanage - Summer Individual	500	-	(500)	995
Special Education - Summer School	2,500	2,744	244	2,760
CTE - Other	4,900	-	(4,900)	4,697
Bilingual Education - Downstate - T.P.I. and T.P.E.	27,000	34,138	7,138	19,671
State Free Lunch and Breakfast	3,000	3,705	705	4,769
Early Childhood - Block Grant	145,000	133,824	(11,176)	168,945
Reading Improvement Block Grant	157,000	155,243	(1,757)	175,526
School Safety and Educational Block Grant (Flat Grant)	40,000	40,432	432	161,070
Other state sources	6,500	1,760	(4,740)	6,607
On Behalf Payments to TRS from the State	3,800,000	6,719,648	2,919,648	4,876,643
Total state sources	<u>6,741,900</u>	<u>10,143,481</u>	<u>3,401,581</u>	<u>8,294,186</u>

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Federal sources				
National School Lunch Program	\$ 60,000	\$ 81,616	\$ 21,616	\$ 70,771
Special Milk Program	40,000	38,506	(1,494)	42,988
Title I - Low Income	140,000	173,560	33,560	-
Safe and Drug Free Schools - Formula (Title IV)	9,000	10,078	1,078	7,960
Fed. - Sp. Ed. - Pre-School Flow Through	-	29,726	29,726	-
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	1,150,000	1,163,357	13,357	958,442
Fed. - Sp. Ed. - I.D.E.A. - Room and Board	50,000	29,823	(20,177)	30,307
ARRA General State Aid - Education Stabilization	800,000	163,981	(636,019)	267,768
ARRA IDEA - Part B - Preschool	46,500	44,245	(2,255)	-
ARRA IDEA - Part B - Flow-Through	1,000,000	886,359	(113,641)	-
ARRA General State Aid - Other Govt Svcs Stab.	100,000	54,660	(45,340)	-
Title II - Teacher Quality	150,000	162,036	12,036	133,401
Medicaid Matching Funds - Administrative Outreach	250,000	103,268	(146,732)	180,626
Medicaid Matching Funds - Fee-For-Service-Program	-	99,356	99,356	100,193
Total federal sources	<u>3,795,500</u>	<u>3,040,571</u>	<u>(754,929)</u>	<u>1,792,456</u>
Total revenue	<u>50,671,250</u>	<u>53,003,912</u>	<u>2,332,662</u>	<u>49,389,077</u>
Expenditures				
Instruction				
Regular programs				
Salaries	17,687,346	17,260,070	427,276	17,273,743
Employee benefits	2,975,715	2,112,457	863,258	3,376,529
On-behalf payments to TRS from the state	3,800,000	6,719,648	(2,919,648)	4,876,643
Purchased services	101,750	81,238	20,512	90,068
Supplies and materials	663,023	886,275	(223,252)	549,390
Capital outlay	11,215	4,145	7,070	11,037
Other objects	61,375	59,271	2,104	57,577
Total	<u>25,300,424</u>	<u>27,123,104</u>	<u>(1,822,680)</u>	<u>26,234,987</u>

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Pre-K programs				
Purchased services	\$ -	\$ 100,811	\$ (100,811)	\$ 114,314
Supplies and materials	-	53,745	(53,745)	31,216
Capital outlay	-	261	(261)	807
Other objects	-	2,967	(2,967)	3,433
Total	-	157,784	(157,784)	149,770
Special education programs				
Salaries	4,776,000	4,719,636	56,364	4,546,300
Employee benefits	569,550	646,469	(76,919)	577,890
Purchased services	94,000	23,215	70,785	29,202
Supplies and materials	235,350	157,721	77,629	21,699
Capital outlay	2,500	-	2,500	-
Other objects	700,000	596,476	103,524	621,607
Termination benefits	-	-	-	116,444
Total	6,377,400	6,143,517	233,883	5,913,142
Special education programs pre-K				
Salaries	-	157,585	(157,585)	115,745
Employee benefits	-	29,844	(29,844)	10,315
Purchased services	-	19,919	(19,919)	14,383
Supplies and materials	-	16,363	(16,363)	3,279
Capital outlay	-	2,638	(2,638)	-
Total	-	226,349	(226,349)	143,722
Remedial and Supplemental programs K-12				
Salaries	-	117,821	(117,821)	-
Employee benefits	-	1,575	(1,575)	-
Supplies and materials	-	2,147	(2,147)	-
Total	-	121,543	(121,543)	-

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Interscholastic programs				
Salaries	\$ 92,000	\$ 91,107	\$ 893	\$ 82,785
Employee benefits	700	492	208	426
Purchased services	5,000	7,045	(2,045)	10,109
Supplies and materials	7,900	7,059	841	8,403
Total	<u>105,600</u>	<u>105,703</u>	<u>(103)</u>	<u>101,723</u>
Summer school programs				
Salaries	48,700	69,909	(21,209)	64,566
Employee benefits	1,150	539	611	518
Supplies and materials	7,000	1,421	5,579	5,163
Capital outlay	1,000	1,199	(199)	-
Total	<u>57,850</u>	<u>73,068</u>	<u>(15,218)</u>	<u>70,247</u>
Gifted programs				
Salaries	212,250	195,916	16,334	201,257
Employee benefits	18,750	13,038	5,712	15,557
Purchased services	900	1,549	(649)	800
Supplies and materials	9,080	5,404	3,676	5,688
Capital outlay	1,500	1,798	(298)	3,022
Total	<u>242,480</u>	<u>217,705</u>	<u>24,775</u>	<u>226,324</u>
Bilingual programs				
Salaries	331,300	301,428	29,872	309,303
Employee benefits	37,050	44,733	(7,683)	40,651
Purchased services	1,000	2,346	(1,346)	2,347
Supplies and materials	750	612	138	560
Total	<u>370,100</u>	<u>349,119</u>	<u>20,981</u>	<u>352,861</u>
Total instruction	<u>32,453,854</u>	<u>34,517,892</u>	<u>(2,064,038)</u>	<u>33,192,776</u>

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 627,000	\$ 570,015	\$ 56,985	\$ 562,786
Employee benefits	101,400	97,276	4,124	105,356
Purchased services	500	127	373	147
Supplies and materials	1,950	1,003	947	1,471
Total	<u>730,850</u>	<u>668,421</u>	<u>62,429</u>	<u>669,760</u>
Guidance services				
Salaries	340,000	336,290	3,710	320,961
Employee benefits	50,700	64,333	(13,633)	60,766
Supplies and materials	475	204	271	347
Total	<u>391,175</u>	<u>400,827</u>	<u>(9,652)</u>	<u>382,074</u>
Health services				
Salaries	385,000	348,956	36,044	381,968
Employee benefits	49,700	50,625	(925)	46,779
Purchased services	1,400	1,394	6	621
Supplies and materials	277,929	161,622	116,307	206,339
Total	<u>714,029</u>	<u>562,597</u>	<u>151,432</u>	<u>635,707</u>
Psychological services				
Salaries	385,000	373,574	11,426	374,117
Employee benefits	64,950	68,604	(3,654)	68,660
Purchased services	800	134	666	227
Supplies and materials	2,500	1,649	851	1,644
Total	<u>453,250</u>	<u>443,961</u>	<u>9,289</u>	<u>444,648</u>

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Speech pathology and audiology services				
Salaries	\$ 860,000	\$ 810,617	\$ 49,383	\$ 836,406
Employee benefits	107,200	117,799	(10,599)	115,902
Purchased services	5,000	349	4,651	342
Supplies and materials	1,950	820	1,130	1,150
Total	<u>974,150</u>	<u>929,585</u>	<u>44,565</u>	<u>953,800</u>
Total pupils	<u>3,263,454</u>	<u>3,005,391</u>	<u>258,063</u>	<u>3,085,989</u>
Instructional staff				
Improvement of instruction services				
Salaries	1,664,400	1,591,389	73,011	1,620,766
Employee benefits	162,050	175,625	(13,575)	185,136
Purchased services	43,800	10,152	33,648	31,758
Supplies and materials	76,000	42,552	33,448	28,096
Capital outlay	-	-	-	11,060
Total	<u>1,946,250</u>	<u>1,819,718</u>	<u>126,532</u>	<u>1,876,816</u>
Educational media services				
Salaries	2,040,100	2,031,108	8,992	1,832,149
Employee benefits	348,490	371,431	(22,941)	325,758
Purchased services	462,900	489,386	(26,486)	372,825
Supplies and materials	498,300	746,063	(247,763)	575,133
Capital outlay	398,500	76,532	321,968	214,129
Other objects	15,550	18,135	(2,585)	-
Total	<u>3,763,840</u>	<u>3,732,655</u>	<u>31,185</u>	<u>3,319,994</u>
Assessment and testing				
Purchased services	84,000	91,046	(7,046)	96,086
Total	<u>84,000</u>	<u>91,046</u>	<u>(7,046)</u>	<u>96,086</u>
Total instructional staff	<u>5,794,090</u>	<u>5,643,419</u>	<u>150,671</u>	<u>5,292,896</u>

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
General administration				
Board of education services				
Salaries	\$ 12,000	\$ 12,509	\$ (509)	\$ 7,896
Purchased services	668,800	505,096	163,704	672,769
Capital outlay	10,000	-	10,000	-
Other objects	-	36,797	(36,797)	-
Total	690,800	554,402	136,398	680,665
Executive administration services				
Salaries	581,400	566,995	14,405	548,176
Employee benefits	213,100	224,774	(11,674)	200,959
Purchased services	44,550	50,617	(6,067)	61,482
Supplies and materials	22,000	20,088	1,912	19,306
Capital outlay	-	(280)	280	280
Other objects	10,000	896	9,104	2,375
Total	871,050	863,090	7,960	832,578
Total general administration	1,561,850	1,417,492	144,358	1,513,243
Office of the principal services				
Salaries	2,211,000	2,297,323	(86,323)	2,214,662
Employee benefits	790,800	826,152	(35,352)	819,388
Purchased services	303,600	307,675	(4,075)	305,102
Total	3,305,400	3,431,150	(125,750)	3,339,152
Total school administration	3,305,400	3,431,150	(125,750)	3,339,152

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services				
Salaries	\$ 156,100	\$ 138,831	\$ 17,269	\$ 151,499
Employee benefits	10,230	15,196	(4,966)	6,712
Purchased services	62,250	65,572	(3,322)	50,130
Total	<u>228,580</u>	<u>219,599</u>	<u>8,981</u>	<u>208,341</u>
Fiscal services				
Salaries	181,700	185,395	(3,695)	178,310
Employee benefits	46,200	31,791	14,409	39,419
Purchased services	6,500	6,165	335	-
Total	<u>234,400</u>	<u>223,351</u>	<u>11,049</u>	<u>217,729</u>
Operation and maintenance of plant services				
Purchased services	15,000	9,799	5,201	15,103
Total	<u>15,000</u>	<u>9,799</u>	<u>5,201</u>	<u>15,103</u>
Food services				
Salaries	30,993	30,060	933	30,662
Purchased services	495,500	472,662	22,838	459,127
Supplies and materials	2,000	872	1,128	1,383
Capital outlay	5,000	2,550	2,450	14,674
Total	<u>533,493</u>	<u>506,144</u>	<u>27,349</u>	<u>505,846</u>
Internal services				
Salaries	84,700	86,834	(2,134)	93,722
Employee benefits	25,340	25,128	212	24,442
Purchased services	1,950	2,241	(291)	1,300
Total	<u>111,990</u>	<u>114,203</u>	<u>(2,213)</u>	<u>119,464</u>
Total business	<u>1,123,463</u>	<u>1,073,096</u>	<u>50,367</u>	<u>1,066,483</u>

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Central				
Direction of central support services				
Salaries	\$ 150,000	\$ 149,341	\$ 659	\$ 104,951
Employee benefits	49,800	67,465	(17,665)	36,763
Purchased services	<u>2,500</u>	<u>2,340</u>	<u>160</u>	<u>110</u>
Total	<u>202,300</u>	<u>219,146</u>	<u>(16,846)</u>	<u>141,824</u>
Information services				
Salaries	62,400	59,403	2,997	53,763
Employee benefits	25,300	25,048	252	25,577
Purchased services	<u>80,000</u>	<u>67,623</u>	<u>12,377</u>	<u>76,554</u>
Total	<u>167,700</u>	<u>152,074</u>	<u>15,626</u>	<u>155,894</u>
Staff services				
Salaries	66,300	65,854	446	62,858
Employee benefits	32,680	29,294	3,386	28,425
Purchased services	20,700	5,560	15,140	(1,634)
Supplies and materials	<u>6,200</u>	<u>(656)</u>	<u>6,856</u>	<u>14,142</u>
Total	<u>125,880</u>	<u>100,052</u>	<u>25,828</u>	<u>103,791</u>
Total central	<u>495,880</u>	<u>471,272</u>	<u>24,608</u>	<u>401,509</u>
Other supporting services				
Employee benefits	680,400	910,586	(230,186)	691,429
Other objects	<u>-</u>	<u>7,872</u>	<u>(7,872)</u>	<u>-</u>
Total	<u>680,400</u>	<u>918,458</u>	<u>(238,058)</u>	<u>691,429</u>
Total support services	<u>16,224,537</u>	<u>15,960,278</u>	<u>264,259</u>	<u>15,390,701</u>

(Continued)

Downers Grove Grade School District No. 58
 General (Educational) Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Payments to Other Districts and Gov't Units				
Payments for regular programs				
Other objects	\$ 1,340,000	\$ -	\$ 1,340,000	\$ -
Total	<u>1,340,000</u>	<u>-</u>	<u>1,340,000</u>	<u>-</u>
Payments for special education programs				
Other objects	<u>-</u>	<u>1,780,326</u>	<u>(1,780,326)</u>	<u>1,180,781</u>
Total	<u>-</u>	<u>1,780,326</u>	<u>(1,780,326)</u>	<u>1,180,781</u>
Total payments to other districts and Gov't units	<u>1,340,000</u>	<u>1,780,326</u>	<u>(440,326)</u>	<u>1,180,781</u>
Total expenditures	<u>50,018,391</u>	<u>52,258,496</u>	<u>(2,240,105)</u>	<u>49,764,258</u>
Excess (deficiency) of revenues over expenditures	<u>652,859</u>	<u>745,416</u>	<u>92,557</u>	<u>(375,181)</u>
Other financing sources				
Permanent transfer from working cash fund - abolishment/abatement	-	-	-	1,000,000
Permanent transfer from working cash fund - interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,240,000</u>
Net change to fund balance	<u>\$ 652,859</u>	<u>745,416</u>	<u>\$ 92,557</u>	<u>864,819</u>
Fund balance, beginning of year		<u>12,081,586</u>		<u>11,216,767</u>
Fund balance, end of year		<u>\$ 12,827,002</u>		<u>\$ 12,081,586</u>

(Concluded)

Downers Grove Grade School District No. 58
 Operations and Maintenance Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Revenue				
Local sources				
General levy	\$ 3,721,000	\$ 3,724,638	\$ 3,638	\$ 3,553,146
Corporate personal property replacement taxes	100,000	90,081	(9,919)	112,741
Interest on investments	66,000	6,230	(59,770)	69,111
Rentals	120,000	148,471	28,471	149,215
Contributions and donations from private sources	20,000	-	(20,000)	-
Impact fees from municipal or county gov'ts	50,000	1,939	(48,061)	18,748
Refund of prior years' expenditures	-	-	-	10,326
Other	<u>5,000</u>	<u>48,656</u>	<u>43,656</u>	<u>179,689</u>
Total local sources	<u>4,082,000</u>	<u>4,020,015</u>	<u>(61,985)</u>	<u>4,092,976</u>
State sources				
General State Aid	-	-	-	584,432
General State Aid - Supplemental/Hold Harmless	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Total state sources	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>584,432</u>
Total revenue	<u>4,132,000</u>	<u>4,020,015</u>	<u>(111,985)</u>	<u>4,677,408</u>

(Continued)

Downers Grove Grade School District No. 58
 Operations and Maintenance Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	\$ -	\$ 4,512	\$ (4,512)	\$ 35,754
Capital outlay	35,000	44,526	(9,526)	149,213
Total	35,000	49,038	(14,038)	184,967
Operation and maintenance of plant services				
Salaries	2,095,000	1,854,036	240,964	2,035,074
Employee benefits	557,000	476,414	80,586	581,739
Purchased services	518,600	438,299	80,301	592,475
Supplies and materials	1,060,500	925,778	134,722	1,040,241
Capital outlay	10,000	5,998	4,002	15,966
Total business	4,276,100	3,749,563	526,537	4,450,462
Total support services	4,276,100	3,749,563	526,537	4,450,462
Total expenditures	4,276,100	3,749,563	526,537	4,450,462
Excess (deficiency) of revenue over expenditures	(144,100)	270,452	414,552	226,946

(Continued)

Downers Grove Grade School District No. 58
 Operations and Maintenance Fund
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources (uses)				
Permanent transfer	\$ -	\$ -	\$ -	\$ 2,000,000
Transfer to capital projects fund	-	-	-	<u>(3,267,834)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,267,834)</u>
Net change in fund balance	<u>\$ (144,100)</u>	270,452	<u>\$ 414,552</u>	(1,040,888)
Fund balance, beginning of year		<u>2,377,474</u>		<u>3,418,362</u>
Fund balance, end of year		<u>\$ 2,647,926</u>		<u>\$ 2,377,474</u>

(Concluded)

Downers Grove Grade School District No. 58
Transportation Fund
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Revenue				
Local sources				
General levy	\$ 1,520,500	\$ 1,515,560	\$ (4,940)	\$ 1,344,925
Regular transportation fees from pupils or parents	6,500	4,144	(2,356)	3,426
Interest on investments	32,000	1,715	(30,285)	61,501
Other	1,000	-	(1,000)	-
Total local sources	<u>1,560,000</u>	<u>1,521,419</u>	<u>(38,581)</u>	<u>1,409,852</u>
State sources				
Transportation - Regular/Vocational	200,000	620,799	420,799	-
Transportation - Special Education	450,000	443,518	(6,482)	452,249
Total state sources	<u>650,000</u>	<u>1,064,317</u>	<u>414,317</u>	<u>452,249</u>
Total revenue	<u>2,210,000</u>	<u>2,585,736</u>	<u>375,736</u>	<u>1,862,101</u>
Expenditures				
Support services				
Business				
Pupil transportation services Purchased services	2,493,446	2,140,523	352,923	2,811,543
Total support services	<u>2,493,446</u>	<u>2,140,523</u>	<u>352,923</u>	<u>2,811,543</u>

(Continued)

Downers Grove Grade School District No. 58
Transportation Fund
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Payments to other districts and Gov't units				
Other payments to in-state governmental units				
Other objects	\$ 50,000	\$ -	\$ 50,000	\$ 92,272
Total	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>92,272</u>
Total payments to other districts and Gov't units	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>92,272</u>
Total expenditures	<u>2,543,446</u>	<u>2,140,523</u>	<u>402,923</u>	<u>2,903,815</u>
Excess (deficiency) of revenues over expenditures	<u>(333,446)</u>	<u>445,213</u>	<u>778,659</u>	<u>(1,041,714)</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - interest	150,000	74,725	(75,275)	-
Permanent transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>150,000</u>	<u>74,725</u>	<u>(75,275)</u>	<u>(2,000,000)</u>
Net change in fund balance	<u>\$ (183,446)</u>	519,938	<u>\$ 703,384</u>	(3,041,714)
Fund balance, beginning of year		<u>382,169</u>		<u>3,423,883</u>
Fund balance, end of year		<u>\$ 902,107</u>		<u>\$ 382,169</u>

(Concluded)

Downers Grove Grade School District No. 58
Municipal Retirement / Social Security Fund
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Revenue				
Local sources				
General levy	\$ 822,500	\$ 816,985	\$ (5,515)	\$ 671,104
Social security/medicare only levy	670,000	679,504	9,504	588,231
Corporate personal property replacement taxes	17,000	17,161	161	17,161
Interest on investments	<u>27,200</u>	<u>2,631</u>	<u>(24,569)</u>	<u>26,692</u>
Total local sources	<u>1,536,700</u>	<u>1,516,281</u>	<u>(20,419)</u>	<u>1,303,188</u>
Total revenue	<u>1,536,700</u>	<u>1,516,281</u>	<u>(20,419)</u>	<u>1,303,188</u>
Expenditures				
Instruction				
Regular programs	248,260	304,375	(56,115)	304,253
Pre-K programs	68,000	8,644	59,356	-
Special education programs	380,000	386,581	(6,581)	371,438
Remedial and supplemental programs pre-K	-	21,627	(21,627)	-
Summer school programs	2,450	5,433	(2,983)	4,710
Gifted programs	5,100	4,282	818	4,226
Bilingual programs	<u>3,800</u>	<u>3,966</u>	<u>(166)</u>	<u>3,933</u>
Total instruction	<u>707,610</u>	<u>734,908</u>	<u>(27,298)</u>	<u>688,560</u>

(Continued)

Downers Grove Grade School District No. 58
Municipal Retirement / Social Security Fund
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 7,500	\$ 9,055	\$ (1,555)	\$ 7,693
Guidance services	4,500	4,821	(321)	4,529
Health services	9,350	10,563	(1,213)	10,925
Psychological services	5,800	5,337	463	5,286
Speech pathology and audiology services	<u>12,000</u>	<u>11,821</u>	<u>179</u>	<u>12,007</u>
Total pupils	<u>39,150</u>	<u>41,597</u>	<u>(2,447)</u>	<u>40,440</u>
Instructional staff				
Improvement of instruction services	400	83,258	(82,858)	78,698
Educational media services	<u>219,100</u>	<u>147,146</u>	<u>71,954</u>	<u>131,845</u>
Total instructional staff	<u>219,500</u>	<u>230,404</u>	<u>(10,904)</u>	<u>210,543</u>
General administration				
Board of education services	2,500	2,451	49	2,239
Executive administration services	15,500	15,455	45	13,746
Special area administrative services	<u>7,200</u>	<u>2,072</u>	<u>5,128</u>	<u>3,837</u>
Total general administration	<u>25,200</u>	<u>19,978</u>	<u>5,222</u>	<u>19,822</u>
School administration				
Office of the principal services	<u>131,500</u>	<u>136,173</u>	<u>(4,673)</u>	<u>121,152</u>
Total school administration	<u>131,500</u>	<u>136,173</u>	<u>(4,673)</u>	<u>121,152</u>

(Continued)

Downers Grove Grade School District No. 58
Municipal Retirement / Social Security Fund
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services	\$ 62,200	\$ 90,416	\$ (28,216)	\$ 84,650
Operation and maintenance of plant services	398,800	388,347	10,453	373,942
Food services	<u>6,150</u>	<u>5,918</u>	<u>232</u>	<u>5,821</u>
Total business	<u>467,150</u>	<u>484,681</u>	<u>(17,531)</u>	<u>464,413</u>
Central				
Direction of central support services	9,100	9,289	(189)	7,711
Information services	11,850	11,640	210	10,867
Staff services	12,650	12,907	(257)	11,925
Data processing services	<u>3,600</u>	<u>3,751</u>	<u>(151)</u>	<u>3,515</u>
Total central	<u>37,200</u>	<u>37,587</u>	<u>(387)</u>	<u>34,018</u>
Total support services	<u>919,700</u>	<u>950,420</u>	<u>(30,720)</u>	<u>890,388</u>
Total expenditures	<u>1,627,310</u>	<u>1,685,328</u>	<u>(58,018)</u>	<u>1,578,948</u>
Deficiency of revenues over expenditures	<u>\$ (90,610)</u>	(169,047)	<u>\$ (78,437)</u>	(275,760)
Fund balance, beginning of year		<u>874,439</u>		<u>1,150,199</u>
Fund balance, end of year		<u>\$ 705,392</u>		<u>\$ 874,439</u>

(Concluded)

Downers Grove Grade School District No. 58
Working Cash Fund
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Revenue				
Local sources				
General levy	\$ 122,500	\$ 119,438	\$ (3,062)	\$ 134,786
Interest on investments	<u>150,500</u>	<u>59,328</u>	<u>(91,172)</u>	<u>207,213</u>
Total local sources	<u>273,000</u>	<u>178,766</u>	<u>(94,234)</u>	<u>341,999</u>
Total revenue	<u>273,000</u>	<u>178,766</u>	<u>(94,234)</u>	<u>341,999</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>273,000</u>	<u>178,766</u>	<u>(94,234)</u>	<u>341,999</u>
Other financing uses				
Permanent transfer of working cash fund - abolishment	-	-	-	(1,000,000)
Permanent transfer of working cash fund - interest	<u>(150,000)</u>	<u>(74,725)</u>	<u>75,275</u>	<u>(240,000)</u>
Total other financing uses	<u>(150,000)</u>	<u>(74,725)</u>	<u>75,275</u>	<u>(1,240,000)</u>
Net change in fund balance	<u>\$ 123,000</u>	104,041	<u>\$ (18,959)</u>	(898,001)
Fund balance, beginning of year		<u>9,714,819</u>		<u>10,612,820</u>
Fund balance, end of year		<u>\$ 9,818,860</u>		<u>\$ 9,714,819</u>

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2010

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year 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) Management is authorized to transfer budget amounts, provided that funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) 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.
- g) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 14, 2009.
- h) All budget appropriations lapse at the end of the fiscal year.

Downers Grove Grade School District No. 58
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2010

2. EXPENDITURES IN EXCESS OF BUDGETS

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

	<u>Variance</u>
Education Fund	\$ 2,204,105
Municipal Retirement / Social Security Fund	58,018
Debt Service Fund	175,641
Fire Prevention and Safety Fund	57,442

SUPPLEMENTARY FINANCIAL INFORMATION

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, 2010

With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010		Variance From Final Budget	2009 Actual
	Original and Final Budget	Actual		
Revenue				
Local sources				
General levy	\$ 1,230,500	\$ 1,818,925	\$ 588,425	\$ 1,209,803
Interest on investments	<u>12,000</u>	<u>67</u>	<u>(11,933)</u>	<u>8,732</u>
Total local sources	<u>1,242,500</u>	<u>1,818,992</u>	<u>576,492</u>	<u>1,218,535</u>
Federal sources				
Build America Bonds Interest Reimbursement	<u>-</u>	<u>31,571</u>	<u>31,571</u>	<u>-</u>
Total federal sources	<u>-</u>	<u>31,571</u>	<u>31,571</u>	<u>-</u>
Total revenue	<u>1,242,500</u>	<u>1,850,563</u>	<u>608,063</u>	<u>1,218,535</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds - interest	<u>176,000</u>	<u>322,160</u>	<u>(146,160)</u>	<u>213,325</u>
Total debt service - interest	<u>176,000</u>	<u>322,160</u>	<u>(146,160)</u>	<u>213,325</u>
Principal payments on long-term debt	<u>1,045,000</u>	<u>1,045,000</u>	<u>-</u>	<u>1,000,000</u>
Other debt service				
Purchased services	<u>-</u>	<u>29,481</u>	<u>(29,481)</u>	<u>-</u>
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>
Total	<u>-</u>	<u>29,481</u>	<u>(29,481)</u>	<u>175</u>
Total expenditures	<u>1,221,000</u>	<u>1,396,641</u>	<u>(175,641)</u>	<u>1,213,500</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, 2010

With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Excess of revenues over expenditures	\$ 21,500	\$ 453,922	\$ 432,422	\$ 5,035
Other financing sources (uses)				
Principal on bonds sold	-	2,775,000	2,775,000	-
Premium on bonds sold	-	65,268	65,268	-
Deposit with escrow agent	-	<u>(2,837,672)</u>	<u>(2,837,672)</u>	-
Total other financing sources (uses)	-	<u>2,596</u>	<u>2,596</u>	-
Net change in fund balance	<u>\$ 21,500</u>	456,518	<u>\$ 435,018</u>	5,035
Fund balance, beginning of year		<u>643,161</u>		<u>638,126</u>
Fund balance, end of year		<u>\$ 1,099,679</u>		<u>\$ 643,161</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, 2010
 With Comparative Actual Amounts for the Year Ended June 30, 2009

	2010			2009 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenue				
Local sources				
Interest on investments	\$ 50,000	\$ 16,296	\$ (33,704)	\$ -
Total revenue	<u>50,000</u>	<u>16,296</u>	<u>(33,704)</u>	<u>-</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	500,000	360,131	139,869	16,523
Capital outlay	<u>2,000,000</u>	<u>2,197,311</u>	<u>(197,311)</u>	<u>-</u>
Total support services	<u>2,500,000</u>	<u>2,557,442</u>	<u>(57,442)</u>	<u>16,523</u>
Total expenditures	<u>2,500,000</u>	<u>2,557,442</u>	<u>(57,442)</u>	<u>16,523</u>
Deficiency of revenues over expenditures	<u>(2,450,000)</u>	<u>(2,541,146)</u>	<u>(91,146)</u>	<u>(16,523)</u>
Other financing sources				
Principal on bonds sold	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 7,550,000</u>	7,458,854	<u>\$ (91,146)</u>	(16,523)
Fund balance, beginning of year		<u>-</u>		<u>16,523</u>
Fund balance, end of year		<u>\$ 7,458,854</u>		<u>\$ -</u>

Donwers Grove Grade School District No. 58
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets				
Cash and cash equivalents	\$ 90,126	\$ 766,260	\$ 772,843	\$ 83,543
Liabilities				
Due to student groups				
Belle Aire	\$ 1,379	\$ 56,867	\$ 54,371	\$ 3,875
El Sierra	4,343	42,474	45,716	1,101
Fairmount	3,539	30,321	31,564	2,296
Henry Puffer	3,152	43,225	45,179	1,198
Highland	5,217	45,891	45,567	5,541
Hillcrest	2,987	53,275	53,604	2,658
Indian Trail	5,406	37,310	37,678	5,038
Kingsley	6,190	62,458	61,222	7,426
Lester	990	49,156	53,338	(3,192)
Pierce Downer	11,048	122,272	123,802	9,518
Whittier	9,673	51,939	53,029	8,583
Herrick Middle	16,820	124,664	118,930	22,554
O'Neill Middle	19,382	46,408	48,843	16,947
	<u>\$ 90,126</u>	<u>\$ 766,260</u>	<u>\$ 772,843</u>	<u>\$ 83,543</u>

OTHER SUPPLEMENTAL INFORMATION

Downers Grove Grade School District No. 58

GENERAL LONG-TERM DEBT SCHEDULE OF GENERAL OBLIGATION BONDS Year Ended June 30, 2010

	Maturity as follows for the Year			Total
	<u>Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	
General Obligation Bonds	2011	\$ 930,000	\$ 46,200	\$ 976,200
Series 2010A, due	2012	915,000	27,750	942,750
December 15, 2012	2013	<u>930,000</u>	<u>9,300</u>	<u>939,300</u>
 Total		 <u>\$ 2,775,000</u>	 <u>\$ 83,250</u>	 <u>\$ 2,858,250</u>
 * General Obligation Bonds	2011	\$ -	\$ 364,170	\$ 364,170
Series 2010B, due	2012	-	364,170	364,170
December 15, 2022	2013	-	364,170	364,170
	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	<u>170,000</u>	<u>3,952</u>	<u>173,952</u>
 Total		 <u>\$ 10,000,000</u>	 <u>\$ 3,004,940</u>	 <u>\$ 13,004,940</u>
 Total general obligation bonds payable		 <u>\$ 12,775,000</u>	 <u>\$ 3,088,190</u>	 <u>\$ 15,863,190</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>4,385</u>	<u>4,381</u>
Operating costs:		
Educational	\$ 45,538,848	\$ 44,887,615
Operations and Maintenance	3,749,563	4,450,462
Debt Service	1,430,021	1,213,500
Transportation	2,140,523	2,903,815
Municipal Retirement/Social Security	<u>1,685,328</u>	<u>1,578,948</u>
Subtotal	<u>54,544,283</u>	<u>55,034,340</u>
Less Revenues/Expenditures of Nonregular Programs:		
Early childhood	157,991	293,492
Summer school	77,302	74,957
Capital outlay	139,106	419,381
Debt principal retired	1,045,000	1,000,000
Nonprogrammed charges	<u>1,780,326</u>	<u>1,273,053</u>
Subtotal	<u>3,199,725</u>	<u>3,060,883</u>
Operating costs	<u>\$ 51,344,558</u>	<u>\$ 51,973,457</u>
Operating costs per pupil - based on ADA	<u>\$ 11,709</u>	<u>\$ 11,864</u>
Tuition Charge		
Operating costs	\$ 51,344,558	\$ 51,973,457
Less - revenues from specific programs, such as special education or lunch programs	<u>6,104,077</u>	<u>5,672,496</u>
Net operating costs	45,240,481	46,300,961
Depreciation allowance	<u>610,983</u>	<u>1,448,633</u>
Allowance tuition costs	<u>\$ 45,851,464</u>	<u>\$ 47,749,594</u>
Tuition charge per pupil - based on ADA	<u>\$ 10,456</u>	<u>\$ 10,900</u>