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**LAKE PARK HIGH SCHOOL  
DISTRICT NO. 108  
DUPAGE COUNTY, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2010**

LAKE PARK HIGH SCHOOL DISTRICT NO. 108

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## INDEPENDENT AUDITORS' OPINION

To the Board of Education  
Lake Park High School District No. 108  
Roselle, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Lake Park High School District No. 108

as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lake Park High School District No. 108's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Lake Park High School District No. 108 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2010 on our consideration of Lake Park High School District No. 108's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 5 through 9 and 38 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Park High School District No. 108's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Lake Park High School District No. 108. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, 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.

As discussed in Note 20 to the financial statements, the District implemented GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.



EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 7, 2010



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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education  
Lake Park High School District No. 108  
Roselle, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Lake Park High School District No. 108

as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lake Park High School District No. 108's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake Park High School District No. 108's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we consider the following deficiency in internal control over financial reporting to be a material weakness, as defined above: management relies on the auditor to prepare the financial statements.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake Park High School District No. 108's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lake Park High School District No. 108's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Lake Park High School District No. 108's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 7, 2010

REQUIRED SUPPLEMENTARY INFORMATION

# **LAKE PARK HIGH SCHOOL DISTRICT NO. 108**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2010

The Management's Discussion and Analysis of Lake Park High School District No. 108's (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.

### **FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded its liabilities at June 30, 2010 by \$32,744,464 (net assets).
- The District's total net assets increased by \$1,815,295.
- At June 30, 2010, the District reported combined ending fund balances of \$5,610,850, a decrease of \$477,146 in comparison with the prior year. \$5,574,304 of this amount is available for spending at the District's discretion (unreserved fund balance).
- At June 30, 2010, the unreserved fund balance for the Educational Fund was a deficit of \$575,326.
- The District's total long-term debt decreased by \$2,387,902 during the year ended June 30, 2010 due mainly to scheduled repayments of long-term debt.

### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise 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 themselves.

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

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

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 (e.g., intergovernmental receivables).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operations and maintenance, student transportation, food services, and certain other activities and expenses such as payments to other districts and governmental units, interest and fees, and unallocated depreciation.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

*Governmental 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 government'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 District'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 fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the Educational, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, Capital Projects, and Working Cash Funds, all of which the District considers to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 12 through 15 and the required supplementary information can be found on pages 38 through 50 of this report.

*Fiduciary Funds* - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary fund financial statement can be found on page 16 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 37 of this report.

**Other Information** - In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also presents certain supplementary information concerning the District's progress in meeting its obligation to provide fully adequate educational services and extracurricular activities to all of its resident's students.

Supplemental financial information can be found on pages 51 through 58 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$32,744,464 at June 30, 2010.

The following table presents a summary of the District's net assets for the years ended June 30, 2010 and 2009:

Lake Park High School District No. 108's Net Assets

	Governmental Activities	
	2010	2009
Current and Other Assets	\$ 55,805,047	\$ 51,402,703
Capital Assets	81,942,260	82,339,059
Total Assets	<u>\$ 137,747,307</u>	<u>\$ 133,741,762</u>
Long-Term Liabilities Outstanding	\$ 58,685,625	\$ 56,318,799
Other Liabilities	46,317,218	46,493,794
Total Liabilities	<u>\$ 105,002,843</u>	<u>\$ 102,812,593</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 28,371,812	\$ 26,811,843
Restricted	6,670,075	7,392,850
Unrestricted	(2,297,423)	(3,275,524)
Total Net Assets	<u>\$ 32,744,464</u>	<u>\$ 30,929,169</u>

By far the largest portion of the District's net assets (87 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, etc.); less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide educational services and extracurricular activities for the students of the local community; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of changes in net assets for the years ended June 30, 2010 and 2009:

Lake Park High School District No. 108's Change in Net Assets

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,240,821	\$ 2,697,467
Operating Grants and Contributions	7,515,093	6,112,103
Capital Grants and Contributions	64,520	19,288
General Revenues:		
Property Taxes	40,473,853	38,313,018
Other Payments in Lieu of Taxes	535,258	631,837
Grants and Contributions not Restricted to Specific Activities	1,273,036	1,189,769
Unrestricted Investment Earnings	272,513	899,500
Other	(23,938)	(197,533)
Total Revenues	<u>\$ 53,351,156</u>	<u>\$ 49,665,449</u>
Expenses:		
Instruction		
Regular Programs	\$ 13,839,157	\$ 13,232,346
Special Education Programs	2,800,913	2,291,124
Other Instructional Programs	4,760,564	4,367,543
Support Services		
Pupils	3,793,730	3,695,028
Instructional Staff	2,087,834	2,038,973
General Administration	903,087	862,750
School Administration	1,087,488	1,363,890
Business	1,050,330	1,043,398
Facilities Acquisition and Construction	669,860	598,771
Operations and Maintenance	4,933,246	5,101,523
Transportation	2,294,489	2,210,151
Food Services	1,245,060	1,326,270
Central	811,454	1,002,371
Other Support Services	373	563
Community Services	13,149	8,279
Payments to Other Districts and Governmental Units	3,223,424	3,327,679
Interest and Fees on Long-Term Debt	2,726,336	2,823,756
On-Behalf Retirement Contributions	4,683,837	3,314,792
Depreciation - Unallocated	611,530	610,437
Total Expenses	<u>\$ 51,535,861</u>	<u>\$ 49,219,644</u>
Change in Net Assets	\$ 1,815,295	\$ 445,805
Net Assets - Beginning of Fiscal Year	30,929,169	30,483,364
Net Assets - End of Fiscal Year	<u>\$ 32,744,464</u>	<u>\$ 30,929,169</u>

The District's total revenues increased \$3,685,707 (7 percent) compared to the prior year. The most significant factors of this increase were an increase in operating grants and contributions of \$1,402,990 (mostly On-Behalf Retirement Contributions) and an increase in property tax revenue of \$2,160,835 offset by decreases in investment earnings of \$626,987.

Overall expenditures increased \$2,316,217 (5 percent) compared to the prior year. Significant increases in On-Behalf Retirement Contributions contributed to this increase. Other costs increased due to growth in the demand for services.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2010, the District funds reported combined ending fund balances of \$5,610,850, a decrease of \$477,146 in comparison with the prior year.

The Educational Fund is the chief operating fund of the District. At June 30, 2010, total fund balance was a deficit of \$575,326. As a measure of the Educational Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents less than 0 percent of total Educational Fund expenditures.

The remaining six funds had a combined unreserved fund balance of \$6,149,630.

## EDUCATIONAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues exceeded actual revenues by \$362,635.

Budgeted expenditures exceeded actual expenditures by \$140,737.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets** – The District's investment in capital assets as of June 30, 2010 amounts to \$81,942,260 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, and equipment.

Major capital asset events during the year ended June 30, 2010 include the following:

- Building additions of \$1,137,349 for the Administration Center, including prior year construction in progress of \$393,872.
- Equipment additions of \$511,725.
- Loss on the disposal of equipment of \$23,938.

The following table presents a summary of capital assets for the years ended June 30, 2010 and 2009:

Lake Park High School District No. 108's Capital Assets (net of depreciation)

	Governmental Activities	
	2010	2009
Land	\$ 558,191	\$ 558,191
Construction in Progress	13,044	393,872
Buildings	74,066,024	74,004,644
Improvements Other than Buildings	2,402,254	2,496,239
Equipment	4,902,747	4,886,113
Total	<u>\$ 81,942,260</u>	<u>\$ 82,339,059</u>

Further detail of the District's capital assets can be found in Note 3 on pages 22 and 23 of this report.

**Long-term debt** – At June 30, 2010, the District had total debt outstanding of \$53,707,922.

The following table presents a summary of outstanding debt for the years ended June 30, 2010 and 2009:

Lake Park High School District No. 108's Outstanding Debt

	Governmental Activities	
	2010	2009
General Obligation Bonds	\$ 51,110,000	\$ 53,225,000
Debt Certificates	2,305,000	2,490,000
Lease/Purchase Agreements	292,922	380,824
Total	<u>\$ 53,707,922</u>	<u>\$ 56,095,824</u>

Major debt transactions during the year ended June 30, 2010 include the following:

- Principal payments on all debt were \$2,389,149.

Further detail of the District's debt obligations can be found in Note 4 on pages 23 through 25 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Lake Park High School District No. 108's Board of Education continues to emphasize the importance of a balanced budget. The Board of Education has established a Finance Committee that meets on a monthly basis to discuss the curricular and financial status of the District. It must be noted that the Board of Education has approved a balanced budget for fiscal years 2009, 2010, and 2011. The previous audit reports conclude that the actual activity during these fiscal years support this initiative.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate its accountability for the money it receives. If there are questions about this report or additional information is needed please contact the District at the following address:

Lake Park High School District No. 108  
590 S. Medinah Road  
Roselle, IL 60172

## BASIC FINANCIAL STATEMENTS

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 9,830,141
Investments, at Fair Value	17,926,867
Accrued Interest Receivable, net of allowance of \$0	32,694
Other Accounts Receivable, net of allowance of \$0	24,517
Property Taxes Receivable, net of allowance of \$139,885	21,730,815
Due from Other Governments, net of allowance of \$0	1,159,344
Prepaid Expenses	344,634
Debt Issuance Costs, net of amortization	312,692
Net OPEB Asset	188,271
Deferred Derivative Outflows	4,255,072
Capital Assets (Note 3):	
Land	558,191
Construction in Progress	13,044
Depreciable Buildings, Property, and Equipment, net of depreciation	<u>81,371,025</u>
 Total Assets	 <u>\$ 137,747,307</u>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	\$ 2,347,764
Accrued Payroll and Payroll Liabilities	2,807,924
Payable to Other Governments	44
Deferred Revenue	41,161,486
Long-Term Liabilities	
Due Within One Year	3,078,035
Due in More Than One Year	<u>55,607,590</u>
 Total Liabilities	 <u>\$ 105,002,843</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, net of related debt	\$ 28,371,812
Restricted for:	
Debt Service	371,679
Retirement	36,546
Future Capital Projects	1,350,129
Working Cash	4,911,721
Unrestricted/(Deficit)	<u>(2,297,423)</u>
 Total Net Assets	 <u>\$ 32,744,464</u>

The Notes to Financial Statements are an integral part of this statement.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 13,839,157	\$ 1,160,806	\$ 117,503	\$ -	\$ (12,560,848)
Special Education Programs	2,800,913	499,252	1,113,513	-	(1,188,148)
Other Instructional Programs	4,760,564	210,182	143,908	-	(4,406,474)
Support Services					
Pupils	3,793,730	-	75,320	-	(3,718,410)
Instructional Staff	2,087,834	-	-	-	(2,087,834)
General Administration	903,087	-	-	-	(903,087)
School Administration	1,087,488	-	-	-	(1,087,488)
Business	1,050,330	-	-	-	(1,050,330)
Facilities Acquisition and Construction	669,860	-	-	-	(669,860)
Operations and Maintenance	4,933,246	233,669	-	64,520	(4,635,057)
Transportation	2,294,489	9,367	765,729	-	(1,519,393)
Food Services	1,245,060	1,127,545	4,474	-	(113,041)
Central	811,454	-	-	-	(811,454)
Other Support Services	373	-	-	-	(373)
Community Services	13,149	-	-	-	(13,149)
Payments to Other Districts and Governmental Units	3,223,424	-	610,809	-	(2,612,615)
Interest and Fees on Long-Term Debt	2,726,336	-	-	-	(2,726,336)
On-Behalf Retirement Contributions	4,683,837	-	4,683,837	-	-
Depreciation - Unallocated	611,530	-	-	-	(611,530)
<b>Total Governmental Activities</b>	<b>\$ 51,535,861</b>	<b>\$ 3,240,821</b>	<b>\$ 7,515,093</b>	<b>\$ 64,520</b>	<b>\$ (40,715,427)</b>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					\$ 35,664,352
Property Taxes, Levied for Debt Service					4,809,501
Other Payments in Lieu of Taxes					535,258
Grants and Contributions not Restricted to Specific Activities					1,273,036
Unrestricted Investment Earnings					272,513
Gain/(Loss) on Sale of Capital Assets					(23,938)
<b>Total General Revenues</b>					<b>\$ 42,530,722</b>
Change in Net Assets					\$ 1,815,295
Net Assets - July 1, 2009					30,929,169
Net Assets - June 30, 2010					<b>\$ 32,744,464</b>

The Notes to Financial Statements are an integral part of this statement.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2010

	Educational Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,191,087	\$ 1,364,204	\$ 856,528	\$ 210,353
Investments, at Fair Value	8,221,571	849,823	1,912,660	-
Accrued Interest Receivable, net of allowance of \$0	18,752	614	666	-
Other Accounts Receivable, net of allowance of \$0	24,517	-	-	-
Property Taxes Receivable, net of allowance of \$139,885	15,200,938	2,377,763	2,703,393	887,840
Due from Other Governments, net of allowance of \$0	699,432	-	-	459,912
Prepaid Expenses	292,787	51,847	-	-
<b>Total Assets</b>	<b>\$ 31,649,084</b>	<b>\$ 4,644,251</b>	<b>\$ 5,473,247</b>	<b>\$ 1,558,105</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Bank Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Accrued Expenses	426,851	126,310	-	39,452
Accrued Payroll and Payroll Liabilities	2,701,100	35,504	-	-
Payable to Other Governments	44	-	-	-
Deferred Revenue	29,096,415	4,486,984	5,101,568	1,866,823
<b>Total Liabilities</b>	<b>\$ 32,224,410</b>	<b>\$ 4,648,798</b>	<b>\$ 5,101,568</b>	<b>\$ 1,906,275</b>
<b>FUND BALANCE</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	(575,326)	(4,547)	371,679	(348,170)
<b>Total Fund Balance</b>	<b>\$ (575,326)</b>	<b>\$ (4,547)</b>	<b>\$ 371,679</b>	<b>\$ (348,170)</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 31,649,084</b>	<b>\$ 4,644,251</b>	<b>\$ 5,473,247</b>	<b>\$ 1,558,105</b>

The Notes to Financial Statements are an integral part of this statement.

Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Total Governmental Funds
\$ 209,013	\$ -	\$ 2,324	\$ 9,833,509
265,114	1,768,801	4,908,797	17,926,766
414	1,325	10,923	32,694
-	-	-	24,517
560,881	-	-	21,730,815
-	-	-	1,159,344
-	-	-	344,634
<u>\$ 1,035,422</u>	<u>\$ 1,770,126</u>	<u>\$ 4,922,044</u>	<u>\$ 51,052,279</u>

\$ -	\$ 3,267	\$ -	\$ 3,267
-	415,500	-	1,008,113
71,320	-	-	2,807,924
-	-	-	44
1,058,738	1,230	10,323	41,622,081
<u>\$ 1,130,058</u>	<u>\$ 419,997</u>	<u>\$ 10,323</u>	<u>\$ 45,441,429</u>

\$ 36,546	\$ -	\$ -	\$ 36,546
(131,182)	1,350,129	4,911,721	5,574,304
<u>\$ (94,636)</u>	<u>\$ 1,350,129</u>	<u>\$ 4,911,721</u>	<u>\$ 5,610,850</u>
<u>\$ 1,035,422</u>	<u>\$ 1,770,126</u>	<u>\$ 4,922,044</u>	<u>\$ 51,052,279</u>

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 JUNE 30, 2010

Total Fund Balances - Governmental Funds	\$	5,610,850
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 102,689,551	
Accumulated Depreciation on Capital Assets	<u>(20,747,291)</u>	81,942,260
<p>Other assets are not available to pay for current period expenditures and therefore are deferred in the funds.</p>		
Interest Receivable	\$ 31,071	
Due from Other Governments	<u>429,524</u>	460,595
<p>Net OPEB Asset is not included in the governmental funds.</p>		
		188,271
<p>Deferred charges and credits for debt issue discounts or premiums and other debt issue costs are not financial resources and therefore are not reported in the funds.</p>		
Debt Issuance Costs, net of related amortization	\$ 312,692	
Bond Premiums, net of related amortization	(346,979)	
Interest Rate Swap Premium, net of related amortization	(500,000)	
Deferred Loss on Refunding, net of related amortization	<u>484,453</u>	(49,834)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds Payable	\$ (51,110,000)	
Debt Certificates Payable	(2,305,000)	
Capital Leases Payable	(292,922)	
Accrued Interest on Long-Term Debt	(1,339,651)	
Compensated Absences	<u>(360,105)</u>	<u>(55,407,678)</u>
Net Assets of Governmental Activities	\$	<u>32,744,464</u>

The Notes to Financial Statements are an integral part of this statement.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2010

	Educational Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund
<b>REVENUES</b>				
Property Taxes	\$ 28,180,162	\$ 4,812,198	\$ 4,809,501	\$ 1,578,071
Payments in Lieu of Taxes	524,344	-	-	-
Tuition	75,835	-	-	-
Transportation Fees	-	-	-	9,367
Earnings on Investments	138,152	11,477	14,547	2,237
Food Service	1,092,093	-	-	-
District/School Activity Income	1,086,583	-	-	-
Textbooks	2,610	-	-	-
Other Local Sources	763,451	182,478	-	18,986
State Aid	2,132,586	-	-	748,220
Federal Aid	1,176,017	-	-	-
On-Behalf Payments	4,683,837	-	-	-
	<u>\$ 39,855,670</u>	<u>\$ 5,006,153</u>	<u>\$ 4,824,048</u>	<u>\$ 2,356,881</u>
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Programs	\$ 13,643,448	\$ -	\$ -	\$ -
Special Education Programs	2,699,894	-	-	-
Other Instructional Programs	4,605,852	-	-	-
Support Services				
Pupils	3,664,811	-	-	-
Instructional Staff	1,928,649	-	-	-
General Administration	880,627	-	-	-
School Administration	1,032,481	-	-	-
Business	952,651	-	-	-
Facilities Acquisition and Construction	-	399	-	-
Operations and Maintenance	316,727	4,234,528	-	-
Transportation	-	-	-	2,293,322
Food Services	1,217,722	-	-	-
Central	759,676	-	-	-
Other Support Services	-	373	-	-
Community Services	13,149	-	-	-
Payments to Other Districts and Governmental Units	3,223,424	-	-	-
Debt Service				
Principal	-	-	2,389,149	-
Interest and Fees	-	-	2,791,014	-
Capital Outlay	340,316	172,835	-	7,000
On-Behalf Payments	4,683,837	-	-	-
	<u>\$ 39,963,264</u>	<u>\$ 4,408,135</u>	<u>\$ 5,180,163</u>	<u>\$ 2,300,322</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (107,594)</u>	<u>\$ 598,018</u>	<u>\$ (356,115)</u>	<u>\$ 56,559</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers	\$ (108,861)	\$ (291,160)	\$ 400,021	\$ -
Interest Transfers	140,700	-	(14,500)	-
Sale or Compensation for Fixed Assets	825	4,000	-	-
	<u>\$ 32,664</u>	<u>\$ (287,160)</u>	<u>\$ 385,521</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (74,930)</u>	<u>\$ 310,858</u>	<u>\$ 29,406</u>	<u>\$ 56,559</u>
<b>FUND BALANCES - JULY 1, 2009</b>	<u>(500,396)</u>	<u>(315,405)</u>	<u>342,273</u>	<u>(404,729)</u>
<b>FUND BALANCES - JUNE 30, 2010</b>	<u>\$ (575,326)</u>	<u>\$ (4,547)</u>	<u>\$ 371,679</u>	<u>\$ (348,170)</u>

The Notes to Financial Statements are an integral part of this statement.

Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Total Governmental Funds
\$ 1,093,921	\$ -	\$ -	\$ 40,473,853
10,914	-	-	535,258
-	-	-	75,835
-	-	-	9,367
3,422	21,155	88,540	279,530
-	-	-	1,092,093
-	-	-	1,086,583
-	-	-	2,610
-	73,938	-	1,038,853
-	-	-	2,880,806
-	-	-	1,176,017
-	-	-	4,683,837
<u>\$ 1,108,257</u>	<u>\$ 95,093</u>	<u>\$ 88,540</u>	<u>\$ 53,334,642</u>

\$ 177,109	\$ -	\$ -	\$ 13,820,557
82,757	-	-	2,782,651
90,684	-	-	4,696,536
126,441	-	-	3,791,252
99,367	-	-	2,028,016
20,188	-	-	900,815
49,430	-	-	1,081,911
81,506	-	-	1,034,157
-	78,372	-	78,771
345,768	-	-	4,897,023
-	-	-	2,293,322
-	-	-	1,217,722
49,751	-	-	809,427
-	-	-	373
-	-	-	13,149
-	-	-	3,223,424
-	-	-	2,389,149
-	-	-	2,791,014
-	763,356	-	1,283,507
-	-	-	4,683,837
<u>\$ 1,123,001</u>	<u>\$ 841,728</u>	<u>\$ -</u>	<u>\$ 53,816,613</u>

\$ (14,744)    \$ (746,635)    \$ 88,540    \$ (481,971)

\$ -    \$ -    \$ -    \$ -  
-    -    (126,200)    -  
-    -    -    4,825  
\$ -    \$ -    \$ (126,200)    \$ 4,825

\$ (14,744)    \$ (746,635)    \$ (37,660)    \$ (477,146)  
(79,892)    2,096,764    4,949,381    6,087,996  
\$ (94,636)    \$ 1,350,129    \$ 4,911,721    \$ 5,610,850

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (477,146)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities 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.

Depreciation Expense	\$ (1,655,043)	
Capital Outlays	<u>1,287,007</u>	(368,036)

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets	\$ (23,938)	
Proceeds from Sale of Fixed Assets	<u>(4,825)</u>	(28,763)

Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are deferred in the governmental funds.

Earnings on Investments	\$ (7,017)	
State Aid	<u>47,469</u>	40,452

The change in the Net OPEB Asset is not included in the governmental funds. 152,374

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Long-Term Debt	\$ 44,753	
Compensated Absences	42,587	
Debt Issuance Costs - Amortization	(62,832)	
Bond Premium - Amortization	54,647	
Interest Rate Swap Premium - Amortization	125,000	
Deferred Loss on Refunding - Amortization	<u>(96,890)</u>	107,265

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Assets and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>2,389,149</u>
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Change in Net Assets of Governmental Activities \$ 1,815,295

The Notes to Financial Statements are an integral part of this statement.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
FUND FINANCIAL STATEMENTS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2010

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 420,228
Investments	<u>34,628</u>
Total Assets	<u><u>\$ 454,856</u></u>
<b>LIABILITIES</b>	
Due to Agency Funds	<u>\$ 454,856</u>
Total Liabilities	<u><u>\$ 454,856</u></u>

The Notes to Financial Statements are an integral part of this statement.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Park High School District No. 108's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Statements*

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs,

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### B. *Basic Financial Statements – Government-Wide Statements (Continued)*

payments to other districts and governmental units, etc.). Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

#### C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB Statement No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

##### 1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

General Fund – The General Fund (Educational Fund) is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Special Education is included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, Illinois Municipal Retirement/Social Security Fund, and Working Cash Fund) are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Services Fund – The Debt Services Fund is used to account for the accumulation of funds for the periodic payment of principal, interest and related fees on general long-term debt.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basic Financial Statements – Fund Financial Statements (Continued)*

1. Governmental Funds (Continued)

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets. The following is a description of the fiduciary fund of the District:

Agency Funds – The Agency Funds (Student Activity Funds, Convenience Accounts, and Other Agency Funds) account for assets held by the District as an agent for the student organizations or as a convenience for its staff. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to each fund are equal to the assets.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their cash balances in common accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans that have not been authorized by District Board action.

The Capital Projects Fund had a cash overdraft of \$3,267 at June 30, 2010; however, the fund also had an investment balance of \$1,768,801 to cover the cash overdraft.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

Prepaid Expenses are for payments made by the District in the current year for goods and services received in the subsequent fiscal year, and the reserve for prepaid expenses in the governmental funds has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

H. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *Capital Assets* (Continued)

capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	50-75 years
Improvements Other than Buildings	20-35 years
Equipment	3-30 years

K. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. The liability for unused compensated absences is reported in the government-wide financial statements. Sick leave is accumulated from year to year without limit, but is not paid upon termination. Therefore, no compensated absence accrual is recorded for sick leave.

L. *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 on a straight-line basis. 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.

M. *Government-Wide Net Assets*

Government-wide net assets are divided into three components:

- Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets – consist of net assets that are restricted by the District’s creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net assets are reported in this category.

N. *Governmental Fund Balances*

Governmental fund balances are reported as “reserved” because they are legally segregated for a specific future use. The remaining balances are “unreserved” fund balances. From time to time, the District Board agrees to set aside or “designate” resources for future uses – such as specific capital projects. These unreserved, designated balances are based on management’s tentative plans and can be changed.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2009 tax levy was passed by the Board on December 14, 2009. The 2008 tax levy was passed by the Board on December 15, 2008. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

P. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

*Investments*

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

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
General Electric Commercial Paper	\$ 477,474	\$ 477,474	\$ -	\$ -	\$ -
State Investment Pool	8,997,536	8,997,536	-	-	-
Total	\$ 9,475,010	\$ 9,475,010	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

*Interest Rate Risk.* The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2010, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
General Electric Commercial Paper	A-1+	Standard and Poor's
State Investment Pool	AAAm	Standard and Poor's

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District's investments are in General Electric Commercial Paper (5%).

NOTE 3 - CAPITAL ASSETS

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 558,191	\$ -	\$ -	\$ 558,191
Construction in Progress	393,872	13,044	393,872	13,044
Total Capital Assets not being depreciated	<u>\$ 952,063</u>	<u>\$ 13,044</u>	<u>\$ 393,872</u>	<u>\$ 571,235</u>
Other Capital Assets				
Buildings	\$ 89,236,145	\$ 1,137,349	\$ -	\$ 90,373,494
Improvements Other than Buildings	3,893,212	18,761	-	3,911,973
Equipment	7,413,724	511,725	92,600	7,832,849
Total Other Capital Assets at Historical Cost	<u>\$ 100,543,081</u>	<u>\$ 1,667,835</u>	<u>\$ 92,600</u>	<u>\$ 102,118,316</u>
Less Accumulated Depreciation for				
Buildings	\$ 15,231,501	\$ 1,075,969	\$ -	\$ 16,307,470
Improvements Other than Buildings	1,396,973	112,746	-	1,509,719
Equipment	2,527,611	466,328	63,837	2,930,102
Total Accumulated Depreciation	<u>\$ 19,156,085</u>	<u>\$ 1,655,043</u>	<u>\$ 63,837</u>	<u>\$ 20,747,291</u>
Other Capital Assets, Net	<u>\$ 81,386,996</u>	<u>\$ 12,792</u>	<u>\$ 28,763</u>	<u>\$ 81,371,025</u>
Governmental Activities Capital Assets, Net	<u>\$ 82,339,059</u>	<u>\$ 25,836</u>	<u>\$ 422,635</u>	<u>\$ 81,942,260</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:			
Unallocated		\$	611,530
Instruction			
Regular Programs			170,974
Special Education Programs			15,029
Other Instructional Programs			60,264
Support Services			
Pupils			9,616
Instructional Staff			69,476
General Administration			3,086
School Administration			6,793
Business			24,756
Facilities Acquisition and Construction			594,589
Operations and Maintenance			52,495
Transportation			1,167
Food Services			27,338
Central			7,930
Total Governmental Activities Depreciation Expense		<u>\$</u>	<u>1,655,043</u>

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Due Within One Year
<b>Long-Term Debt</b>					
General Obligation Bonds	\$ 53,225,000	\$ -	\$ 2,115,000	\$ 51,110,000	\$ 2,485,000
Debt Certificates	2,490,000	-	185,000	2,305,000	190,000
Lease/Purchase Agreements	380,824	1,247	89,149	292,922	94,515
<b>Total Long-Term Debt</b>	<u>\$ 56,095,824</u>	<u>\$ 1,247</u>	<u>\$ 2,389,149</u>	<u>\$ 53,707,922</u>	<u>\$ 2,769,515</u>
<b>Other Long-Term Liabilities</b>					
Bond Premiums, net of amortization	\$ 401,626	\$ -	\$ 54,647	\$ 346,979	\$ 53,596
Deferred Loss on Refunding	(581,343)	-	(96,890)	(484,453)	(96,891)
Interest Swap Premium, net of amortization	625,000	-	125,000	500,000	125,000
Compensated Absences	402,692	-	42,587	360,105	226,815
Fair Market Value of Interest Swap Option	-	4,255,072	-	4,255,072	-
<b>Total Other Long-Term Liabilities</b>	<u>\$ 847,975</u>	<u>\$ 4,255,072</u>	<u>\$ 125,344</u>	<u>\$ 4,977,703</u>	<u>\$ 308,520</u>
<b>Total Long-Term Obligations</b>	<u>\$ 56,943,799</u>	<u>\$ 4,256,319</u>	<u>\$ 2,514,493</u>	<u>\$ 58,685,625</u>	<u>\$ 3,078,035</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - LONG-TERM LIABILITY ACTIVITY (Continued)

On May 1, 2002 the District issued General Obligation Bonds, Series 2002, for \$45,000,000. The issue provides for serial retirement of principal on January 1 of each year with interest at rates ranging from 3.25% to 5.6% payable on January 1 and July 1 of each year. \$8,700,000 of these bonds was refunded on November 1, 2007. The balance due on these bonds at June 30, 2010 is \$32,190,000.

On November 1, 2007 the District issued General Obligation Refunding Bonds, Series 2007A, for \$10,855,000. The issue provides for serial retirement of principal on January 1 of each year with interest at rates ranging from 4.0% to 4.25% payable on January 1 and July 1 of each year. The balance due on these bonds at June 30, 2010 is \$8,115,000.

On November 1, 2007 the District issued General Obligation Refunding Bonds, Series 2007B, for \$12,655,000. The issue provides for serial retirement of principal on January 1 of each year with interest at rates ranging from 4.0% to 4.5% payable on January 1 and July 1 of each year. The balance due on these bonds at June 30, 2010 is \$10,805,000.

On November 1, 2007, the District deposited \$23,260,124 into an escrow account to refund \$22,485,000 of outstanding debt as follows:

General Obligation Bonds, Series 2001	\$ 7,235,000
General Obligation Bonds, Series 2002	8,700,000
Debt Certificates, Series 2007	<u>6,550,000</u>
	<u>\$ 22,485,000</u>

The \$23,260,124 was used to purchase U.S. Government Securities. The escrow account will be used to provide for all future debt service payments on the refunded debt. As a result, the refunded debt is considered defeased and its corresponding liability for the amount refunded has been removed from the District's liabilities. At June 30, 2010, a total of \$16,955,000 of defeased debt is still outstanding. The reacquisition price exceeded the net carrying amount of the old debt by \$775,124. This amount is being netted against the new debt and amortized over the remaining life of the new debt which is shorter than the life of the old debt.

At June 30, 2010 the annual debt service requirements to service all general obligation bonds are:

Year Ending June 30	Principal	Interest	Total
2011	\$ 2,485,000	\$ 2,580,542	\$ 5,065,542
2012	2,890,000	2,481,143	5,371,143
2013	3,275,000	2,365,542	5,640,542
2014	3,690,000	2,234,543	5,924,543
2015	3,880,000	2,049,842	5,929,842
2016	3,595,000	1,851,260	5,446,260
2017	3,920,000	1,661,140	5,581,140
2018	4,260,000	1,453,300	5,713,300
2019	4,630,000	1,226,900	5,856,900
2020	5,020,000	979,273	5,999,273
2021	5,440,000	709,222	6,149,222
2022	5,890,000	416,125	6,306,125
2023	930,000	96,075	1,026,075
2024	975,000	54,225	1,029,225
2025	230,000	10,350	240,350
	<u>\$ 51,110,000</u>	<u>\$ 20,169,482</u>	<u>\$ 71,279,482</u>

On October 15, 2003 the District issued Debt Certificates, Series 2003, for \$3,168,000. The issue provides for serial retirement of principal on January 1 of each year with interest at rates ranging from 3.0% to 4.6% payable on January 1 and July 1 of each year. The balance due on these certificates at June 30, 2010 is \$2,305,000.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - LONG-TERM LIABILITY ACTIVITY (Continued)

At June 30, 2010 the annual debt service requirements to service all debt certificates are:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 190,000	\$ 98,760	\$ 288,760
2012	200,000	91,160	291,160
2013	205,000	83,160	288,160
2014	215,000	74,755	289,755
2015	225,000	65,940	290,940
2016	235,000	56,490	291,490
2017	240,000	46,620	286,620
2018	255,000	36,060	291,060
2019	265,000	24,840	289,840
2020	275,000	12,650	287,650
	<u>\$ 2,305,000</u>	<u>\$ 590,435</u>	<u>\$ 2,895,435</u>

On September 30, 2006 the District entered into a lease/purchase agreement for technology equipment for \$24,849. The agreement is for five years at an interest rate of 7.95%. Quarterly payments of \$1,520 began in December 2006 and continue until September 2011. The balance due on this lease/purchase agreement at June 30, 2010 is \$8,513.

On September 19, 2007 the District entered into a lease/purchase agreement for technology equipment for \$211,595. The agreement is for five years at an interest rate of 6.0%. Monthly payments of \$4,105 began in November 2007 and continue until October 2012. The balance due on this lease/purchase agreement at June 30, 2010 is \$107,050.

On February 19, 2009 the District entered into a lease/purchase agreement for technology equipment for \$233,504. The agreement is for five years at an interest rate of 5.5%. Monthly payments of \$4,460 began in March 2009 and continue until February 2014. The balance due on this lease/purchase agreement at June 30, 2010 is \$177,359.

At June 30, 2010 annual debt service requirements to cover outstanding lease/purchase agreements are:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 94,515	\$ 14,346	\$ 108,861
2012	97,138	8,684	105,822
2013	66,313	3,630	69,943
2014	34,956	725	35,681
	<u>\$ 292,922</u>	<u>\$ 27,385</u>	<u>\$ 320,307</u>

At June 30, 2010 the annual debt service requirements to cover all outstanding debt are:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,769,515	\$ 2,693,648	\$ 5,463,163
2012	3,187,138	2,580,987	5,768,125
2013	3,546,313	2,452,332	5,998,645
2014	3,939,956	2,310,023	6,249,979
2015	4,105,000	2,115,782	6,220,782
2016	3,830,000	1,907,750	5,737,750
2017	4,160,000	1,707,760	5,867,760
2018	4,515,000	1,489,360	6,004,360
2019	4,895,000	1,251,740	6,146,740
2020	5,295,000	991,923	6,286,923
2021	5,440,000	709,222	6,149,222
2022	5,890,000	416,125	6,306,125
2023	930,000	96,075	1,026,075
2024	975,000	54,225	1,029,225
2025	230,000	10,350	240,350
	<u>\$ 53,707,922</u>	<u>\$ 20,787,302</u>	<u>\$ 74,495,224</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - INTEREST RATE SWAP

*Objective of the swap.* In April 2006, the District entered into a forward interest rate exchange agreement (Swap) with a bank to hedge against the possibility of rising interest rates.

*Terms.* The District entered into a forward starting, London Interbank Offered Rate (LIBOR) based, floating-to-fixed interest rate swap transaction on April 25, 2006. The swap has a notional amount of \$32,190,000 and a forward start date of January 1, 2013.

The scheduled end date is December 1, 2021, by which time the swap is scheduled to fully amortize. The District received \$1,000,000 as a result of this transaction.

Certain of the District's Bonds Series 2002 are associated with this agreement. Under the swap agreement the District will receive monthly payments from the bank at a rate equal to 70% of 1 month LIBOR in exchange for making payments to the bank at a rate of 5.345%. The swap's scheduled commencement coincides with the possible issuance by the District of variable rate refunding bonds to refinance the \$32,190,000 Series 2002 Bonds. The agreement contains scheduled reductions to the outstanding notional amounts that are expected to approximately follow anticipation reductions in the associated "bonds payable."

*Credit risk.* The District is exposed to credit risk (counterparty risk) through the counterparty with which it enters into agreements. Upon events of default, the swap allows termination if the counterparty is unable to meet the said credit requirements and may be eligible for a termination compensation subject to a third party calculation and confirmation. The counterparty shall have a credit rating at the time of confirmation of not lower than the general category of "A-3" by the ratings agency commonly known as "Moody's" and/or "A-" from the ratings agency commonly known as "Standard and Poor's."

*Basis risk.* Basis risk refers to the mismatch between the variable rate payments received on a swap contract and the interest payment actually owed on the bonds. The two significant components driving this risk are credit and BMA/LIBOR ratios. Credit may create basis risk because the District's bonds may trade differently than the swap index as a result of credit change in the District. BMA/LIBOR ratios (or spreads) may create basis risk because for percentage of LIBOR swaps if the District's bonds trade at a higher percentage of LIBOR than the index received on the swap. This can occur due to many factors including, without limitation, changes in marginal tax rates, tax-exempt status of bonds, and supply and demand for variable rate bonds. The District is exposed to basis risk on the entire swap, if the rate paid on the bonds is higher than the rate received; the District is liable for the difference. The difference would need to be available on the debt service payment date, and it would add additional underlying costs to the transaction.

*Tax risk.* The swap exposes the District to tax risk or a permanent mismatch (shortfall) between the floating rate received on the swap and the variable rate paid on the underlying variable rate bonds due to tax law changes such that federal and state tax exemption of school district debt is eliminated or its value reduced. There have been no applicable tax law changes since the inception of this swap transaction.

*Termination risk.* Termination risk refers to the risk that the swap could be terminated as a result of certain events including violations of the agreement, bankruptcy, payment default or other defined events of default. Termination of the swap may result in a payment made by the issuer or to the issuer depending on the market at the time of termination.

*Swap payments and associated debt.* At January 1, 2013, the District will have the option to implement the forward interest rate exchange or terminate the agreement. The District's course of action will be dictated by applicable interest rates at that time related to the rates on the outstanding Series 2002 debt, and the termination payment required, if any.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - INTEREST RATE SWAP (Continued)

*Book and market values.* The \$1,000,000 that the District received is being amortized over the life of the swap option. The book value at June 30, 2010 is \$500,000 and the market value, or cost to the District to cancel the swap, is \$4,255,072.

NOTE 6 - INTERFUND LOANS

There are no interfund loans at June 30, 2010.

NOTE 7 - RESTRICTED NET ASSETS

The following amounts are restricted net assets equity balances at June 30, 2010:

<u>Restricted For</u>	<u>Restricted Net Assets</u>
Debt Service	\$ 371,679
Retirement	36,546
Future Capital Projects	1,350,129
Working Cash	4,911,721

NOTE 8 - SPECIAL TAX LEVIES AND RESERVED EQUITY

A. *Special Education Tax Levy*

Revenues and the related expenditures of this reserved tax levy are accounted for in the Educational Fund. The current year expenditures exceeded the current year revenues and any prior year carryover balances. Accordingly, there is no reserved fund balance for this tax levy.

B. *Social Security Tax Levy*

Revenues and the related expenditures of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. A portion of this fund's equity, \$36,546, represents the excess of cumulative revenues over cumulative expenditures which is reserved for future Social Security expenditures in accordance with the Illinois State Board of Education.

NOTE 9 - DEFICIT FUND BALANCE

The following District funds had deficit fund balances as of June 30, 2010:

<u>Fund</u>	<u>Fund Balance</u>
Educational	\$ (575,326)
Operations and Maintenance	(4,547)
Transportation	(348,170)
Illinois Municipal Retirement/Social Security	(94,636)

NOTE 10 - PROPERTY TAXES

Property taxes recorded in these financial statements as property taxes receivable and deferred revenue are from the 2009 tax levy. The deferred revenue is 100% of the 2009 tax levy net of estimated uncollectible amounts. These taxes are deferred as only a portion of the taxes are collected near the end of the fiscal year and the District does not consider the amounts to be available and does not budget for their use in fiscal year 2010.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - PROPERTY TAXES (Continued)

The District has determined that 100% of the amounts collected for the 2008 levy is allocable for use in fiscal year 2010. Therefore, 100% of the amounts collected for the 2008 and prior levies (\$40,473,853) are recorded in these financial statements as property tax revenue. A summary of assessed valuations, rates, and extensions for tax years 2009, 2008, and 2007 is as follows:

Tax Year	2009		2008		2007	
	Rate	Extension	Rate	Extension	Rate	Extension
Assessed Valuation	\$2,516,378,663		\$2,518,620,432		\$2,381,562,704	
Educational	1.1237	\$ 28,276,547	1.1032	\$ 27,785,421	1.1035	\$ 26,280,544
Special Education	0.0200	503,276	0.0200	503,724	0.0200	476,313
Tort Immunity	-	-	-	-	-	-
Operations and Maintenance	0.1789	4,501,801	0.1918	4,830,714	0.1998	4,758,362
Debt Service	0.2034	5,118,314	0.1917	4,828,195	0.1831	4,360,641
Transportation	0.0668	1,680,941	0.0629	1,584,212	0.0600	1,428,938
Municipal Retirement	0.0190	478,112	0.0164	413,054	0.0194	462,023
Social Security	0.0232	583,800	0.0272	685,065	0.0268	638,259
	<u>1.6350</u>	<u>\$ 41,142,791</u>	<u>1.6132</u>	<u>\$ 40,630,385</u>	<u>1.6126</u>	<u>\$ 38,405,080</u>

NOTE 11 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2010, the expenditures of the following fund exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Illinois Municipal Retirement/ Social Security	\$ 1,118,061	\$ 1,123,001	\$ 4,940

NOTE 12 - RETIREMENT FUND COMMITMENTS

A. *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% of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2009 and 2008.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **On-behalf contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$4,519,991 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% (\$3,158,977) and 13.11% (\$2,366,235), respectively.

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

➤ **2.2 formula contributions**

Employers contribute 0.58% 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 \$113,132. Contributions for the years ended June 30, 2009 and June 30, 2008 were \$107,586 and \$104,971, respectively.

➤ **Federal and special trust fund contributions**

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective 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% of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and June 30, 2008, the employer contribution was 17.08% and 13.11% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$172,786 were paid from federal and special trust funds that required employer contributions of \$40,397. For the years ended June 30, 2009 and June 30, 2008, required District contributions were \$9,258 and \$6,476, respectively.

➤ **Early Retirement Option (ERO)**

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **Early Retirement Option (ERO) (Continued)**

For the year ended June 30, 2010, the District paid \$256,229 to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the District paid \$410,051 and \$321,380 in employer ERO contributions, respectively.

➤ **Salary increases over 6% and excess sick leave**

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

- If an employer grants salary increases over 6% 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%.

For the year ended June 30, 2010, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2009 and June 30, 2008, the District paid \$0 and \$0 to TRS for employer contributions due on salary increases in excess of 6%, respectively.

- 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% 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 the excess of the normal annual allotment. For the years ended June 30, 2009 and June 30, 2008, the District paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2009. The report for the year ended June 30, 2010 is expected to be available in late 2010.

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

B. *Illinois Municipal Retirement Fund*

➤ **Plan Description**

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Plan Description (Continued)**

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. This report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

➤ **Funding Policy**

As set by statute, the District's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2009 was 8.51% 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 statute.

➤ **Annual Pension Cost**

For fiscal year ending December 31, 2009, the District's annual pension cost of \$422,231 for the Regular plan was equal to the District's required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$ 422,231	100%	\$ -
12/31/2008	463,965	100%	-
12/31/2007	491,157	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) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District'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% corridor between the actuarial 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.

➤ **Funded Status and Funding Progress**

As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 75.80% funded. The actuarial accrued liability for benefits was \$14,643,137 and the actuarial value of assets was \$11,100,058, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,543,079. The covered payroll (annual payroll of active employees covered by the plan) was

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Funded Status and Funding Progress (Continued)**

\$4,961,582 and the ratio of the UAAL to the covered payroll was 71%. 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% 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.

This schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2009	\$ 11,100,058	\$ 14,643,137	\$ 3,543,079	75.80%	\$ 4,961,582	71.41%
12/31/2008	12,164,265	14,906,236	2,741,971	81.61%	4,843,060	56.62%
12/31/2007	14,292,330	14,428,472	136,142	99.06%	4,805,840	2.83%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$10,681,609. On a market basis, the funded ratio would be 72.95%.

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$333,389, the total required contribution for the current fiscal year.

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS

A. *Teacher Health Insurance Security Fund*

The District participates in the Teacher Health Insurance Security (THIS) Fund (Plan), 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 THIS Fund and amendments to the Plan can be made only by legislative action with the Governor's approval. The Illinois Department of

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

A. *Teacher Health Insurance Security Fund* (Continued)

Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the Plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

➤ **On behalf contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.84% of pay during the year ended June 30, 2010. State of Illinois contributions were \$163,846, 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% of pay. State contributions on behalf of District employees were \$155,815 and \$152,027, respectively.

➤ **Employer contributions to THIS Fund**

The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63% during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the District paid \$122,885 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the District paid \$116,861 and \$114,020 to the THIS Fund, respectively, which was 100% of the required contribution.

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

B. *Retiree Insurance Plan*

➤ **Plan Overview**

The District provides post-employment benefits other than pensions (“OPEB”) to employees who retire directly from the District and who meet certain criteria. The Plan, a single-employer defined benefit plan, provides medical, dental, vision and life insurance benefits to retirees and their covered eligible dependents. The District pays a portion of the cost for eligible retirees, spouses and dependents. The Plan does not issue a stand-alone financial report.

Membership in the Plan consisted of the following at July 1, 2009 (the date of the latest actuarial valuation):

Active Participants	305
Inactive Participants	150
Total	<u>455</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

B. *Retiree Insurance Plan* (Continued)

➤ **Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements.

➤ **Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District's net OPEB obligation to the plan:

Annual required contribution	\$ 864,350
Interest on net OPEB obligation	(1,795)
Adjustment to annual required contribution	2,279
Annual OPEB cost (expense)	<u>\$ 864,834</u>
Contributions made	<u>1,017,208</u>
Increase/(Decrease) in net OPEB obligation	\$ (152,374)
Net OPEB obligation - beginning of year	(35,897)
Net OPEB obligation - end of year	<u><u>\$ (188,271)</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 864,834	\$ 1,017,208	117.6%	\$ (188,271)
6/30/2008	895,759	931,656	104.0%	(35,897)

➤ **Funding Status and Funding Progress**

This schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Unit Credit (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	\$ -	\$ 9,196,832	\$ 9,196,832	0.00%	\$ 20,953,222	43.89%
7/1/2007	-	9,498,167	9,498,167	0.00%	19,740,708	48.11%

➤ **Actuarial Assumptions and Methods**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

B. *Retiree Insurance Plan (Continued)*

➤ **Actuarial Assumptions and Methods (Continued)**

The following includes actuarial assumptions and methods:

Actuarial Cost Method	Unit Credit
Amortization Period	Closed, Level Dollar
Remaining Amortization Period	30 Years
Healthcare Inflation Rate	8% initial, 5% ultimate
Mortality	RP-2000 Combined Healthy table to 2015 using scale AA
New Retiree Elections, Medical Coverage	It is assumed that new retirees select coverage, consistent with their active election, and are assumed to participate in Medicare. Certificated employees are assumed to enroll in a TRIP medical plan.

NOTE 14 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2010 were as follows:

TRANSFER FROM	TRANSFER TO	AMOUNT
Educational Fund	Debt Services Fund	\$ 108,861
Operations and Maintenance Fund	Debt Services Fund	291,160
Debt Services Fund	Educational Fund	14,500
Working Cash Fund	Educational Fund	126,200

The transfers to the Educational Fund were made to move excess interest earnings from the Debt Services and Working Cash Funds to the operating fund with the most need. The transfers from the Educational and Operations and Maintenance Funds to the Debt Services Fund were for principal and interest payments on debt.

NOTE 15 - JOINT VENTURES

A. *North DuPage Special Education Cooperative (NDSEC)*

The District and seven other districts within DuPage County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (modified cash basis) of NDSEC at June 30, 2009 (most recent information available) is as follows:

Assets	\$ 6,360,855
Liabilities	\$ 332,876
Net Assets	<u>6,027,979</u>
	<u>\$ 6,360,855</u>
Revenues Received	\$ 15,872,223
Expenditures Disbursed	15,944,586
Net Increase/(Decrease) in Net Assets	<u>\$ (72,363)</u>

Complete financial statements for NDSEC can be obtained from the Administrative Offices at 255 E. Lake Street, Suite 300, Bloomingdale, Illinois 60108.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 - JOINT VENTURES (Continued)

B. *DuPage Area Occupational Education System (DAOES)*

The District and thirteen other districts within the DuPage County area have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (accrual basis – governmental activities) of DAOES at June 30, 2009 (most recent information available) is as follows:

Assets	<u>\$ 17,248,911</u>
Liabilities	<u>\$ 209,362</u>
Net Assets	<u>17,039,549</u>
	<u>\$ 17,248,911</u>
Revenues Received	<u>\$ 10,803,628</u>
Expenditures Disbursed	<u>10,716,117</u>
Net Increase/(Decrease) in Net Assets	<u>\$ 87,511</u>

Complete financial statements for DAOES can be obtained from the Administrative Offices at 301 S. Swift Road, Addison, Illinois 60101.

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2010 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were members.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

The District is insured under a retrospectively-rated policy for workers' compensation coverage, whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2010, there were no significant adjustments in premiums based on actual experience.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 - RISK MANAGEMENT (Continued)

The District has a self-insured plan that provides its employees' vision care benefits. A third party administrator is contracted to manage the plan and all related claims.

NOTE 17 - CONTINGENCIES

The District is involved in litigation regarding a contract dispute with a construction vendor. The District is unable to estimate the potential financial liability at this time.

NOTE 18 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2009 EAV	\$	2,516,378,663
Rate		<u>6.90%</u>
Debt Margin	\$	173,630,128
Current Debt		<u>53,707,922</u>
Remaining Debt Margin	\$	<u><u>119,922,206</u></u>

NOTE 19 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 7, 2010, the date on which the financial statements were available to be issued.

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2010, the District has implemented GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.

REQUIRED SUPPLEMENTARY INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 28,229,270	\$ 28,229,270	\$ 28,180,162
Payments in Lieu of Taxes	536,347	536,347	524,344
Tuition	95,000	95,000	75,835
Earnings on Investments	167,782	167,782	138,152
Food Service	1,235,823	1,235,823	1,092,093
District/School Activity Income	1,138,660	1,138,660	1,086,583
Textbooks	7,000	7,000	2,610
Other Local Sources	743,872	743,872	763,451
State Aid			
General State Aid	1,076,496	1,076,496	1,046,165
Special Education	758,829	758,829	912,334
Career and Technical Education	43,312	43,312	41,957
Bilingual	16,968	16,968	10,375
State Free Lunch and Breakfast	3,878	3,878	4,474
Driver Education	98,005	98,005	104,552
School Safety and Educational Improvement Block Grant	25,250	25,250	12,729
Other State Aid	3,200	3,200	-
Federal Aid			
Title I	68,000	68,000	124,307
Title IV	5,649	5,649	5,649
Federal Special Education	542,000	542,000	534,067
CTE - Perkins	27,335	27,335	23,583
General State Aid - Education Stabilization	141,795	141,795	170,154
IDEA - Part B - Flow-Through	275,000	275,000	184,177
McKinney - Vento Homeless Education	-	-	303
Other ARRA Funds	56,718	56,718	56,718
Title II - Teacher Quality	54,574	54,574	10,474
Medicaid Matching Funds - Administrative Outreach	40,027	40,027	39,161
Medicaid Matching Funds - Fee-for-Service Program	4,500	4,500	2,863
Other Federal Aid	123,015	123,015	24,561
On-Behalf Payments	4,700,000	4,700,000	4,683,837
<b>Total Revenues</b>	<b>\$ 40,218,305</b>	<b>\$ 40,218,305</b>	<b>\$ 39,855,670</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Salaries	\$ 10,544,141	\$ 10,544,141	\$ 10,584,255
Employee Benefits	2,357,263	2,357,263	2,370,137
Purchased Services	79,577	79,577	86,498
Supplies and Materials	607,725	607,725	582,495
Other Objects	30,928	30,928	20,063
	<u>\$ 13,619,634</u>	<u>\$ 13,619,634</u>	<u>\$ 13,643,448</u>
Special Education Programs			
Salaries	\$ 2,039,134	\$ 2,039,134	\$ 2,117,758
Employee Benefits	537,628	537,628	537,632
Purchased Services	11,420	11,420	8,678
Supplies and Materials	62,192	62,192	35,598
Other Objects	600	600	228
	<u>\$ 2,650,974</u>	<u>\$ 2,650,974</u>	<u>\$ 2,699,894</u>
Remedial and Supplemental Programs K-12			
Salaries	\$ 379,072	\$ 379,072	\$ 382,200
Employee Benefits	75,387	75,387	81,096
Supplies and Materials	63,500	63,500	73,958
	<u>\$ 517,959</u>	<u>\$ 517,959</u>	<u>\$ 537,254</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
Adult/Continuing Education Programs			
Salaries	\$ 12,500	\$ 12,500	\$ 5,485
Employee Benefits	88	88	57
Purchased Services	21,900	21,900	26,909
Supplies and Materials	2,500	2,500	2,060
	<u>\$ 36,988</u>	<u>\$ 36,988</u>	<u>\$ 34,511</u>
CTE Programs			
Salaries	\$ 993,893	\$ 993,893	\$ 1,010,581
Employee Benefits	285,541	285,541	287,750
Purchased Services	9,485	9,485	7,742
Supplies and Materials	87,658	87,658	91,836
Other Objects	564	564	548
	<u>\$ 1,377,141</u>	<u>\$ 1,377,141</u>	<u>\$ 1,398,457</u>
Interscholastic Programs			
Salaries	\$ 1,488,610	\$ 1,488,610	\$ 1,477,153
Employee Benefits	101,112	101,112	100,357
Purchased Services	233,715	233,715	245,357
Supplies and Materials	173,513	173,513	186,422
Other Objects	49,560	49,560	44,126
	<u>\$ 2,046,510</u>	<u>\$ 2,046,510</u>	<u>\$ 2,053,415</u>
Summer School Programs			
Salaries	\$ 107,073	\$ 107,073	\$ 59,386
Employee Benefits	2,742	2,742	2,191
Supplies and Materials	-	-	95
Other Objects	6,805	6,805	6,075
	<u>\$ 116,620</u>	<u>\$ 116,620</u>	<u>\$ 67,747</u>
Driver's Education Programs			
Salaries	\$ 260,899	\$ 260,899	\$ 241,855
Employee Benefits	161,317	161,317	160,055
Purchased Services	25,281	25,281	28,274
Supplies and Materials	27,583	27,583	8,369
Other Objects	765	765	338
	<u>\$ 475,845</u>	<u>\$ 475,845</u>	<u>\$ 438,891</u>
Bilingual Programs			
Salaries	\$ 50,320	\$ 50,320	\$ 50,666
Employee Benefits	25,103	25,103	24,911
Supplies and Materials	7,000	7,000	-
	<u>\$ 82,423</u>	<u>\$ 82,423</u>	<u>\$ 75,577</u>
Total Instruction	<u>\$ 20,924,094</u>	<u>\$ 20,924,094</u>	<u>\$ 20,949,194</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 1,161,518	\$ 1,161,518	\$ 1,168,754
Employee Benefits	275,006	275,006	277,194
Purchased Services	19,561	19,561	12,461
Supplies and Materials	32,062	32,062	33,054
Other Objects	1,050	1,050	1,121
	<u>\$ 1,489,197</u>	<u>\$ 1,489,197</u>	<u>\$ 1,492,584</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Pupils (Continued)			
Guidance Services			
Salaries	\$ 1,150,463	\$ 1,150,463	\$ 1,178,581
Employee Benefits	295,476	295,476	302,369
Purchased Services	6,447	6,447	1,071
Supplies and Materials	3,576	3,576	2,119
	<u>\$ 1,455,962</u>	<u>\$ 1,455,962</u>	<u>\$ 1,484,140</u>
Health Services			
Salaries	\$ 226,490	\$ 226,490	\$ 233,052
Employee Benefits	37,686	37,686	36,196
Purchased Services	8,225	8,225	3,080
Supplies and Materials	4,860	4,860	3,703
	<u>\$ 277,261</u>	<u>\$ 277,261</u>	<u>\$ 276,031</u>
Psychological Services			
Salaries	\$ 232,729	\$ 232,729	\$ 234,576
Employee Benefits	26,283	26,283	26,148
Purchased Services	1,500	1,500	666
Supplies and Materials	723	723	242
	<u>\$ 261,235</u>	<u>\$ 261,235</u>	<u>\$ 261,632</u>
Speech Pathology and Audiology Services			
Salaries	\$ 61,130	\$ 61,130	\$ 61,379
Employee Benefits	32,869	32,869	32,824
Purchased Services	250	250	229
Supplies and Materials	260	260	193
	<u>\$ 94,509</u>	<u>\$ 94,509</u>	<u>\$ 94,625</u>
Other Support Services - Pupils			
Salaries	\$ 5,700	\$ 5,700	\$ 500
Employee Benefits	89	89	31
Purchased Services	28,000	28,000	23,596
Supplies and Materials	21,200	21,200	30,508
Other Objects	100	100	1,164
	<u>\$ 55,089</u>	<u>\$ 55,089</u>	<u>\$ 55,799</u>
Total Support Services - Pupils	<u>\$ 3,633,253</u>	<u>\$ 3,633,253</u>	<u>\$ 3,664,811</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 537,560	\$ 537,560	\$ 523,123
Employee Benefits	98,700	98,700	91,086
Purchased Services	148,572	148,572	120,369
Supplies and Materials	22,350	22,350	32,099
Other Objects	699	699	199
	<u>\$ 807,881</u>	<u>\$ 807,881</u>	<u>\$ 766,876</u>
Educational Media Services			
Salaries	\$ 749,591	\$ 749,591	\$ 746,476
Employee Benefits	209,025	209,025	199,787
Purchased Services	56,152	56,152	70,121
Supplies and Materials	139,015	139,015	98,134
Other Objects	1,000	1,000	-
	<u>\$ 1,154,783</u>	<u>\$ 1,154,783</u>	<u>\$ 1,114,518</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Instructional Staff (Continued)			
Assessment and Testing			
Salaries	\$ 6,188	\$ 6,188	\$ 5,400
Employee Benefits	56	56	54
Purchased Services	36,970	36,970	41,582
Other Objects	500	500	219
	<u>\$ 43,714</u>	<u>\$ 43,714</u>	<u>\$ 47,255</u>
Total Support Services - Instructional Staff	<u>\$ 2,006,378</u>	<u>\$ 2,006,378</u>	<u>\$ 1,928,649</u>
General Administration			
Board of Education Services			
Employee Benefits	\$ 1,000	\$ 1,000	\$ 9,455
Purchased Services	273,761	273,761	281,571
Supplies and Materials	7,500	7,500	9,329
Other Objects	19,500	19,500	16,902
	<u>\$ 301,761</u>	<u>\$ 301,761</u>	<u>\$ 317,257</u>
Executive Administration Services			
Salaries	\$ 402,653	\$ 402,653	\$ 408,889
Employee Benefits	139,496	139,496	145,530
Purchased Services	13,376	13,376	6,767
Supplies and Materials	760	760	805
Other Objects	2,600	2,600	1,379
	<u>\$ 558,885</u>	<u>\$ 558,885</u>	<u>\$ 563,370</u>
Total Support Services - General Administration	<u>\$ 860,646</u>	<u>\$ 860,646</u>	<u>\$ 880,627</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 764,646	\$ 764,646	\$ 753,777
Employee Benefits	253,917	253,917	257,429
Purchased Services	24,447	24,447	13,627
Supplies and Materials	10,400	10,400	5,809
Other Objects	3,488	3,488	1,839
	<u>\$ 1,056,898</u>	<u>\$ 1,056,898</u>	<u>\$ 1,032,481</u>
Total Support Services - School Administration	<u>\$ 1,056,898</u>	<u>\$ 1,056,898</u>	<u>\$ 1,032,481</u>
Business			
Direction of Business Support Services			
Salaries	\$ 211,992	\$ 211,992	\$ 211,525
Employee Benefits	71,002	71,002	70,570
Purchased Services	5,976	5,976	3,413
Other Objects	1,200	1,200	540
	<u>\$ 290,170</u>	<u>\$ 290,170</u>	<u>\$ 286,048</u>
Fiscal Services			
Salaries	\$ 256,921	\$ 256,921	\$ 251,415
Employee Benefits	38,962	38,962	39,124
Purchased Services	6,944	6,944	4,954
Supplies and Materials	2,500	2,500	2,717
	<u>\$ 305,327</u>	<u>\$ 305,327</u>	<u>\$ 298,210</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business (Continued)			
Internal Services			
Salaries	\$ 180,021	\$ 180,021	\$ 163,926
Employee Benefits	63,041	63,041	64,872
Purchased Services	142,949	142,949	110,346
Supplies and Materials	35,296	35,296	29,249
	<u>\$ 421,307</u>	<u>\$ 421,307</u>	<u>\$ 368,393</u>
Total Support Services - Business	<u>\$ 1,016,804</u>	<u>\$ 1,016,804</u>	<u>\$ 952,651</u>
Operations and Maintenance			
Salaries	\$ 95,927	\$ 95,927	\$ 99,413
Employee Benefits	15,815	15,815	16,269
Purchased Services	204,414	204,414	198,335
Supplies and Materials	2,695	2,695	2,710
Total Support Services - Operations and Maintenance	<u>\$ 318,851</u>	<u>\$ 318,851</u>	<u>\$ 316,727</u>
Food Services			
Purchased Services	\$ 1,282,865	\$ 1,282,865	\$ 1,209,132
Supplies and Materials	7,213	7,213	7,521
Other Objects	1,305	1,305	1,069
Total Support Services - Food Services	<u>\$ 1,291,383</u>	<u>\$ 1,291,383</u>	<u>\$ 1,217,722</u>
Central			
Information Services			
Salaries	\$ 121,193	\$ 121,193	\$ 124,727
Employee Benefits	13,584	13,584	16,007
Purchased Services	52,934	52,934	32,799
Supplies and Materials	2,500	2,500	2,177
Other Objects	2,000	2,000	930
	<u>\$ 192,211</u>	<u>\$ 192,211</u>	<u>\$ 176,640</u>
Staff Services			
Salaries	\$ 206,752	\$ 206,752	\$ 204,290
Employee Benefits	28,834	28,834	31,827
Purchased Services	28,809	28,809	20,081
Supplies and Materials	8,802	8,802	7,319
	<u>\$ 273,197</u>	<u>\$ 273,197</u>	<u>\$ 263,517</u>
Data Processing Services			
Employee Benefits	\$ 4,727	\$ 4,727	\$ 4,727
Purchased Services	169,000	169,000	243,202
Supplies and Materials	67,500	67,500	71,590
	<u>\$ 241,227</u>	<u>\$ 241,227</u>	<u>\$ 319,519</u>
Total Support Services - Central	<u>\$ 706,635</u>	<u>\$ 706,635</u>	<u>\$ 759,676</u>
Other Support Services			
Purchased Services	\$ 6,800	\$ 6,800	\$ -
Total Other Support Services	<u>\$ 6,800</u>	<u>\$ 6,800</u>	<u>\$ -</u>
Total Support Services	<u>\$ 10,897,648</u>	<u>\$ 10,897,648</u>	<u>\$ 10,753,344</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Community Services			
Salaries	\$ 649	\$ 649	\$ -
Employee Benefits	3	3	3
Supplies and Materials	1,500	1,500	2,817
Other Objects	6,000	6,000	10,329
Total Community Services	<u>\$ 8,152</u>	<u>\$ 8,152</u>	<u>\$ 13,149</u>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Special Education Programs			
Purchased Services	\$ 5,000	\$ 5,000	\$ 4,954
	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 4,954</u>
Other Payments to In-State Governmental Units			
Other Objects	\$ -	\$ -	\$ 256
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,210</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 26,250	\$ 26,250	\$ 850
Payments for Special Education Programs			
Other Objects	2,510,108	2,510,108	2,553,633
Payment for CTE Programs			
Other Objects	665,000	665,000	660,769
Payments for Other Programs			
Other Objects	9,280	9,280	602
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 3,210,638</u>	<u>\$ 3,210,638</u>	<u>\$ 3,215,854</u>
Payments to Other Districts and Governmental Units-Transfers (In-State)			
Purchased Services			
Other Payments to In-State Gov't Units	\$ 4,330	\$ 4,330	\$ 2,360
Total Payments to Other Government Units-Transfers (In-State)	<u>\$ 4,330</u>	<u>\$ 4,330</u>	<u>\$ 2,360</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 3,219,968</u>	<u>\$ 3,219,968</u>	<u>\$ 3,223,424</u>
Capital Outlay			
Instruction			
Regular Programs	\$ 160,316	\$ 160,316	\$ 137,236
Special Education Programs	17,038	17,038	27,170
Other Instructional Programs	70,018	70,018	128,789
Support Services			
Pupils	7,472	7,472	11,745
Instructional Staff	75,925	75,925	30,831
General Administration	2,442	2,442	-
School Administration	6,130	6,130	519
Business	1,179	1,179	-
Operations and Maintenance	2,717	2,717	-
Food Services	5,402	5,402	4,026
Central	5,500	5,500	-
	<u>\$ 354,139</u>	<u>\$ 354,139</u>	<u>\$ 340,316</u>
On-Behalf Payments	<u>\$ 4,700,000</u>	<u>\$ 4,700,000</u>	<u>\$ 4,683,837</u>
Total Expenditures	<u>\$ 40,104,001</u>	<u>\$ 40,104,001</u>	<u>\$ 39,963,264</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND - EDUCATIONAL FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 114,304	\$ 114,304	\$ (107,594)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ (108,861)	\$ (108,861)	\$ (108,861)
Interest Transfers	166,000	166,000	140,700
Sale or Compensation for Fixed Assets	-	-	825
	<u>\$ 57,139</u>	<u>\$ 57,139</u>	<u>\$ 32,664</u>
NET CHANGE IN FUND BALANCE	\$ 171,443	\$ 171,443	\$ (74,930)
FUND BALANCE - JULY 1, 2009	<u>14,868,487</u>	<u>14,868,487</u>	<u>(500,396)</u>
FUND BALANCE - JUNE 30, 2010	<u>\$ 15,039,930</u>	<u>\$ 15,039,930</u>	<u>\$ (575,326)</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 4,820,572	\$ 4,820,572	\$ 4,812,198
Earnings on Investments	15,000	15,000	11,477
Other Local Sources	126,200	126,200	182,478
<b>Total Revenues</b>	<b>\$ 4,961,772</b>	<b>\$ 4,961,772</b>	<b>\$ 5,006,153</b>
<b>EXPENDITURES</b>			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ 1,000	\$ 1,000	\$ -
Supplies and Materials	-	-	399
	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 399</u>
Operations and Maintenance			
Salaries	\$ 2,001,940	\$ 2,001,940	\$ 1,982,536
Employee Benefits	526,955	526,955	533,025
Purchased Services	609,634	609,634	724,671
Supplies and Materials	1,362,663	1,362,663	993,501
Other Objects	795	795	795
	<u>\$ 4,501,987</u>	<u>\$ 4,501,987</u>	<u>\$ 4,234,528</u>
Other Support Services			
Purchased Services	\$ -	\$ -	\$ 373
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373</u>
<b>Total Support Services</b>	<b>\$ 4,502,987</b>	<b>\$ 4,502,987</b>	<b>\$ 4,235,300</b>
Capital Outlay			
Support Services			
Facilities Acquisition and Construction	\$ -	\$ -	\$ 16,539
Operations and Maintenance	89,050	89,050	156,296
Food Services	1,000	1,000	-
	<u>\$ 90,050</u>	<u>\$ 90,050</u>	<u>\$ 172,835</u>
<b>Total Expenditures</b>	<b>\$ 4,593,037</b>	<b>\$ 4,593,037</b>	<b>\$ 4,408,135</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 368,735</b>	<b>\$ 368,735</b>	<b>\$ 598,018</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers	\$ (291,560)	\$ (291,560)	\$ (291,160)
Sale or Compensation for Fixed Assets	-	-	4,000
Other Uses	400	400	-
	<u>\$ (291,160)</u>	<u>\$ (291,160)</u>	<u>\$ (287,160)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 77,575</b>	<b>\$ 77,575</b>	<b>\$ 310,858</b>
<b>FUND BALANCE - JULY 1, 2009</b>	<b>1,932,835</b>	<b>1,932,835</b>	<b>(315,405)</b>
<b>FUND BALANCE - JUNE 30, 2010</b>	<b>\$ 2,010,410</b>	<b>\$ 2,010,410</b>	<b>\$ (4,547)</b>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - TRANSPORTATION FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 1,580,830	\$ 1,580,830	\$ 1,578,071
Transportation Fees	11,298	11,298	9,367
Earnings on Investments	5,000	5,000	2,237
Other Local Sources	4,078	4,078	18,986
State Aid			
Transportation	724,731	724,731	748,220
Total Revenues	<u>\$ 2,325,937</u>	<u>\$ 2,325,937</u>	<u>\$ 2,356,881</u>
EXPENDITURES			
Support Services			
Transportation			
Purchased Services	\$ 2,357,300	\$ 2,357,300	\$ 2,292,482
Other Objects	1,200	1,200	840
Total Support Services - Transportation	<u>\$ 2,358,500</u>	<u>\$ 2,358,500</u>	<u>\$ 2,293,322</u>
Total Support Services	<u>\$ 2,358,500</u>	<u>\$ 2,358,500</u>	<u>\$ 2,293,322</u>
Capital Outlay			
Support Services			
Transportation	\$ -	\$ -	\$ 7,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,000</u>
Total Expenditures	<u>\$ 2,358,500</u>	<u>\$ 2,358,500</u>	<u>\$ 2,300,322</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (32,563)	\$ (32,563)	\$ 56,559
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (32,563)	\$ (32,563)	\$ 56,559
FUND BALANCE - JULY 1, 2009	157,333	157,333	(404,729)
FUND BALANCE - JUNE 30, 2010	<u>\$ 124,770</u>	<u>\$ 124,770</u>	<u>\$ (348,170)</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>REVENUES</b>			
Property Taxes	\$ 1,095,821	\$ 1,095,821	\$ 411,502
FICA/Medicare Only Purposes Levies	-	-	682,419
Payments in Lieu of Taxes	10,914	10,914	10,914
Earnings on Investments	5,000	5,000	3,422
<b>Total Revenues</b>	<b>\$ 1,111,735</b>	<b>\$ 1,111,735</b>	<b>\$ 1,108,257</b>
<b>EXPENDITURES</b>			
Instruction			
Regular Programs			
Employee Benefits	\$ 175,205	\$ 175,205	\$ 177,109
Special Education Programs			
Employee Benefits	79,332	79,332	82,757
Remedial and Supplemental Programs - K-12			
Employee Benefits	10,353	10,353	10,543
Adult/Continuing Education Programs			
Employee Benefits	1,440	1,440	852
CTE Programs			
Employee Benefits	10,770	10,770	11,011
Interscholastic Programs			
Employee Benefits	58,783	58,783	58,150
Summer School Programs			
Employee Benefits	3,641	3,641	2,736
Driver's Education Programs			
Employee Benefits	3,132	3,132	3,541
Bilingual Programs			
Employee Benefits	4,003	4,003	3,851
	<b>\$ 346,659</b>	<b>\$ 346,659</b>	<b>\$ 350,550</b>
Support Services			
Pupils			
Attendance and Social Work Services			
Employee Benefits	\$ 66,359	\$ 66,359	\$ 67,131
Guidance Services			
Employee Benefits	40,632	40,632	41,739
Health Services			
Employee Benefits	10,689	10,689	10,925
Psychological Services			
Employee Benefits	5,361	5,361	5,393
Speech Pathology and Audiology Services			
Employee Benefits	1,237	1,237	1,233
Other Support Services - Pupils			
Employee Benefits	110	110	20
	<b>\$ 124,388</b>	<b>\$ 124,388</b>	<b>\$ 126,441</b>
Instructional Staff			
Improvement of Instruction Services			
Employee Benefits	\$ 13,370	\$ 13,370	\$ 12,147
Educational Media Services			
Employee Benefits	87,725	87,725	86,690
Assessment and Testing			
Employee Benefits	601	601	530
	<b>\$ 101,696</b>	<b>\$ 101,696</b>	<b>\$ 99,367</b>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
General Administration			
Executive Administration Services			
Employee Benefits	\$ 20,568	\$ 20,568	\$ 20,188
	<u>\$ 20,568</u>	<u>\$ 20,568</u>	<u>\$ 20,188</u>
School Administration			
Office of the Principal Services			
Employee Benefits	\$ 48,590	\$ 48,590	\$ 49,430
	<u>\$ 48,590</u>	<u>\$ 48,590</u>	<u>\$ 49,430</u>
Business			
Direction of Business Support Services			
Employee Benefits	\$ 11,324	\$ 11,324	\$ 11,258
Fiscal Services			
Employee Benefits	45,244	45,244	44,445
Internal Services			
Employee Benefits	27,977	27,977	25,803
	<u>\$ 84,545</u>	<u>\$ 84,545</u>	<u>\$ 81,506</u>
Operations and Maintenance			
Employee Benefits	\$ 343,461	\$ 343,461	\$ 345,768
	<u>\$ 343,461</u>	<u>\$ 343,461</u>	<u>\$ 345,768</u>
Central			
Information Services			
Employee Benefits	\$ 23,253	\$ 23,253	\$ 24,216
Staff Services			
Employee Benefits	24,765	24,765	25,501
Data Processing Services			
Employee Benefits	33	33	34
	<u>\$ 48,051</u>	<u>\$ 48,051</u>	<u>\$ 49,751</u>
Total Support Services	<u>\$ 771,299</u>	<u>\$ 771,299</u>	<u>\$ 772,451</u>
Community Services			
Employee Benefits	\$ 103	\$ 103	\$ -
Total Community Services	<u>\$ 103</u>	<u>\$ 103</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 1,118,061</u>	<u>\$ 1,118,061</u>	<u>\$ 1,123,001</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (6,326)	\$ (6,326)	\$ (14,744)
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (6,326)	\$ (6,326)	\$ (14,744)
FUND BALANCE - JULY 1, 2009	<u>487,410</u>	<u>487,410</u>	<u>(79,892)</u>
FUND BALANCE - JUNE 30, 2010	<u>\$ 481,084</u>	<u>\$ 481,084</u>	<u>\$ (94,636)</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND - WORKING CASH FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Earnings on Investments	\$ 120,000	\$ 120,000	\$ 88,540
Total Revenues	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 88,540</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 120,000	\$ 120,000	\$ 88,540
OTHER FINANCING SOURCES (USES)			
Interest Transfers	<u>(150,000)</u>	<u>(150,000)</u>	<u>(126,200)</u>
NET CHANGE IN FUND BALANCE	\$ (30,000)	\$ (30,000)	\$ (37,660)
FUND BALANCE - JULY 1, 2009	<u>4,946,494</u>	<u>4,946,494</u>	<u>4,949,381</u>
FUND BALANCE - JUNE 30, 2010	<u>\$ 4,916,494</u>	<u>\$ 4,916,494</u>	<u>\$ 4,911,721</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 JUNE 30, 2010

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 28, 2009 and was not amended. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2010, the following fund presented as required supplementary information had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Illinois Municipal Retirement/ Social Security	\$ 1,118,061	\$ 1,123,001	\$ 4,940

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICES FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 4,817,889	\$ 4,817,889	\$ 4,809,501
Earnings on Investments	16,000	16,000	14,547
Total Revenues	<u>\$ 4,833,889</u>	<u>\$ 4,833,889</u>	<u>\$ 4,824,048</u>
EXPENDITURES			
Debt Services			
Interest			
Other Objects	<u>\$ 2,791,015</u>	<u>\$ 2,791,015</u>	<u>\$ 2,791,014</u>
	<u>\$ 2,791,015</u>	<u>\$ 2,791,015</u>	<u>\$ 2,791,014</u>
Debt Services - Payment of Principal on Long-Term Debt			
Other Objects	<u>\$ 2,389,149</u>	<u>\$ 2,389,149</u>	<u>\$ 2,389,149</u>
	<u>\$ 2,389,149</u>	<u>\$ 2,389,149</u>	<u>\$ 2,389,149</u>
Total Debt Services	<u>\$ 5,180,164</u>	<u>\$ 5,180,164</u>	<u>\$ 5,180,163</u>
Total Expenditures	<u>\$ 5,180,164</u>	<u>\$ 5,180,164</u>	<u>\$ 5,180,163</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (346,275)</u>	<u>\$ (346,275)</u>	<u>\$ (356,115)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ 400,021	\$ 400,021	\$ 400,021
Interest Transfers	(16,000)	(16,000)	(14,500)
	<u>\$ 384,021</u>	<u>\$ 384,021</u>	<u>\$ 385,521</u>
NET CHANGE IN FUND BALANCE	\$ 37,746	\$ 37,746	\$ 29,406
FUND BALANCE - JULY 1, 2009	<u>2,548,787</u>	<u>2,548,787</u>	<u>342,273</u>
FUND BALANCE - JUNE 30, 2010	<u>\$ 2,586,533</u>	<u>\$ 2,586,533</u>	<u>\$ 371,679</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Earnings on Investments	\$ 21,100	\$ 21,100	\$ 21,155
Other Local Sources	-	-	73,938
Total Revenues	<u>\$ 21,100</u>	<u>\$ 21,100</u>	<u>\$ 95,093</u>
EXPENDITURES			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ 54,000	\$ 54,000	\$ 60,742
Supplies and Materials	10,000	10,000	17,630
Other Objects	553,604	553,604	-
Total Support Services - Facilities Acquisition and Construction	<u>\$ 617,604</u>	<u>\$ 617,604</u>	<u>\$ 78,372</u>
Total Support Services	<u>\$ 617,604</u>	<u>\$ 617,604</u>	<u>\$ 78,372</u>
Capital Outlay			
Support Services			
Facilities Acquisition and Construction	\$ 775,000	\$ 775,000	\$ 763,356
	<u>\$ 775,000</u>	<u>\$ 775,000</u>	<u>\$ 763,356</u>
Total Expenditures	<u>\$ 1,392,604</u>	<u>\$ 1,392,604</u>	<u>\$ 841,728</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,371,504)	\$ (1,371,504)	\$ (746,635)
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (1,371,504)	\$ (1,371,504)	\$ (746,635)
FUND BALANCE - JULY 1, 2009	2,857,022	2,857,022	2,096,764
FUND BALANCE - JUNE 30, 2010	<u>\$ 1,485,518</u>	<u>\$ 1,485,518</u>	<u>\$ 1,350,129</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2010

ASSETS	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
Cash and Cash Equivalents	\$ 471,561	\$ 2,080,328	\$ 2,131,661	\$ 420,228
Investments	133,444	(98,816)	-	34,628
	<u>\$ 605,005</u>	<u>\$ 1,981,512</u>	<u>\$ 2,131,661</u>	<u>\$ 454,856</u>
 LIABILITIES				
Amount Due to Agency Fund				
District Miscellaneous	\$ 1	\$ -	\$ -	\$ 1
Classrooms for Kids	7,997	-	-	7,997
50th Anniversary Committee	842	-	-	842
Employee Purchases	20	38,730	38,718	32
2008-09 Employee Purchases	17	-	17	-
School Supply Donations	369	-	-	369
Library Fund	17	-	-	17
Employee Fund - Balance	10,201	20	10,000	221
Employee Fund - ESC	-	230	230	-
Earned Interest Balance	11,700	220	-	11,920
Lake Park Retirement	1	-	1	-
FSA Funds FY 2008-2009	45,995	20,480	66,475	-
FSA Funds FY 2009-2010	-	240,263	218,027	22,236
FSA Earnings and Fees	1,219	55	-	1,274
Health Insurance	21,144	407,174	403,211	25,107
Dental Insurance	5,625	45,841	46,243	5,223
Vision Insurance	939	5,141	5,127	953
Vision Insurance - Allied Benefits	12,483	28,796	25,227	16,052
Life Insurance	7,666	41,806	43,950	5,522
EE - Summer Insurance Premiums	2,201	7,199	6,140	3,260
Dependent Life Insurance	114	496	510	100
Athletic Booster Club	3,087	13,458	12,770	3,775
LPPE Membership	855	5,286	5,121	1,020
Superintendent's Association	748	520	1,268	-
Blood Borne Pathogen	30	-	-	30
Retirement - BS	124	2,964	3,088	-
LP Band Aux - Sales Tax	64	-	-	64
The Altier Scholarship	11,052	-	-	11,052
Kathy Percoco Scholarship	7,889	115	-	8,004
Vendor Scholarships	1,500	-	500	1,000
Art Club	34	40	-	74
Graphic Art Club	210	-	-	210
Band Boosters	205	-	-	205
Summer Band Camp	455	23,500	23,402	553
Jazz Band	674	218	-	892
Science Club	611	-	323	288
Scholastic Bowl	452	-	73	379
Women of Promise	318	1,543	343	1,518
Chess Club	23	-	-	23
Chorus	2,122	200	540	1,782
CWT	37	-	-	37
Craft Show	-	7,095	7,095	-

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
Amount Due to Agency Fund (Continued)				
Creative Writing Club	\$ 250	\$ -	\$ -	\$ 250
Speech Team Summer	78	244	266	56
Deca-East	725	1,269	1,144	850
Deca-West	1,790	8,395	8,555	1,630
Memorial Fund	681	1,072	681	1,072
West Campus Charity Fund	838	3,291	3,877	252
Cha-Cha for Children	-	18,316	17,895	421
Hoops for Heart	-	13,052	13,052	-
Wonder	1,239	-	46	1,193
Fishing Club	-	3,803	3,638	165
French Club	35	1,320	1,305	50
German Club	744	1,095	1,212	627
Spanish Club	104	20	-	124
Math Team	20	900	684	236
College Unidos	-	298	270	28
HOSA	158	1,650	1,617	191
International Thespian Society	5,824	15,694	14,509	7,009
Homecoming	10,629	45,223	46,125	9,727
Post-Prom	3,000	3,500	6,000	500
National Honor Society	699	9,732	7,704	2,727
Dance Ensemble Club	3,121	8,069	8,942	2,248
Perspective	2,481	-	-	2,481
Band Travel Program	10,505	320,353	326,524	4,334
Der Austausch	12	3,222	1,669	1,565
L'Exchange	1,800	19,747	20,975	572
Exchange Assistance	361	9,595	7,777	2,179
Freshman Class	180	302	54	428
Sophomore Class	892	417	1,216	93
Junior Class	573	57,204	54,787	2,990
Senior Class	679	3,536	3,534	681
Theatre Program	-	1,195	1,175	20
Mural Fund	3,469	-	-	3,469
Psychology Fund	7	1,766	1,552	221
Student Council	84	7,499	6,907	676
East Student Council	-	2,776	404	2,372
DSA Club Assistance Fund	7,694	14,135	15,065	6,764
Senior Class Gift Fund	921	501	-	1,422
F.C.C.L.A.	216	2,124	2,280	60
Youth & Government	1,160	18,940	19,280	820
S.A.D.D.	849	2,457	2,238	1,068
Parent/Student Dinner Dance	342	1,385	1,254	473
SADD - Safety Incentive Program	350	-	-	350
Earth Club	870	201	180	891
V.I.C.A.	344	-	-	344
Yearbook	26,789	70,277	79,095	17,971
Yearbook - Prior Years	14,840	27,789	14,285	28,344
Snowball - Drug Free Schools	5,888	1,367	844	6,411
Snowball Scholarship	2,243	-	-	2,243
Market Day	5,710	21,859	21,842	5,727
Party w/a Purpose	2,609	-	938	1,671
Athletic Department	-	216	194	22

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2010

Amount Due to Agency Fund (Continued)	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
Athlete of the Week	\$ 24	\$ -	\$ 23	\$ 1
Cheerleaders	17,470	39,196	43,009	13,657
Cheer Summer Camp	-	2,137	-	2,137
Super Fans	849	2,863	2,132	1,580
Patrick Cooper Memorial	4,739	400	-	5,139
Dan Burgess Benefit Account	200	-	-	200
Lancettes	4,056	19,517	19,885	3,688
Lancette Dinners	1,717	2,550	2,220	2,047
Girls Track	364	-	-	364
Swim Team - In & Out	1,683	3,538	4,136	1,085
Boys Baseball - Summer Camp	9,779	7,392	12,109	5,062
Boys Soccer - Summer League	11,516	16,560	19,243	8,833
Boys Soccer - Regular	435	6,169	5,842	762
Boys Soccer - Summer	18,010	8,437	19,937	6,510
Boys Baseball - Summer League	3,770	5,065	8,098	737
Boys Baseball - Regular	5,401	5,495	8,951	1,945
Girls Softball - Regular	27	3,697	3,105	619
Boys Basketball - Summer League	370	7,052	6,744	678
Boys Basketball - Summer	13,521	7,219	14,438	6,302
Boys Basketball - Regular	47	-	-	47
Badminton	14	-	14	-
Badminton - Summer	-	1,404	-	1,404
Girls Basketball - Summer	13,083	5,560	13,268	5,375
Girls Basketball - Regular	304	5,656	5,777	183
Girls Basketball - League	1,420	2,100	1,190	2,330
Boys/Girls X Cntry - Summer	4,652	2,346	4,652	2,346
Boys/Girls X Cntry - Regular	836	95	178	753
Boys Football - Summer	13,348	4,787	14,136	3,999
Boys Football - Regular	2,877	1,896	4,722	51
Football Dinners	3,483	2,979	6,245	217
Speed Camp	5,183	1,716	5,183	1,716
Boys Gymnastics - Summer	1,827	-	1,827	-
Boys Gymnastics - Regular	-	6	-	6
Girls Summer Pom Camp	6,819	1,257	7,016	1,060
Boys/Girls Tennis - Summer	7,939	2,146	8,241	1,844
Boys/Girls Tennis - Regular	-	151	115	36
Boys Wrestling - Summer	2,661	-	2,661	-
Boys Wrestling - Regular	-	210	47	163
Girls Volleyball - Summer	22,735	8,540	24,337	6,938
Girls Volleyball - Regular	2,481	9,004	7,612	3,873
Boys Volleyball - Summer	-	2,079	-	2,079
Boys Volleyball - Regular	461	500	867	94
Boys Volleyball - League	50	500	500	50
Girls Gymnastics - Regular	292	1,612	1,681	223
Boys Track - Regular	1,896	1,190	1,756	1,330
Girls Golf - Summer	1,819	-	1,819	-
Girls Golf - Regular	252	-	75	177
Girls Soccer- Regular	493	6,861	6,711	643
Girls Soccer- Summer League	1,792	4,753	3,484	3,061
IHSA Tournament	2,839	37,056	39,894	1
Inv-Boys Basketball-Frosh	91	1,725	1,698	118

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
Amount Due to Agency Fund (Continued)				
Inv-Boys Gymnastics-FR/V	\$ 2,174	\$ 3,753	\$ 5,079	\$ 848
Inv-Boys Tennis-FR/V	9	210	200	19
Inv-Boys Track	-	6,245	4,573	1,672
Inv-Boys Wrestling-FR/V	-	5,977	5,951	26
Inv-Boys Golf-Varsity	-	6,000	5,700	300
Inv-Boys Soccer-Varsity	97	4,914	4,968	43
Inv-Boys/Girls X Country	-	2,102	1,773	329
Inv-Girls Gymnastics-JV	86	1,807	1,835	58
Inv-Girls Track	214	2,543	2,756	1
Inv-Girls Volleyball	63	5,381	5,423	21
Inv-Girls Basketball	1,035	1,738	2,766	7
Inv-Lancettes	10,785	-	3,687	7,098
Inv-Girls Bowling	289	2,050	2,309	30
Inv-Boys Bowling	64	2,852	2,916	-
Inv-Girls Soccer	(41)	2,366	2,581	(256)
Special Olympics	1,803	2,225	3,007	1,021
Upstate 8 Tournament	-	666	-	666
Replacement Jerseys	57	734	528	263
Athletic Trainers - Summer Camps	14	15,561	9,452	6,123
Athletic Vending-E/C	147	-	-	147
Eighth Grade Contest Fund	31	200	132	99
Chartered Bus	203	-	-	203
Graduation Video	3,330	-	-	3,330
Athletic Vending-W/C	10,247	-	268	9,979
W/C Coca Cola Part. In Ed	1,486	-	273	1,213
Tobacco Survey Fund	1,000	-	-	1,000
Upstate 8 Principals	163	-	-	163
Lake Park Foundation Donation	100	701	576	225
Lake Park Foundation	36,764	30,536	59,965	7,335
LPEF Endowment	17,479	1,616	-	19,095
Carl Forrester Scholarship	500	-	-	500
Don Lovelace Scholarship	5,354	-	1,000	4,354
Amanda Dombrowski Scholarship	1,000	1,000	1,000	1,000
Joe Cychosz Scholarship	2,800	500	1,500	1,800
Scott Bradley Memorial Scholarship	1,500	1,500	1,500	1,500
Gaylon Elliott Memorial	1,970	300	-	2,270
Friends Spring Brook Nature Ctr Sch.	1,000	-	1,000	-
Trinity Lutheran School Scholarship	500	-	500	-
Stan Wheeler Memorial	2,380	-	-	2,380
Claudia Sloan Scholarship	5,756	20	-	5,776
Alumni Association	(80)	430	126	224
Alumni Scholarship	-	50	-	50
Gary Steger Scholarship	3,000	1,500	3,000	1,500
Chris Frizzelle Scholarship Fund	5,165	1,015	1,000	5,180
Foundation Mini Grants	2,724	7,044	5,767	4,001
Mini Grant - College Unidos	2	-	2	-
Mini Grant - Mathematics in Chicago	1,600	-	1,600	-
Mini Grant - Presidential Timeline	1,500	-	1,500	-
Mini Grant - Upper Body Ergonomics	3,504	-	3,504	-
Mini Grant - L.P. Women of Promise	337	-	337	-
Mini Grant - Lancer Emergency Educ.	2,425	-	425	2,000

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
Amount Due to Agency Fund (Continued)				
Mini Grant - War and Peace Forum	\$ -	\$ 1,750	\$ -	\$ 1,750
Mini Grant - Classroom of the Future	-	2,100	2,100	-
Mini Grant - ACT Prep - Students w/Hards	-	1,800	1,800	-
Mini Grant - Tablet PC - Consumer Ed	-	1,714	1,714	-
	<u>\$ 605,005</u>	<u>\$ 1,981,512</u>	<u>\$ 2,131,661</u>	<u>\$ 454,856</u>

See Accompanying Independent Auditor's Report

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 COMPUTATION OF OPERATING EXPENSE PER PUPIL AND  
 PER CAPITA TUITION CHARGE  
 FOR THE YEAR ENDED JUNE 30, 2010

**EXPENDITURES:**

ED	Total Expenditures	\$ 35,279,428
O&M	Total Expenditures	4,408,135
DS	Total Expenditures	5,180,163
TR	Total Expenditures	2,300,322
MR/SS	Total Expenditures	1,123,001
	<b>Total Expenditures</b>	<b>\$ 48,291,049</b>

**LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:**

TR	Summer Sch - Transp. Fees from Pupils or Parents (In State)	\$ 3,284
TR	Summer Sch - Transp. Fees from Other Districts (In State)	654
ED	Adult/Continuing Education Programs	34,511
ED	Summer School Programs	67,747
ED	Community Services	13,149
ED	Total Payments to Other District & Govt Units	3,223,424
ED	Capital Outlay	340,316
O&M	Capital Outlay	172,835
DS	Debt Service - Payments of Principal on Long-Term Debt	2,389,149
TR	Capital Outlay	7,000
MR/SS	Adult/Continuing Education Programs	852
MR/SS	Summer School Programs	2,736
	<b>Total Deductions</b>	<b>\$ 6,255,657</b>
	<b>Total Operating Expenses (Regular K-12)</b>	<b>42,035,392</b>
	<b>9 Mo ADA (See the General State Aid Claim for 2010-2011 (ISBE 54-33, L12)</b>	<b>2,454.86</b>
	<b>Estimated OEPP</b>	<b>\$ 17,123.34</b>

**PER CAPITA TUITION CHARGE**

**LESS OFFSETTING RECEIPTS/REVENUES:**

TR	Regular -Transp Fees from Pupils or Parents (In State)	\$ 5,429
ED	Total Food Service	1,092,093
ED-O&M	Total District/School Activity Income	1,086,583
ED-O&M	Rentals	86,552
ED	Other Local Fees	55,209
ED-O&M-TR	Total Special Education	912,334
ED-O&M-MR/SS	Total Career and Technical Education	41,957
ED-MR/SS	Total Bilingual Ed	10,375
ED	State Free Lunch & Breakfast	4,474
ED-O&M	Driver Education	104,552
ED-O&M-TR-MR/SS	Total Transportation	748,222
ED-O&M-DS-TR-MR/SS	School Safety & Educational Improvement Block Grant	12,729
ED-O&M-TR-MR/SS	Total Title I	124,307
ED-O&M-TR-MR/SS	Total Title IV	5,649
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence	448,430
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board	85,637
ED-O&M-MR/SS	Total CTE - Perkins	23,583
ED-O&M-DS-TR-MR/SS-Total	Total ARRA Program Adjustments	184,480
ED-O&M-TR-MR/SS	Title II - Teacher Quality	10,474
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach	39,161
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program	2,863
ED-O&M-TR-MR/SS	Other Restricted Revenue from Federal Sources (Describe & Itemize)	24,561
	<b>Total Allowance for PCTC Computation</b>	<b>\$ 5,109,654</b>
	<b>Net Operating Expense for PCTC Computation</b>	<b>36,925,738</b>
	<b>Total Depreciation Allowance (from page 27, Col I)</b>	<b>2,386,544</b>
	<b>Total Allowance for PCTC Computation</b>	<b>39,312,282</b>
	<b>9 Mo ADA</b>	<b>2,454.86</b>
	<b>Total Estimated PCTC</b>	<b>\$ 16,014.06</b>

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)  
DISTRICT/JOINT AGREEMENT  
Year Ending June 30, 2010**

DISTRICT/JOINT AGREEMENT NAME <b>LAKE PARK HIGH SCHOOL DISTRICT NO. 108</b>	RCDT NUMBER <b>19-022-1080-16</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>060-004991</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)	NAME AND ADDRESS OF AUDIT FIRM <b>EDER, CASELLA &amp; CO. 5400 WEST ELM STREET, SUITE 203 McHENRY, IL 60050</b>		E-MAIL ADDRESS <b>cpas@edercasella.com</b>
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>590 S. MEDINAH ROAD  ROSELLE, IL 60172</b>		NAME OF AUDIT SUPERVISOR <b>MICHELE CASELLA</b>	
		CPA FIRM TELEPHONE NUMBER <b>815-344-1300</b>	FAX NUMBER <b>815-344-1320</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- Copy of Federal Data Collection Form § .320 (b)



## EDER, CASELLA & CO.

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### REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education  
Lake Park High School District No. 108  
Roselle, Illinois

#### Compliance

We have audited the compliance of

Lake Park High School District No. 108

with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. Lake Park High School District No. 108's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lake Park High School District No. 108's management. Our responsibility is to express an opinion on Lake Park High School District No. 108's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lake Park High School District No. 108's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lake Park High School District No. 108's compliance with those requirements.

In our opinion, Lake Park High School District No. 108 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

#### Internal Control Over Compliance

The management of Lake Park High School District No. 108 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lake Park High School District No. 108's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures

for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lake Park High School District No. 108's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Lake Park High School District No. 108's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Lake Park High School District No. 108's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Board of Education, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 7, 2010

19-022-1080-16  
**LAKE PARK HIGH SCHOOL DISTRICT NO. 108**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ending June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/08-6/30/09 (C)	Year 7/1/09-6/30/10 (D)	Year 7/1/08-6/30/09 (E)	Year 7/1/09-6/30/10 (F)			
U.S. Department of Education Passed Through									
Illinois State Board of Education:									
Title I - Low Income	84.010A	09-4300-00	73,512		73,512		73,512	84,671	
Title I - Low Income	84.010A	10-4300-00	5,210	48,651		53,861	53,861	90,627	
Title IV - Safe & Drug Free Schools - Formula	84.186A	10-4400-00		5,649		5,649	5,649	7,913	
ARRA - General State Aid - Education SFSF	84.394A	10-4850-00		170,153		170,153	170,153	N/A	
Title III - Lang Inst Prog - Limited Eng LIPLEP	84.365A	09-4909-00	4,596		4,596		4,596	4,640	
Title II - Teacher Quality	84.367A	10-4932-00		10,474		10,474	10,474	56,729	
Technology - Enhancing Education - Formula	84.318X	10-4971-00		720		720	720	734	
ARRA - General State Aid - Government SFSF	84.397A	10-4870-00		56,717		56,717	56,717	N/A	
Special Education - IDEA Room & Board (M)	84.027A	09-4625-00		26,427		26,427	26,427	N/A	
Special Education - IDEA Room & Board (M) *	84.027A	10-4625-00		58,839		58,839	58,839	N/A	
School Improvement Grant (Section 1003g)	84.377	10-4339-00		75,656		75,656	75,656	86,000	
Special Education - IDEA Room & Board (M)	84.027A	09-4625-XC		371		371	371	N/A	
* - Project End Date 8/31/10									

• (M) Program was audited as a major program as defined by OMB Circular A-133.

**The accompanying notes are an integral part of this schedule.**

- <sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- <sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- <sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- <sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**19-022-1080-16**  
**LAKE PARK HIGH SCHOOL DISTRICT NO. 108**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2010**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/08-6/30/09 (C)	Year 7/1/09-6/30/10 (D)	Year 7/1/08-6/30/09 (E)	Year 7/1/09-6/30/10 (F)			
U.S. Department of Education Passed Through									
North DuPage Special Education Cooperative:									
Special Education - IDEA Flow-Through (M)	84.027A	10-4620-00		448,430		448,430		448,430	N/A
ARRA - IDEA - Flow-Through (M)	84.391A	10-4857-00		184,177		184,177		184,177	N/A
U.S. Department of Education Passed Through									
DuPage Area Occupational Education System:									
Career and Technical Education - Tech Prep	84.243	10-4770-00		1,243		1,243		1,243	N/A
Perkins - Title III	84.048	10-4799-00		22,340		22,340		22,340	N/A
U.S. Department of Education Passed Through Will County									
Regional Office of Education:									
ARRA - McKinney - Vento Homeless Education	84.387A	10-4862-00		303		303		303	N/A
Subtotal CFDA "84"			83,318	1,110,150	78,108	1,115,360	0	1,193,468	
U.S. Department of Labor Passed Through									
DuPage County Workforce Development									
Workforce Investment Act - Youth Program	17.259	10-4999-00		23,841		23,841		23,841	N/A
Subtotal CFDA "17"			0	23,841	0	23,841	0	23,841	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

**The accompanying notes are an integral part of this schedule.**

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

<sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.



LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lake Park High School District No. 108 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2- SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2010.

NOTE 3 - NON-CASH ASSISTANCE, INSURANCE, AND LOANS

Non-cash assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the commodities received and disbursed. During the year ended June 30, 2010, the District received and disbursed \$0 of food commodities.

There was no federal insurance in effect during the year, nor any federal loans or loan guarantees outstanding at year end.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

- 1) Summary of auditor's results:
  - a) An unqualified opinion report was issued.
  - b) One significant deficiency, considered to be a material weakness, disclosed during the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
  - c) No noncompliance which is material to the financial statements was disclosed by the audit of the financial statements.
  - d) No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit.
  - e) An unqualified opinion report on compliance for major programs was issued.
  - f) Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
  - g) The major programs identified were Special Education – IDEA Flow-Through/Special Education – IDEA Room & Board (CFDA #84.027), and ARRA – IDEA Flow-Through (CFDA #84.391).
  - h) The dollar threshold to distinguish between Type A and Type B programs was \$300,000.
  - i) Lake Park High School District No. 108 does not qualify as a low-risk auditee.
- 2) The finding relating to the financial statements which is required to be reported is detailed in the finding numbered 2010-1.
- 3) There were no findings and questioned costs for federal awards which are required to be reported.

**LAKE PARK HIGH SCHOOL DISTRICT NO. 108**  
**19-022-1080-16**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2010**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup> 2010-1      2. THIS FINDING IS:       New       Repeat from Prior Year?  
Year originally reported?      2009

**3. Criteria or specific requirement**

Management is responsible for the fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles.

**4. Condition**

Management relies on the auditor to prepare the full financial statements.

**5. Context<sup>12</sup>**

All financial statements are prepared by the auditor.

**6. Effect**

The likelihood exists that a material misstatement of the financial statements could occur and not be prevented or detected by the District's internal control.

**7. Cause**

The District does not have the staff with the technical expertise in accounting to prepare the District's financial statements.

**8. Recommendation**

The District can either acquire staff members with the expertise to prepare the financial statements, hire an outside firm to prepare the financials, or continue to receive the finding.

**9. Management's response<sup>13</sup>**

Management plans to continue to receive the finding.

**For ISBE Review**

Date:	Resolution Criteria Code Number
Initials:	Disposition of Questioned Costs Code Letter

<sup>11</sup> A suggested format for assigning reference numbers is to use the last two digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2003 would be assigned a reference number of 02-01, 02-02, etc.

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 19-022-1080-16  
 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>  
 Year Ending June 30, 2010

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
2009-1	Management relies on the auditor to prepare the full financial statements.	Management plans to continue to receive this finding.
2009-2	During the course of the audit, material misstatements of the financial records were found, resulting in adjusting entries.	Material adjusting journal entries were not necessary in the current year's audit.

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When possible, all prior findings should be on the same page

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**LAKE PARK HIGH SCHOOL DISTRICT NO. 108**  
**19-022-1080-16**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2010**

**Corrective Action Plan**

Finding No.: 2010-1

Condition:

Management relies on the auditor to prepare the full financial statements.

Plan:

Management plans to continue to receive the finding.

Anticipated Date of Completion: N/A

Name of Contact Person: Jeff O'Connell, Assistant Superintendent for Business Services

Management Response: N/A

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<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.