NEW ISSUE – BOOK-ENTRY ONLY **RATING+: MOODY'S: "Aaa"**
– BANK QUALIFIED

Subject to compliance by the District with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

$9,385,000
COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 181
DUPAGE AND COOK COUNTIES, ILLINOIS
(HINSDALE)
GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2014B

Dated: Date of Issuance **Due: May 1, As Shown on the Inside Cover Page**

The General Obligation Refunding School Bonds, Series 2014B (the "Bonds"), of Community Consolidated School District Number 181, DuPage and Cook Counties, Illinois (the "District"), are issuable as fully registered Bonds under the global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of Bonds. The Bonds are issued in fully registered form in denominations of $5,000 and integral multiples thereof, and will bear interest payable on May 1 and November 1 of each year, with May 1, 2014, as the first interest payment date. The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois, will act as bond registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the Bonds will be used to (i) currently refund the District's outstanding General Obligation School Refunding Bonds, Series 2007, and (ii) pay certain costs associated with the issuance of the Bonds.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bonds are not subject to redemption prior to maturity.

The Bonds are offered when, as and if issued by the District and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. Chapman and Cutler LLP is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about February 25, 2014.

RAYMOND JAMES
AS UNDERWRITER

PMA SECURITIES
AS FINANCIAL ADVISOR

The date of this Official Statement is January 22, 2014.

+See "BOND RATING" herein.

MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

$9,385,000 General Obligation Refunding School Bonds, Series 2014B

Maturity May 1	Amount ($)	Rate (%)	Yield (%)	CUSIP (262579)[1]
2016	155,000	2.00	0.50	QM0
2017	105,000	2.00	0.75	QN8
2018	1,670,000	2.00	1.10	QP3
2019	820,000	2.00	1.45	QQ1
2020	790,000	3.00	1.75	QR9
2021	955,000	3.00	2.05	QS7
2022	285,000	3.00	2.30	QT5
2023	2,230,000	3.00	2.45	QU2
2024	2,375,000	3.00	2.65	QV0

(1) CUSIP data herein is provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

PMA Securities, Inc., Naperville, Illinois is serving as financial advisor (the "Financial Advisor") to the District in connection with the issuance of the Bonds. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimate will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.

Certain persons participating in this offering may engage in transactions that maintain or otherwise affect the price of the Bonds. Specifically, the Underwriter may overallot in connection with the offering, may bid for, and purchase, the Bonds in the open market. The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

Community Consolidated School District Number 181
DuPage and Cook Counties, Illinois
(Hinsdale)
6010 South Elm Street
Burr Ridge, Illinois 60527
(630) 887-1070

* * * * * * * * * * * * * * * * * * *

Board of Education
Marty Turek, President
Jill Vorobiev, Vice President
Mridu Garg, Secretary
Michael Nelson
Glenn Yaeger
Brendan Heneghan
Gary Clarin

Superintendent
Dr. Renée Schuster

Assistant Superintendent for Business and Operations and Treasurer
Gary Frisch

* * * * * * * * * * * * * * * * * * *

Paying Agent/ Bond Registrar/Escrow Agent
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Chicago, Illinois 60602

Independent Auditor
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Naperville, Illinois 60563

Underwriter
Raymond James & Associates, Inc.
535 Madison Avenue
New York, New York 10022

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B. Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2013

$9,385,000
Community Consolidated School District Number 181
DuPage and Cook Counties, Illinois
(Hinsdale)
General Obligation Refunding School Bonds, Series 2014B

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Consolidated School District Number 181, DuPage and Cook Counties, Illinois (the "District"), in connection with the offering and sale of its $9,385,000 General Obligation Refunding School Bonds, Series 2014B (the "Bonds"). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

The Bonds will be issued in fully registered form, without coupons, in denominations of $5,000 each or authorized integral multiples thereof under a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Bonds will be payable as described under the caption "BOOK-ENTRY SYSTEM" by The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois, as paying agent and registrar (the "Bond Registrar").

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each May 1 and November 1, beginning May 1, 2014. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. Interest on each Bond will be paid by check or draft of the Bond Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

The Bonds are not subject to redemption prior to maturity.

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Bond Registrar, and such registration shall be at the expense of the District; provided, however, that the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date.

Authority and Purpose

The Bonds are issued pursuant to the School Code of the State of Illinois (the "School Code"), the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto and a bond resolution adopted by the Board of Education (the "Board") of the District on December 9, 2013, as supplemented by a notification of sale (together, the "Bond Resolution"). Proceeds of the Bonds will be used to (i) currently refund a portion of the District's outstanding General Obligation School Refunding Bonds, Series 2007 (the "2007 Bonds") and (ii) pay certain costs associated with the issuance of the Bonds. See "THE REFUNDING" herein.

Security and Payment

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution will be filed with the County Clerks of the Counties of DuPage and Cook, Illinois (the "County Clerks"), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution.

Reference is made to Appendix A for the proposed form of Legal Opinion of Bond Counsel.

THE REFUNDING

Proceeds of the Bonds will be used to currently refund a portion of the 2007 Bonds (the "Refunded Bonds"). The purpose of the refunding is for debt service savings. The Refunded Bonds are described below.

2007 Bonds

CUSIP (262579)	Maturities (May 1)	Original Outstanding Amount	Refunded Bonds	Remaining Amount	Redemption Price[1]	Redemption Date
LQ6	2014	$ 40,000	$ -	$ 40,000	N/A	N/A
LR4	2015	40,000	(40,000)	-	100%	May 1, 2014
LS2	2016	45,000	(45,000)	-	100%	May 1, 2014
LT0	2017	45,000	(45,000)	-	100%	May 1, 2014
	2018[2]	45,000	(45,000)	-	100%	May 1, 2014
	2019[2]	50,000	(50,000)	-	100%	May 1, 2014
	2020[2]	50,000	(50,000)	-	100%	May 1, 2014
	2021[2]	55,000	(55,000)	-	100%	May 1, 2014
LW3	2022	55,000	(55,000)	-	100%	May 1, 2014
LU7	2023	1,155,000	(1,155,000)	-	100%	May 1, 2014
LV5	2024	8,050,000	(8,050,000)	-	100%	May 1, 2014
	Total:	$ 9,630,000	$ (9,590,000)	$ 40,000		

(1) Expressed as a percentage of par.
(2) Represents mandatory sinking fund redemption of term bond due May 1, 2022. The May 1, 2022 payment represents the maturity of the term bond.

A portion of the proceeds of the Bonds will be used to fund an irrevocable escrow account (the "Escrow Account") consisting of cash or direct obligations of the United States of America (the "Government Obligations"). The Escrow Account will be held by The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois (the "Escrow Agent"), and will be used to pay principal of and interest on the Refunded Bonds. The Escrow Account will be held by the Escrow Agent pursuant to an escrow agreement (the "Escrow Agreement") between the District and the Escrow Agent which irrevocably directs the Escrow Agent to (i) make all payments of the principal of and interest on the Refunded Bonds through the redemption date and (ii) take all steps necessary to call the Refunded Bonds on such date. The Escrow Account will be funded in such amounts so that the cash and the principal received on the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the Refunded Bonds on the redemption date.

SOURCES AND USES

Estimated Sources of Funds

Par Amount of the Bonds	$ 9,385,000.00
Original Issue Premium	399,518.20
Funds on Hand	145,224.17
Total Sources	$ 9,929,742.37

Estimated Uses of Funds

Deposit into the Escrow Account	$ 9,781,451.62
Costs of Issuance[(1)]	148,290.75
Total Uses	$ 9,929,742.37

(1) Includes Underwriter's discount, Bond and Disclosure Counsel fees, Financial Advisor fee, Bond Registrar's fee and other costs of issuance.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

REAL PROPERTY ASSESMENT, TAX LEVY AND COLLECTION PROCEDURES IN DUPAGE COUNTY

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in DuPage County, Illinois. There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $6,000 for tax year 2012 and thereafter.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the two years following a catastrophic event. The exemption is limited to $45,000 through December 31, 2003, and $75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is $5,000.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $35,000 for years prior to 1999, $40,000 for assessment years 1999 through 2003, $45,000 for assessment years 2004 and 2005, $50,000 for assessment years 2006 and 2007 and for assessment year 2008 and after, the maximum income limitation is $55,000. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. For those counties with less than 3,000,000, the exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of the residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the exemption phases out as the amount of household income increases. The amount of the exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to $70,000 of the EAV of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the Disabled Veterans Standard

Homestead Exemption ("Disabled Veterans Standard Homestead Exemption") cannot claim the aforementioned exemption. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of $5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of $2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of $5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the amount of the annual increases in property taxes to be extended for certain Illinois non-home rule units of government, including the District. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes (such as the Bonds).

The District has the authority to levy taxes for many different purposes. See "FINANCIAL INFORMATION - Tax Rates" herein. The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the District, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action which would adversely affect the levy, extension, collection, and application of the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it will comply with all present and future laws concerning the levy, extension, and collection of such taxes levied by the District.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES IN COOK COUNTY

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Cook County, Illinois. There can be no assurance that the procedures described herein will not change.

Real Property Assessment

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, the County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The District is located in the South Tri and will be reassessed for the 2014 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

Class	Description of Qualifying Property	Assessment Percentage	Reverts to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the "Circuit Court") or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State of Illinois (the "State"). Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2003	2.4598
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department of Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "Assessment Base").

Exemptions

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $7,000 for tax year 2012 and thereafter.

The Alternative General Homestead Exemption limits EAV increases for homeowners (who also reside on the property as their principal place of residence) to 7% a year, up to a certain maximum dollar amount each year as defined by statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment year 2009, $16,000 for assessment year 2010 and $12,000 for assessment year 2011. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment years 2009 and 2010, $16,000 for assessment year 2011 and $12,000 for assessment year 2012. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed $26,000 for assessment year 2009, $20,000 for assessment year 2010 and 2011 and $16,000 for assessment year 2012 and $12,000 for assessment year 2013.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to $75,000 per year, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. At present, the maximum exemption in the tax year 2013 and beyond is $5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of $55,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (i) the current EAV of the residence and (ii) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to $70,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption of (i) $5,000 to those veterans with a service-connected disability of 70% (75% for exemptions granted from 2007 to 2009) and (ii) $2,500 to those veterans with a service-connected disability of less than 70% (75% for exemptions granted from 2007 to 2009), but at least 50%.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, or the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time homestead exemption of $5,000.

The Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

The Natural Disaster Exemption applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

Property Tax Extension Limitation Law

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes (such as the Bonds).

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See "FINANCIAL INFORMATION - Tax Rates." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2003	November 15, 2004
2004	November 1, 2005
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Equalized Assessed Valuation

The amount of property taxes extended for the District is determined by applying the various operating tax rates and the bond and interest tax rate levied by the District to the EAV. The District's EAV could decrease for a number of reasons including, but not limited to, a decline in property values or large taxpayers moving out of the District. As detailed below, the District's EAV has declined over the past four years and is expected to decline for the 2013 EAV. Declining EAVs and increasing rates (certain of which may reach their rate ceilings) could reduce the amount of taxes the District is able to receive.

Truth in Taxation Law

The Law limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action which would adversely affect the levy, extension, collection, and application of the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it will comply with all present and future laws concerning the levy, extension, and collection of such taxes levied by the District.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Finances of the State of Illinois

The State has experienced adverse economic conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. Budget problems of the State may result in decreased or delayed State appropriations to the District, including appropriations of the hereinafter defined State Aid (4.44% of the District's General Fund Revenue Sources for the fiscal year ended June 30, 2013).

Local Economy

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

Loss or Change of Bond Rating

The Bonds have received a credit rating from Moody's Investor's Service, New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the District to comply with the Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the "Rule"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine the Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under "TAX EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for Federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds and the Bond Resolution will be similarly qualified.

THE DISTRICT

General Description

The District is located in DuPage and Cook Counties, Illinois, and is approximately 20 miles southwest of the City of Chicago's "Loop". The District serves most of the Villages of Hinsdale ("Hinsdale") and Clarendon Hills ("Clarendon Hills") as well as portions of Burr Ridge, Oak Brook and Willowbrook. The District maintains nine facilities to serve its students in grades kindergarten through eight, in addition to an Early Childhood Center that provides education to pre-kindergarteners.

Transportation needs of District residents are served by Interstates 55 and 294 (Tri-State Tollway) in addition to Illinois Route 83 and U.S. Route 34. Commuter rail transportation is available at various rail stations along Metra's Burlington Northern Santa Fe Railway. District residents have access to O'Hare International Airport 15 miles to the north and Midway Airport 10 miles to the east.

The District offers a comprehensive K-8 curriculum covering the areas of language arts, mathematics, science, social science, physical education, health, art, music, foreign language, and social-emotional learning. The middle school program features grade-level teams, elective and exploratory offerings, and extra-curricular activities. A special program is provided for identified gifted students, and a comprehensive program and a wide range of professional services are provided to assist students with developmental and academic concerns.

Tests results, both state and nationally standardized, indicate that District students are performing at exceptionally high levels. The District and its schools have been recognized nationally and by the State for a number of achievements. For the fourth year, all District schools have been named Illinois Honor Roll Schools. The 2011 Honor Roll Schools list recognizes 703 schools in 312 Illinois school districts for making progress toward or maintaining academic excellence. District schools received the Academic Excellence Award, the highest designation. In this category, 90 percent or more of elementary students met or exceeded State testing standards in reading or mathematics for at least three consecutive years.

The District received the Bright Red Apple Award from School Search in March 2012. Only 79 of 868 school districts in Illinois earned the 2012 award, which is based on five "family-favored categories" according to the educational research and consulting firm. These include: academic performance, pupil/teacher ratio, expenditure per pupil, educational level of teachers, and average teacher salary. The District also earned the Bright A+ Award in September 2011, based on 2010 Illinois Report Card data. Only 59 school districts in the state, those in the top 5 percent, were selected.

For the second year, Elm School earned a top spot on the School Search "Best of the Best Award" because 100 percent of its students in Grade 4 met or exceeded state testing standards on 2011 tests.

The District now has four Blue Ribbon Schools. In 2009, Madison Elementary School, Clarendon Hills Middle School and Hinsdale Middle School earned the award. On September 15, 2011, the Lane Elementary School was named a 2011 Blue Ribbon School. The Blue Ribbon Schools program recognizes public and private elementary, middle and high schools that are either academically superior or show dramatic gains in student achievement. The Lane School was selected by the Illinois State Board of Education ("ISBE") to apply for recognition, based on federal criteria.

Both Madison and Monroe Elementary Schools have earned the Blue Ribbon Schools Award from the Illinois Association of Health Physical Education, Recreation and Dance. The designation, which is effective for a five year period (2013-2018), followed a review of the physical education programs, visits to the schools, interviews with staff, students, parents, administration and Board members, as well as consideration by a state-level panel. The award recognized the best physical education and health programs in the state; all Illinois public, parochial and alternative schools are eligible. During the review process, the school curriculum was measured against state and national professional standards and those of the ISBE.

Educational Facilities

The District operates seven primary schools and two junior high schools.

The District recently announced it is temporarily closing Hinsdale Middle School due to a mold issue. The District initially discovered the mold issue in July 2012 and has taken steps to remove the mold at various times since then. The recent cold weather caused further damage to pipes and the roof which caused additional water damage and mold within the Hinsdale Middle School. Due to the recent problems, the Board voted on January 21 to temporarily remove the students from Hinsdale Middle School by implementing a split schedule while Hinsdale Middle School is being cleaned of mold. The District spent $386,000 on the most recent cleanup and repairs and up to $255,000 of that amount may be recoverable from insurance. The District estimates to permanently fix the problem it will need to replace the standing seam metal roof and insulate and seal the exterior walls and soffits for an estimated cost of $3.3 million. It is not known at this time if the District would borrow the funds or use funds on hand to pay for the repairs.

Facility	Grades	Current Enrollment	Capacity Enrollment
Elm School	1-5	291	450
The Lane School	1-5	356	500
Madison School	1-5	378	525
Monroe School	1-5	428	600
Oak School	PK-5	273	450
Prospect School	1-5	424	600
Walker School	1-5	291	450
Clarendon Hills Middle School	6-8	665	800
Hinsdale Middle School	6-8	825	1,000

Source: The District

Enrollments

School Year	Enrollment	School Year	Enrollment
2009-2010	3,977	2014-2015(1)	3,902
2010-2011	3,937	2015-2016(1)	3,906
2011-2012	3,928	2016-2017(1)	3,885
2012-2013	3,863	2017-2018(1)	3,877
2013-2014	3,931	2018-2019(1)	3,855

(1) Projected enrollment based upon Imperial Municipal Services study. Study did not consider "move-ins". The District engaged Kasarda to update the enrollment study. The results are expected to reflect a smaller decline in enrollment when released in January 2014.
Source: The District

The Board of Education

The District is governed by a Board whose members are elected for staggered terms of office. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and to oversee the property and facilities of the District. The Board elects a President, Vice President and Secretary from its membership. The present members are as follows:

Title	Name	Current Term Expires
President..........................	Marty Turek	2015
Vice President.................	Jill Vorobiev	2017
Secretary..........................	Mridu Garg	2017
Member............................	Michael Nelson	2015
Member............................	Glenn Yaeger	2015
Member............................	Brendan Heneghan	2015
Member............................	Gary Clarin	2017

Administration

The Superintendent is Dr. Renée Schuster, who has been with the District since 2010. Previously, Dr. Schuster served as Superintendent of Francis Howell School District in Missouri from 2006 through 2010. Gary Frisch joined the District as Assistant Superintendent for Business and Operations in July 2012. Previously, Mr. Frisch served as Chief Financial Officer of Community Unit School District 220 (Barrington) from 2006 through June 2012.

Employees

The District currently has 593 employees, of whom 376 are certified and 220 are non-certified. Of the total number, 346 are represented by the Hinsdale Clarendon Hills Teachers Association ("HCHTA") and 180 by the Hinsdale Educational Support Staff ("HESS"). The contracts expire on June 30, 2014 and June 30, 2015, respectively. Negotiations have been initiated with the HCHTA. The District considers its relationship with its employees to be positive.

Forward Looking Statements

Many trends and economic factors could affect the future operations of the District and are taken into account by the District when budgeting and planning for the long term. Such considerations include private sector development of competitive facilities and services in the surrounding area, facility usage and the availability of open space and facilities. In addition, there are several major challenges that the District is currently facing and have addressed in its current budget. These include the effect of the Limitation Law on District property tax revenues, declining EAV, reductions in funding from the State, construction expenses, rising utility costs, changes in group health insurance costs and low interest earning rates.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the District, Clarendon Hills and Hinsdale, as well as the Counties of Cook and DuPage and the State.

	1990	2000	2010	% Change 1990-2010
The District	NA	NA	25,449	NA
Clarendon Hills	6,994	7,610	8,427	20.49
Hinsdale	16,029	17,349	16,816	4.91
Cook County	5,105,067	5,376,741	5,194,675	1.76
DuPage County	781,666	904,161	916,924	17.30
The State	11,430,602	12,419,293	12,910,409	12.95

Source: U.S. Census Bureau, 1990 Census, 2000 Census and 2010 Census.

Education

The educational background of residents living in the District as compared to the Counties of Cook and DuPage and the State is illustrated in the following table.

Educational Levels for Persons 25 years of Age and Older

Education Level	The District	Cook County	DuPage County	The State
Less than 9th Grade	1.4%	7.9%	3.7%	5.8%
9th to 12th grade, no diploma	0.9	8.0	4.4	7.3
High school graduate	7.6	24.2	19.4	27.2
Some college, no degree	11.0	19.5	19.8	21.3
Associate degree	3.0	6.2	6.8	7.4
Bachelor's degree	38.8	20.7	28.3	19.3
Graduate or professional degree	37.1	13.6	17.6	11.8
Total	100.0%	100.0%	100.0%	100.0%

Source: American Community Survey, 2008-2012 American Community Survey 5-year Estimates, Census Bureau
Please note that totals may not equal 100.0% due to rounding.

Income

The following table sets forth the distribution of household income and median household income for the District as compared with the Counties of Cook and DuPage and the State.

Household Income	The District	Cook County	DuPage County	The State
Under $10,000	1.5%	8.3%	3.2%	6.9%
$10,000 to $14,999	2.0	4.9	2.4	4.7
$15,000 to $24,999	4.9	10.4	6.4	10.1
$25,000 to $34,999	3.0	9.7	7.5	9.7
$35,000 to $49,999	5.4	12.9	10.8	13.0
$50,000 to $74,999	8.7	17.6	17.3	18.2
$75,000 to $99,999	8.7	12.2	14.8	13.0
$100,000 to $149,999	13.6	13.1	18.9	13.9
$150,000 to $199,999	11.2	5.2	8.8	5.3
$200,000 or more	41.1	5.8	9.9	5.2
	100.0%	100.0%	100.0%	100.0%
Median household income ..	$159,044	$54,648	$78,538	$56,853

Source: American Community Survey, 2008-2012 American Community Survey 5-year Estimates, Census Bureau
Please note that totals may not equal 100.0% due to rounding.

Housing

The following table sets forth the distribution of home value for owner-occupied units as well as the median home value and percent owner-occupied of the District as compared to the Counties of Cook and DuPage and the State.

Value of Specified Owner-Occupied Units	The District	Cook County	DuPage County	The State
Less than $50,000	0.5%	3.2%	1.3%	6.9%
$50,000 to $99,999	1.0	6.3	2.7	14.4
$100,000 to $149,999	0.5	11.3	6.3	14.9
$150,000 to $199,999	1.7	16.4	11.4	16.4
$200,000 to $299,999	7.3	26.4	28.8	21.9
$300,000 to $499,999 ...	12.9	23.9	33.9	17.3
$500,000 to $999,999	41.3	10.1	12.8	6.6
$1,000,000 or more	34.8	2.5	2.9	1.6
	100.0%	100.0%	100.0%	100.0%
Median value	$792,600	$244,900	$298,500	$190,800
Owner-occupied	86.60%	59.00%	75.00%	68.00%

Source: American Community Survey, 2008-2012 American Community Survey 5-year Estimates, Census Bureau
Please note that totals may not equal 100.0% due to rounding.

Residential Housing Building Permits

The following table sets forth the reported number of residential building permits issued and relative construction costs in Clarendon Hills and Hinsdale for each of the years listed.

	Clarendon Hills		Hinsdale	
Year	Reported Number of Building Permits	Construction Cost	Reported Number of Building Permits	Construction Cost
2008...............	11	$ 6,232,500	21	$ 19,050,200
2009...............	6	3,899,998	6	4,310,000
2010...............	16	9,085,000	33	28,860,300
2011...............	16	8,383,000	35	28,328,514
2012...............	18	9,515,000	39	29,345,000
2013(1)...............	18	9,215,000	45	34,221,256

(1) Through November 2013
Source: U.S. Census

Retail Sales

The following table demonstrates the estimated sales reported by retailers in Clarendon Hills and Hinsdale for the last five calendar years and through the second quarter of 2013.

Calendar Year	Clarendon Hills	Hinsdale
2008	$ 54,267,790	$ 234,901,669
2009	50,362,653	215,481,111
2010	47,119,673	236,356,606
2011	51,314,083	253,474,933
2012	72,560,682	269,885,219
2013(1)	57,622,058	204,360,814

(1) Through September 2013
Source: Illinois Department of Revenue

Employment by Occupation

The District has an employment base provided by a range of manufacturing, commercial and public enterprises. The following table categorizes occupations for residents 16 years of age and older living in the District compared with the Counties of Cook and DuPage and the State.

Occupational Category	The District	Cook County	DuPage County	The State
Management, business, science, and arts occupations	66.8%	37.4%	44.1%	36.1%
Service occupations	7.0	17.9	12.8	17.0
Sales and office occupations	21.1	25.0	27.3	25.3
Natural resources, construction, and maintenance occupations	2.3	6.5	5.9	7.7
Production, transportation, and material moving occupations	2.8	13.2	9.9	13.9
Totals	100.0%	100.0%	100.0%	100.0%

Source: American Community Survey, 2008-2012 American Community Survey 5-year Estimates, Census Bureau
Please note that totals may not equal 100.0% due to rounding.

Employment by Industry

The following table categorizes employment by industry for residents 16 years of age and older living in the District compared with the Counties of Cook and DuPage and the State.

Industry Category	The District	Cook County	DuPage County	The State
Agriculture, forestry, fishing, hunting, and mining	0.0%	0.2%	0.2%	1.1%
Construction	3.6	4.8	4.7	5.4
Manufacturing	5.8	10.8	12.8	12.7
Wholesale trade	4.1	2.9	4.3	3.1
Retail trade	4.8	9.9	10.7	10.9
Transportation, warehousing, and utilities	1.9	6.3	5.3	5.8
Information	2.6	2.5	2.6	2.2
Finance, insurance, real estate, rental and leasing	17.9	8.4	9.7	7.6
Professional, scientific, management, administrative and waste management services	23.8	13.5	13.5	11.1
Educational services, health care and social assistance	26.1	22.4	20.6	22.6
Arts, entertainment recreation accommodation and food services	5.1	9.6	8.4	8.8
Other services, except public administration	2.8	5.1	4.8	4.9
Public administration	1.6	3.8	2.4	3.9
Total	100.0%	100.0%	100.0%	100.0%

Source: American Community Survey, 2008-2012 American Community Survey 5-year Estimates, Census Bureau
Please note that totals may not equal 100.0% due to rounding.

Largest Area Employers

The following table reflects the major employers in the area surrounding the District by the products manufactured or services performed and approximate number of employees.

Company Name	Product or Service	Approximate employees at location
Adventist Hinsdale Hospital	Hospital	1,555
Hinsdale Township High School District #86.	School District	611
CNH America, LLC	Company headquarters; agricultural & construction equipment	800
The District	School District	593
RML Specialty Hospital	Company headquarters & long-term care specialty hospital	440
Lathers Union Local	Labor organization	400
TCF National Bank of Illinois	Bank	300
McGraw hill Higher Education	Publisher of Educational content	300
Village of Hinsdale	Municipality	256
Sims Metal Management	Metals and electronics recycler	275
Mars Snack Food U.S	Ice cream factory	250
Jonson Service Group	Engineer recruiting and staffing	250

Source: The District's draft Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013

Unemployment

Preliminary unemployment statistics for November 2013 and the past five years, as reported by the Illinois Department of Employment Security are shown below.

	2008	2009	2010	2011	2012	November 2013[(1)]
Clarendon Hills	2.1%	3.6%	3.7%	3.4%	3.1%	N/A
Hinsdale	4.0	6.7	6.9	6.4	5.8	N/A
Cook County	6.5	10.3	10.5	9.3	9.3	8.6%
DuPage County	5.0	8.4	8.3	8.0	7.3	6.5
The State	6.4	10.1	10.3	8.9	8.9	8.3

(1) There is no monthly data available for Clarendon Hills and Hinsdale being that they are communities with a population less than 25,000.
Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

Trend of Equalized Assessed Valuation

(Estimated 33 1/3% of Fair Market Value)

Property Type (1)(3)	2008	2009	2010	2011	2012 (3)
Residential	$2,639,752,364	$2,666,734,965	$2,524,835,431	$2,255,916,206	$2,121,856,187
Farm	-	-	-	-	-
Commercial	136,714,770	135,269,556	125,375,190	121,869,398	114,758,144
Industrial	201,780	201,780	190,110	190,110	187,750
Railroad	483,216	582,449	634,935	757,087	809,138
Total....................	$2,777,152,130	$2,802,788,750	$2,651,035,666	$2,378,732,801	$2,237,611,219
Percent of Change. ..	8.40% (2)	0.92%	-5.41%	-10.27%	-5.93%

(1) Excludes tax increment finance incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.
(2) Percent of change calculation based on the 2007 EAV of $2,561,969,690.
(3) The 2013 EAV is expected to have a small decline with a moderate decrease in existing property and approximately $25 million in new property within DuPage County and $5 million in Cook County.
Source: Cook and DuPage County Clerks' Offices

Equalized Assessed Valuation by County

Tax Year	Cook County	DuPage County	Total
2008	$ 309,213,610	$2,467,938,520	$2,777,152,130
2009	326,387,396	2,476,401,354	2,802,788,750
2010	322,647,761	2,328,387,905	2,651,035,666
2011	254,192,457	2,124,540,344	2,378,732,801
2012	237,739,100	1,999,872,119	2,237,611,219

Tax Increment Financing Districts Located within the District

A portion of the District's EAV is contained in tax increment financing ("TIF") districts, as detailed below. When a TIF is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF are not provided to the District unless and until the municipality that created the TIF decides to redirect TIF funds back to the District or until the TIF expires. The District is not aware of any new TIFs planned in the immediate future.

Location	Year Established	Base EAV	2012 EAV	Incremental EAV
Clarendon Hills TIF District #1.....	2004	$ 3,107,480	$ 3,894,930	$ 787,450
Total..		$ 3,107,480	$ 3,894,930	$ 787,450

Source: DuPage County Clerk's Office

Tax Rates
(Per $100 Equalized Assessed Valuation)

	2008	2009	2010	2011	2012
Educational	$1.3995	$1.4443	$1.6207	$1.8040	$2.0654
Operations & Maintenance	0.1962	0.1921	0.1974	0.2267	0.2275
Transportation	0.0219	0.0355	0.0531	0.0615	0.0228
IMRF/Social Security	0.0450	0.0458	0.0570	0.0660	0.0712
Bond and Interest	0.1680	0.1846	0.2071	0.2295	0.3096
Total	$1.8306	$1.9023	$2.1353	$2.3877	$2.6965

Source: DuPage County Clerk's Office

Representative Tax Rates for Property within the District

The following table of representative tax rates is for a resident of the District that lives in Hinsdale.

Taxing Body	2008	2009	2010	2011	2012
The District	$ 1.8306	$ 1.9023	$ 2.1353	$ 2.3877	$ 2.6965
DuPage County	0.1557	0.1554	0.1659	0.1773	0.1929
DuPage County Forest Preserve	0.1206	0.1217	0.1321	0.1414	0.1542
DuPage Airport Authority	0.0160	0.0148	0.0158	0.0169	0.0168
Downers Grove Township	0.0254	0.0256	0.0281	0.0307	0.0343
Downers Grove Township Road & Bridge	0.0379	0.0382	0.0420	0.0459	0.0512
Hinsdale	0.2745	0.2818	0.3177	0.3401	0.3762
Hinsdale Library District	0.1143	0.1206	0.1361	0.1527	0.1695
High School District Number 86	1.0804	1.0948	1.2011	1.3362	1.4984
Community College District No. 502	0.1858	0.2127	0.2349	0.2495	0.2681
Total	$ 3.8412	$ 3.9679	$ 4.4090	$ 4.8784	$ 5.4581

Source: DuPage County Clerk's Office

Tax Extensions and Collections

	2008	2009	2010	2011	2012 (1)
Extensions	$52,085,033	$53,795,796	$56,225,486	$57,883,340	$60,830,441
Collections	52,059,591	53,964,959	56,767,284	57,269,364	60,172,425
% Collected	99.95%	100.31%	100.96%	98.94%	98.92%

(1) As of January 15, 2014.
Source: District Comprehensive Annual Financial Report for year ending June 30, 2013 and the District

Largest Taxpayers

Taxpayer	2012 EAV
Spinning Wheel LLC	$ 8,684,670
Hinsdale Golf Club	7,572,400
Harris Bank Hinsdale	7,362,430
PHT Hinsdale Mobs LLC	5,541,560
King Bruwaert Woods	5,181,085
Chicago Title	3,925,540
Midwest Bank	3,041,650
Grant Square LLC	2,982,320
MCHS (HCR ManorCare)	2,953,890
Wild Oats Markets Inc	2,942,592
Total	$50,188,137

The above taxpayers represent 2.24% of the District's $2,237,611,219 2012 EAV, which excludes TIF incremental EAV of $787,450. Every reasonable effort has been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included. The 2012 EAV is the most current available.

Source: DuPage and Cook County Clerks' Offices

Summary of Outstanding Bonded Debt

As of the closing of the 2014A Bonds, the closing of the Bonds, the closing of the 2014C Bonds, refunding of the Refunded 2014A Bonds, refunding of the Refunded 2005 Bonds, and refunding of the Refunded Bonds, as defined below.

Issue Description	Dated Date	Original Amount Of Issue		Current Amount Outstanding		Final Maturity Date
G.O. Limited Tax School Bonds, Series 1996 (1)..	12/15/96	$ 3,330,000		$ 15,967		11/1/2015
G.O. School Refunding Bonds, Series 2005 (2)......	07/21/05	10,000,000		995,000	*	6/1/2014
G.O. School Refunding Bonds, Series 2006	12/20/06	10,000,000		8,680,000		6/1/2021
G.O. School Refunding Bonds, Series 2007 (3)......	03/01/07	10,000,000		40,000		5/1/2014
Debt Certificates, Series 2009	06/15/09	5,760,000		4,945,000		12/1/2027
G.O. Refunding Debt Certificates, Series 2010	06/15/10	730,000		380,000		12/1/2016
G.O. Refunding School Bonds, Series 2010	06/15/10	4,980,000		1,785,000		6/1/2015
G.O. Refunding School Bonds, Series 2011.........	12/21/11	13,095,000		12,945,000		6/1/2022
G.O. Refunding School Bonds, Series 2012.........	12/03/12	9,395,000		9,395,000		5/1/2023
G.O. Refunding School Bonds, Series 2013.........	02/07/13	9,645,000		9,645,000		5/1/2023
The 2014A Bonds (3)...	02/04/14	9,090,000		9,090,000		5/1/2024
The Bonds..	03/04/14	9,385,000		9,385,000		5/1/2024
The 2014C Bonds (2)..	03/04/14	11,025,000	*	11,025,000	*	5/1/2017
Total				$ 78,325,967	*	

(1) Issued by Cook County School District Number 101, a portion of which was annexed by the District.
(2) The District anticipates issuing its General Obligation Refunding School Bonds, Series 2014C (the "2014C Bonds") to refund a portion of the Refunded 2004 Bonds (as hereinafter defined) and a portion of the District's General Obligation School Refunding Bonds, Series 2005 (the "Refunded 2005 Bonds"). The District expects to issue the 2014C Bonds shortly after the issuance of the Bonds. See "FUTURE FINANCING" herein.
(3) The District has issued its General Obligation Refunding School Bonds, Series 2014A (the "2014A Bonds") refunding a portion of the District's General Obligation School Bonds, Series 2004 (the "Refunded 2004 Bonds").
*Preliminary, subject to change.

Debt Repayment Schedule

Shown below is the maturity schedule for the outstanding debt of the District as of the closing of the 2014A Bonds, the closing of the Bonds, the closing of the 2014C Bonds, refunding of the Refunded 2004 Bonds, refunding of the Refunded 2005 Bonds, and refunding of the Refunded Bonds.

Fiscal Year	Principal Outstanding	Less: The Refunded 2004 Bonds(1)*	Less: The Refunded 2005 Bonds(1)*	Less: The Refunded Bonds	The 2014A Bonds(2)	The Bonds	The 2014C Bonds(1)*	Total Principal*	Cumulative Amount*	Retirement Percent*
2014	$ 4,395,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,395,000	$ 4,395,000	5.61%
2015	3,526,623	-	(1,620,000)	(40,000)	-	-	4,235,000	6,101,623	10,496,623	13.40
2016	4,979,344	(1,160,000)	(2,560,000)	(45,000)	-	155,000	4,915,000	6,284,344	16,780,967	21.42
2017	5,550,000	(1,605,000)	(2,795,000)	(45,000)	3,370,000	105,000	1,875,000	6,455,000	23,235,967	29.67
2018	6,145,000	(1,105,000)	-	(45,000)	-	1,670,000	-	6,665,000	29,900,967	38.18
2019	6,945,000	(745,000)	-	(50,000)	-	820,000	-	6,970,000	36,870,967	47.07
2020	7,400,000	(880,000)	-	(50,000)	-	790,000	-	7,260,000	44,130,967	56.34
2021	7,800,000	(1,095,000)	-	(55,000)		955,000	-	7,605,000	51,735,967	66.05
2022	9,020,000	(1,265,000)	-	(55,000)	-	285,000	-	7,985,000	59,720,967	76.25
2023	9,725,000	(2,545,000)	-	(1,155,000)		2,230,000	-	8,255,000	67,975,967	86.79
2024	11,275,000	(2,810,000)	-	(8,050,000)	5,720,000	2,375,000	-	8,510,000	76,485,967	97.65
2025	430,000	-	-	-	-	-	-	430,000	76,915,967	98.20
2026	450,000	-	-	-	-	-	-	450,000	77,365,967	98.77
2027	470,000	-	-	-	-	-	-	470,000	77,835,967	99.37
2028	490,000	-	-	-	-	-	-	490,000	78,325,967	100.00
	$ 78,600,967	$ (13,210,000)	$ (6,975,000)	$ (9,590,000)	$ 9,090,000	$ 9,385,000	$ 11,025,000	$ 78,325,967		

(1) The District anticipates issuing its 2014C Bonds to refund a portion of the Refunded 2004 Bonds and the Refunded 2005 Bonds. The District expects to issue the 2014C Bonds soon after the issuance of the Bonds. See "FUTURE FINANCING" herein.
(2) The District will issue its 2014A Bonds on February 4, 2014.
*Preliminary, subject to change.

Overlapping Bonded Debt
(As of June 30, 2013)

Taxpayer	Bonded Debt	Percent	Amount
DuPage County	$47,865,000 (1)(2)	5.638%	$2,698,629
DuPage County Forest Preserve	201,547,213 (2)(3)	5.638%	11,363,232
Cook County	3,709,260,000	0.167%	6,194,464
Cook County Forest Preserve	139,425,000 (2)	0.167%	232,840
Metropolitan Water Reclamation District	2,446,220,030 (5)	0.171%	4,183,036
Village of Burr Ridge	2,350,000	20.377%	478,860
Clarendon Hills	- (2)	84.332%	-
Clarendon Hills SSA #13	40,000	100.000%	40,000
Clarendon Hills SSA #15	- (2)	100.000%	-
Hinsdale	2,120,000 (2)	99.809%	2,115,951
Village of Willowbrook	3,220,000	2.793%	89,935
Burr Ridge Park District	4,290,000	30.163%	1,293,993
Clarendon Hills Park District	1,700,000	84.436%	1,435,412
Oak Brook Park District	2,809,733 (3)	2.994%	84,123
Indian Prairie Public Library	915,000	0.636%	5,819
Hinsdale High School District Number 86	22,260,000 (1)	44.201%	9,839,143
Community College District No. 502	171,980,000 (2)	5.665%	9,742,667
Total	$6,756,001,976		$49,798,103

(1) Excludes notes, installment contracts, purchase agreements and debt certificates.
(2) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
(3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
(4) Excludes self-supporting bonds for which abatements are filed annually.
(5) Includes IEPA Revolving Loan Fund Bonds
Source: DuPage and Cook County Clerks' Offices, Cook County Comptroller and Metropolitan Water Reclamation District Treasurer

Debt Statement

General Obligation Direct Debt	$78,600,967	
Capital Leases	$105,306	
Less: Refunded Bonds	($9,590,000)	
Less: Refunded 2005 Bonds	($6,975,000)	*
Less: Refunded 2004 Bonds	($13,210,000)	*
The 2014A Bonds	$9,090,000	
The Bonds	$9,385,000	
The 2014C Bonds	$11,025,000	*
Net Direct Debt	$78,431,273	*
Overlapping Debt	$49,798,103	
Net Direct and Overlapping Debt	$128,229,376	*
Equalized Assessed Valuation (2012) (1)	$2,237,611,219	
Statutory Debt Limit (6.9% of Equalized Assessed Valuation) (1)	$154,395,174	
Statutory Debt Margin	$75,963,901	*

(1) Excludes TIF incremental EAV of $787,450.
*Preliminary, subject to change.

Debt Ratios

Estimated Market Valuation, 2012	$6,712,833,657	
Equalized Assessed Valuation, 2012 (1)	$2,237,611,219	
2008-2012 American Community Survey Population Estimate	25,590	
Net Direct Debt to Equalized Assessed Valuation	3.51%	*
Net Direct Debt to Estimated Market Valuation	1.17%	*
Net Direct Debt and Overlapping Bonded Debt to Equalized Assessed Valuation	5.73%	*
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	1.91%	*
Net Direct Debt Per Capita	$3,065	*
Net Direct and Overlapping Debt Per Capita	$5,011	*

(1) Excludes TIF incremental EAV of $787,450.
*Preliminary, subject to change.

SHORT-TERM FINANCING RECORD

In the last five years, the District has not issued any tax anticipation warrants or tax anticipation notes that are currently outstanding and has no plans to issue tax anticipation warrants or tax anticipation notes in the foreseeable future.

FUTURE FINANCING

The District expects to issue its 2014A Bonds on February 4, 2014, to refund a portion of the Refunded 2004 Bonds. The District anticipates issuing its 2014C Bonds to refund a portion of the Refunded 2004 Bonds and the Refunded 2005 Bonds. The District expects to issue the 2014C Bonds soon after the issuance of the Bonds.

The District has no other plans to issue additional debt within the next 12 months.

DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources
(Years Ended June 30)

	2009	2010	2011	2012	2013
Local Sources............................	94.50 %	92.88 %	94.63 %	94.19 %	93.93 %
Flow-through Receipts.............	-	-	-	-	-
State Sources:					
General Aid............................	1.29	1.36	1.67	1.61	1.48
Supplementary General Aid...	-	-	-	-	-
Mandated Categorical............	2.58	2.91	2.74	2.72	2.82
Competitive Grant Aid...........	0.65	0.42	0.09	0.07	0.14
Total State Sources.................	4.52	4.69	4.50	4.39	4.44
Federal Sources.........................	0.98	2.43(1)	0.87	1.42	1.63
Total.......................................	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

(1) Shift from local sources to federal sources due to the usage of federal American Recovery and Reinvestment Act funds to replace general state aid and categorical revenues.
Source: Compiled from the District's Annual Financial Report filed with the ISBE for Fiscal Years ending June 30, 2009-2013.

General Fund Summary
(Years Ended June 30)

	2009	2010	2011	2012	2013
Receipts..........................	$ 49,053,660	$ 54,786,044	$ 52,078,236	$ 62,245,065	$ 64,531,154
Disbursements................	50,306,997	52,026,874	50,991,994	59,859,727	61,090,420
Net Surplus (Deficit).......	(1,253,337)	2,759,170	1,086,242	2,385,338	3,440,734
Other Sources (Uses)(1).....	(670,958)	(2,654,558)	(160,855)	(1,315,300)	(1,573,233)
Beginning Fund Balance..	17,915,122	15,990,827	16,095,439	17,020,826	18,090,864
Ending Fund Balance.......	$ 15,990,827	$ 16,095,439	$ 17,020,826	$ 18,090,864	$ 19,958,365

(1) Includes transfers to the Debt Service Fund to pay principal and interest on debt certificates and capital leases.
Source: Compiled from the District's Comprehensive Annual Financial Report for Fiscal Years ending June 30, 2009-2013.

Working Cash Fund

The District is authorized to issue (subject to the provisions of the Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed $0.05 per hundred dollars of equalized assessed valuation (the "Working Cash Fund Tax"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department of Revenue of the State of Illinois, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the

Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

Working Cash Fund Summary
(Years Ended June 30)

	2009	2010	2011	2012	2013
Receipts	$ 50,733	$ 9,322	$ 4,516	$ 3,489	$ 2,012
Disbursements	-	-	-	-	-
Net Surplus (Deficit)	50,733	9,322	4,516	3,489	2,012
Other Sources (Uses)	-	-	-	-	-
Beginning Fund Balance	2,104,369	2,155,102	2,164,424	2,168,940	2,172,429
Ending Fund Balance	$ 2,155,102	$ 2,164,424	$ 2,168,940	$ 2,172,429	$ 2,174,441

Source: Compiled from the District's Comprehensive Annual Financial Report for Fiscal Years ending June 30, 2009-2013.

Budget Summary

Below is the District's budget summary that was filed with the ISBE.

Fund	Fund Balances July 1, 2013(1)	FY14 Revenue	FY14 Expenditures	FY14 Transfers	Fund Balances June 30, 2014
Education	$ 15,184,403	$ 51,768,943	$ 50,669,867	$ (224,875)	$ 16,058,604
Operations & Maintenance	4,773,962	5,406,000	4,519,101	(828,813)	4,832,048
Transportation	1,025,940	797,500	1,641,733	-	181,707
IMRF/Social Security	763,941	1,631,200	1,715,504	-	679,637
Working Cash	2,174,441	3,200	-	-	2,177,641
Total Operating Funds	$ 23,922,687	$ 59,606,843	$ 58,546,205	$ (1,053,688)	$ 23,929,637
Debt Service	$ 5,137,106	$ 6,974,200	$ 7,604,146	$ 723,688	$ 5,230,848
Fire Prevention & Safety	371,200	100	20,000	-	351,300
Capital Projects	367,853	30	330,000	330,000	367,883
Tort	-	-	-	-	-
Total All Funds	$ 29,798,846	$ 66,581,173	$ 66,500,351	$ -	$ 29,879,668

(1) The beginning fund balances were revised from the adopted budget to reflect the actual ending fund balances for the prior fiscal year. The budget is adopted before the audit for the prior fiscal year is available.
Source: Compiled from the District's Budget for the Fiscal Year Ending June 30, 2014.

STATE AID

General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such "State Aid" as a significant part of their budgets. For the fiscal year ended June 30, 2013, 4.44% of the District's revenue came from sources at the State, including State Aid. See "SUMMARY OF OPERATING RESULTS-

General Fund Revenue Sources" herein for more information concerning the breakdown of the District's revenue sources.

The State provides for four different types of State Aid, each of which is discussed in greater detail below. The four forms of State Aid are: (i) General State Aid, (ii) Supplementary State Aid, (iii) Categorical State Aid, and (iv) Competitive Grant Aid. The percentage of the District's State Aid derived from each of these categories is set forth in "SUMMARY OF OPERATING RESULTS-General Fund Revenue Sources" herein.

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the process for distributing State Aid cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

General State Aid

General State financial aid ("General State Aid") for Illinois school districts is computed beginning with the fiscal year commencing July 1. General State Aid makes up the difference between the available local resources per pupil (the "Available Local Resources") and a foundation level (the "Foundation Level"). The Foundation Level is a figure established annually by the State's budget representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil determined in accordance with the average daily attendance, as such term is defined in the School Code. The Foundation Level has been established at $6,119 in each of the most recent five school years.

A district's Available Local Resources are determined by multiplying equalized assessed valuation by the calculation tax rate, which is established by statute. Currently, the calculation tax rate is 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. The product is added to revenue from the corporate personal property replacement tax, and the total is divided by the best three months average daily pupil attendance to arrive at the district's Available Local Resources per pupil. For districts subject to the Limitation Law, Available Local Resources may be limited by such districts' extension limitation ratio, calculated in accordance with the School Code.

General State Aid makes up the difference between the Foundation Level and the Available Local Resources multiplied by the Average Daily Attendance (as defined in Section 18-8.05(C) of the School Code) (the "ADA"). The ADA equals the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best three months of pupil attendance for each school district. The attendance data used to calculate the ADA for the purpose of determining the amount of General State Aid is the greater of the (i) requisite attendance data for the school year immediately preceding the school year for which General State Aid is being calculated or (ii) average of the requisite attendance data for the three preceding school years.

For any district with Available Local Resources of less than 93 percent of the Foundation Level, the entire deficiency in Available Local Resources as compared to the Foundation Level is awarded in General State Aid. Where Available Local Resources represent 93 to 175 percent of the foundation amount, State Aid is reduced on a sliding scale. Where a district has Available Local Resources representing 175 percent or more of the Foundation Level, the district receives a flat $218 per ADA.

Other factors important in determining a school district's aid include, but are not limited to, the following:

1. any applicable reductions in a district's EAV;

2. the number of special need students in a district;

3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;

4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;

5. the number of days the schools of the district are operating with students in attendance;

6. whether or not kindergarten students attend for full day or one-half day sessions;

7. whether the schools in the district are recognized by the State Board of Education as meeting state-required standards for recognition; and

8. changes in enrollment.

While the Foundation Level has not been adjusted in recent years, the State budget for General State Aid has been reduced. As such, the State has not been able to fully fund the General State Aid formula. For Fiscal Year 2012, General State Aid was prorated by approximately 5%, with each district receiving 95% of its calculated entitlement. For Fiscal Year 2013, total General State Aid was reduced by $161 million from Fiscal Year 2012, and the rate of proration increased to approximately 11%, with each district receiving 89% of its entitlement. For Fiscal Year 2014, total General State Aid was increased by $155 million from Fiscal Year 2013 allowing the proration to remain at 11%, with each district receiving 89% of its entitlement.

Supplementary State Aid

In addition to General State Aid, districts with specified levels or concentrations of pupils from low-income households are eligible to receive supplemental general State aid financial grants ("Supplemental General State Aid"). Supplemental General State Aid is distributed to districts pursuant to a statutory formula based upon the number of low-income pupils in the district. The low-income pupil count is determined by the Department of Human Services based on the number of pupils eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. The amount of Supplemental General State Aid received by a district increases as the ratio of low-income pupils to the ADA increases.

Mandated Categorical State Aid

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as "Mandated Categorical State Aid," are made to the school district in the fiscal year following the expenditure, provided that the school district files the paperwork necessary to inform the State of such an entitlement. At present, the School Code provides for Mandated Categorical State Aid with respect to mandatory school programs relating to: (i) special education, (ii) transportation, (iii) free and reduced breakfast and lunch, and (iv) orphanage tuition.

Though school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State's appropriation process. In the event that the State does not appropriate an amount sufficient to fully fund the Mandated Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are "mandatory" under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fully fund the Mandatory Categorical State Aid requirements. As such, the District's revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

Competitive Grant State Aid

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such "Competitive Grant State Aid" is not guaranteed to a school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is determined separately for each category of aid year-to-year based on the State's budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

The School Code provides numerous programs that qualify a school district for Competitive Grant State Aid. For fiscal year 2014, the largest Competitive Grant State Aid programs were in Bilingual Education and Early Childhood Education. In fiscal year 2014, Public Acts 97-0728 and 98-034 provide a total of $471.6 million for all programs qualifying a school district for Competitive Grant State Aid.

Payment for Mandated Categorical State Aid and Competitive Grant State Aid

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, "Categorical State Aid") in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State's fiscal year. For fiscal years 2010, 2011 and 2012, the deadline for such payment was extended to 180 days. The deadline for the State to make Categorical State Aid payments has not been extended for fiscal year 2013. However, no assurances can be given that an extension for such payment will not be made in the future.

In spring 2013, the State made an additional Categorical State Aid payment to the District, which represents the fifth Categorical State Aid payment received by the District in fiscal year 2013, additionally a sixth payment (final payment of fiscal year 2013 categoricals) was made July 1, 2013 which was accrued into the fiscal year 2013 revenue. The District budgeted to receive $1,908,000 in Categorical State Aid payments in the fiscal year ending June 30, 2014 which is a combination of Categorical State Aid payments from the prior fiscal year and the current fiscal year. During fiscal year 2014, the District has received $97,973.36 in Categorical State Aid payments.

SCHOOL DISTRICT FINANCIAL PROFILE

As of the date of this Official Statement, ISBE utilizes a system for assessing a school district's financial health referred to as the "School District Financial Profile" which replaced the Financial Watch List and Financial Assurance and Accountability System (FAAS). The current system identifies those school districts, which are moving into financial distress.

The system uses five indicators which are individually scored and weighted in order to arrive at a composite district financial profile. The indicators are as follows: fund balance to revenue ratio; expenditures to revenue ratio; days cash on hand; percent of short-term borrowing ability remaining; and percent of long-term debt margin remaining.

Each indicator is calculated and the result is placed into a category of a four, three, two or one, with four being the highest and best category possible. Each indicator is weighted as follows:

Fund balance to revenue ratio	35%
Expenditures to revenue ratio	35%
Days cash on hand	10%
Percent of short-term borrowing ability remaining	10%
Percent of long-term debt margin remaining	10%

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- Financial Recognition. A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.

- Financial Review. A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.

- Financial Early Warning. A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

- Financial Watch. A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

The District's overall score for Fiscal Year 2012, as reported by ISBE in February 2013, is 3.80 thus placing the District in the Financial Recognition Category. The District's overall scores for Fiscal Years 2011 and 2010 were 3.45 and 3.80, respectively. The Auditor has calculated the District's financial profile score for fiscal year 2013 to be 3.70 which places the District in the Financial Recognition category. Such financial profile score as calculated by the Auditor is preliminary. The District expects that ISBE will release its official financial profile score in March 2014.

RETIREMENT PLANS

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 outside the City of Chicago.

The Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available Annual Financial Statements that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: http://trs.illinois.gov/subsections/pubs/publications.htm.

See Note 5 to the District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, attached hereto as Appendix B, for a more complete discussion.

Employer Funding for TRS

Under the Illinois Pension Code, teachers' employers (such as the District) are required to contribute 0.58% of each teacher's salary to TRS. According to TRS, school districts in fiscal year 2011 contributed a combined $155 million to TRS while the State contributed $2.4 billion. TRS also estimates that if school districts would have been required to contribute normal costs for fiscal year 2011, the total contributions made by school districts would have totaled $800 million. In general, normal costs consist of the portion of the present value of retirement benefits that are allocable to active employee members' current year of service.

In an attempt to remedy severe under-funding of the State's retirement systems, on April 20, 2012, Governor Quinn proposed changes to the manner of funding of such retirement systems, including TRS, with the goal of reaching full funding by 2042. One proposed change would require school districts, including the District, to contribute the full amount of the normal costs of their employees' TRS pensions (the "Cost Shifting Proposal"). The Cost Shifting Proposal, as offered by the Governor, would phase in such contributions over the course of several years.

Discussions and deliberations on the complex topic of pension reform remain fluid. In December 2013, the General Assembly passed legislation designed to reform the State's pension systems. The Cost Shifting Proposal was not included in such reforms. The District cannot predict whether, or in what form, the Cost Shifting Proposal may be enacted into law. It is also possible that the General Assembly may put forward its own proposals for pension reforms that are at least somewhat different in substance from that submitted by the Governor. Furthermore, it is possible that any pension reform legislation that is ultimately passed by the General Assembly and signed into law by the Governor would face court challenges.

If the Cost Shifting Proposal were to become law, it may have a material adverse effect on the finances of District. How local school districts, including the District, would pay for such shift of contributions cannot be determined at the current time. Property taxes to pay pension costs are capped by the Limitation Law. If such pension expenditures are not exempted from the Limitation Law, school districts (such as the District) would have to pay such additional contributions from revenues or reserves.

Illinois Municipal Retirement Fund

The District also participates in the Illinois Municipal Retirement Fund (the "IMRF"). The IMRF is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. IMRF is established and administered under statutes adopted by the Illinois General Assembly. The Illinois Pension Code sets the benefit provisions of the IMRF, which can only be amended by the Illinois General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the "IMRF Account") along with a unique employer contribution rate determined by the IMRF Board, as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board of Trustees (the "IMRF Board"). The District's contribution rate for calendar year 2011 was 9.92% of covered payroll.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at the IMRF's website as follows: http://www.imrf.org/pubs/annual_reports/annual_rpts.htm.

Actuarial Assumptions

The IMRF Board makes contribution decisions on the basis of an actuarial valuation performed by the IMRF's actuary (the "Actuary"). In the actuarial valuation, the Actuary employs certain actuarial methods and assumptions regarding future activity in specific risk areas, including investment return, payroll growth and retiree longevity, to make determinations regarding the future liability of the IMRF to pay benefits and, as a result, to determine the amount that must be contributed in the current year to provide for payment of those benefits in the future. The assumptions and the methods used by the IMRF comply with the requirements of the Governmental Accounting Standards Board.

The IMRF Board adopts its assumptions after considering the advice of the Actuary. At present, the Actuary uses the following assumptions, among others, in generating the actuarial valuation for the IMRF: (1) 7.50% investment rate of return (net of administrative expenses), (2) projected salary increases of 4.00% per year, attributable to inflation, (3) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (4) post-retirement benefit increases of 3% annually.

Actuarial assumptions that vary widely from pension plan experience may have the effect of causing over or under contributions by participating employers to their respective IMRF accounts. To ensure accurate actuarial assumptions, the Actuary conducts an experience study, which is a comparison of the actual experience of the IMRF to the assumptions previously used by the Actuary, every three years and makes recommendations to the IMRF Board with respect to necessary changes to such assumptions.

See Note 5 and the related Required Supplementary Information to the District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, attached hereto as Appendix B, for a more complete discussion of the IMRF's actuarial methods and assumptions.

Funded Status

As of December 31, 2012, the most recent actuarial valuation date, the District's IMRF Account had a funded ratio ("Funded Ratio") of 65.08% on an actuarial basis, taking into account the Asset Smoothing Method, as described in the footnote to the table below, which corresponds to an unfunded actuarial accrued liability ("UAAL") of $4,133,227. On a market value basis, the IMRF Account's Funded Ratio was 67.89%, which corresponds to an UAAL of $3,800,342. The Funded Ratios described herein with respect to the IMRF Account represent the percentage of the Actuarial Accrued Liability ("AAL") funded with respect to active and inactive members only. The District has funded 100% of the AAL with respect to its retirees. During the fiscal year ending June 30, 2014, the District made an additional $500,000 payment to the IMRF to reduce its UAAL. The Funded Ratio and

UAAL for the District's IMRF Account as of December 31, 2010 through December 31, 2012 were as follows:

	The IMRF Account			
	Actuarial Value(1)		Market Value	
Valuation Date (December 31)	Funded Ratio	UAAL	Funded Ratio	UAAL
2012	65.08%	$4,133,227	67.89%	$3,800,342
2011	61.78	4,221,209	57.86	4,654,141
2010	65.73	3,578,125	71.20	3,006,563

(1) The Funded Ratio and UAAL for the District's IMRF Account are computed using the actuarial value of assets calculated pursuant to the asset smoothing method (the "Asset Smoothing Method"). The Asset Smoothing Method lessens the immediate impact of market fluctuations on the actuarial value of assets, the UAAL and the Funded Ratio that may otherwise occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an actuarial value of assets that does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the actuarial value of assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

The District contributed 100 percent of its annual pension cost ("APC"), as determined by the IMRF Board, to the IMRF Account in calendar years 2010 through 2012. The District anticipates that it will make full contributions to its IMRF Account, which includes an amortization of the UAAL, in future years. The District's contributions to its IMRF Account for calendar years 2010 through 2012 were as follows:

	The IMRF Account		
Calendar Year Ended December 31	District Contribution	APC	Percentage Contributed
2012	$ 764,148	$764,148	100.00%
2011	690,606	690,606	100.00
2010	620,246	620,246	100.00

Please see Note 5 and the related Required Supplementary Information to the District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, attached hereto as Appendix B, for a description of the IMRF, the IMRF Account, the District's funding policy, the funded status and funding progress of the IMRF Account, and information on the assumptions and methods used by the Actuary.

OPEB Summary

The District provides limited health insurance coverage for retirees on a pay-as-you-go basis. There are currently 9 individuals receiving benefits. The District's OPEB contribution for the fiscal year ending June 30, 2013, was $198,099. See Note 6 in the District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, attached hereto as Appendix B.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code") includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the

District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof.

BOND RATING

Moody's has assigned its municipal bond rating of "Aaa" to the Bonds. This rating reflects only the view of Moody's and any explanation of the significance of such rating may only be obtained from Moody's. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by Moody's, if, in its judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertake responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "THE UNDERTAKING."

The deadline for filing the District's annual financial information and annual financial report is 210 days after the fiscal year end with the exception of the 2004 Bonds, 2005 Bonds and 2007 Bonds. The deadline for these bond issues is 180 days after the fiscal year end. For the bonds with a deadline 180 days after the fiscal year end, the District failed to file its audited financial statements and annual financial information in a timely manner for fiscal years 2008 through 2012 (with the exception of the audited financial statements for the 2011 fiscal year). Please note that all bonds with a deadline of 180 days after the fiscal year end will be refunded by either the 2014A Bonds, the Bonds or 2014C Bonds.

The following filing deficiencies are for bonds sold with a deadline of 210 days after the fiscal year end. For fiscal years 2011 and 2012 the District filed its audited financial statements and annual financial information in a timely manner, though the District failed to file one item of operating data, as required by previous continuing disclosure undertakings. For fiscal years 2008 through 2010, the District failed to file the audited financial statements and annual financial information by the January 26th deadline. Fiscal year 2008 was filed February 19, 2009, fiscal year 2009 was filed May 11, 2010 and fiscal year 2010 was filed February 17, 2011. The District failed to file two items of operating data with fiscal year 2010. One of the items missing from the fiscal year 2010 filing was filed with the fiscal year 2011 filing of annual financial information on January 6, 2012. The other missing operating data for fiscal years 2010 through 2012 was filed on December 20, 2013 when the District filed its 2013 annual financial information. The District's audited annual financial report for fiscal year 2013 is not available; so the District filed preliminary results in its 2013 annual financial information in addition to filing its unaudited annual financial report on January 6, 2014. On April 16, 2010, Moody's recalibrated the District's rating to "Aaa" from "Aa1" and a rating change notice was not filed as required by previous undertakings. The notice of rating change was filed on December 19, 2013. The District has established procedures to ensure timely filings in the future by engaging PMA Securities, Inc. to assist with filings. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "THE UNDERTAKING - Consequences of Failure of the District to Provide Information." The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the District and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the District.

Annual Financial Information Disclosure

The District covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The District is required to deliver such information within 210 days after the last day of the District's fiscal year (currently on June 30). If Audited Financial Statements are not available when the Annual Financial Information is filed, the District will file unaudited financial statements. The District will submit Audited Financial Statements to the MSRB's Electronic Municipal Market Access ("EMMA") system within 30 days after availability to the District. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

FINANCIAL INFORMATION -
- Trend of Equalized Assessed Valuation
- Tax Rates
- Tax Extensions and Collections
- Summary of Outstanding Bonded Debt
- Debt Statement (with respect to the District's debt only)
- Debt Ratios (with respect to the District's debt only)

SHORT-TERM FINANCING RECORD

SUMMARY OF OPERATING RESULTS –
- General Fund Revenue Sources
- General Fund Summary
- Working Cash Fund Summary
- Budget Summary

SCHOOL DISTRICT FINANCIAL PROFILE – last paragraph only

"Audited Financial Statements" means the combined financial statements of the District prepared in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Reportable Events Disclosure

The District covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "Events" are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the District [1]
- The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

Consequences of Failure of the District to Provide Information

The District shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the District to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the District to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Resolution, and the sole remedy under the Undertaking in the event of any failure of the District to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the District by resolution authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation,

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[1] This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Resolution. The District shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the District shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("Chapman and Cutler"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to the Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

UNDERWRITING

The Bonds were offered for sale by the District at a public, competitive sale on January 22, 2014. The best bid submitted at the sale was submitted by Raymond James & Associates, Inc., New York, New York (the "Underwriter"). The District awarded the contract for sale of the Bonds to the Underwriter at a price of $9,718,528.98. The Underwriter's bid provides, in part, that the Underwriter, subject to certain conditions, will purchase from the District the aggregate principal amount of Bonds for the $9,718,528.98 purchase price as set forth therein. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering prices as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover hereto. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL ADVISOR

PMA Securities, Inc. of Naperville, Illinois, has been retained as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA Securities, Inc. is a registered broker dealer and municipal advisor with the Commission and the MSRB. PMA Securities, Inc. may also provide additional services to the local units of government such as the District. PMA Securities, Inc. is affiliated with PMA Financial Network, Inc. and Prudent Man Advisors, Inc. PMA Financial Network, Inc. and Prudent Man Advisors, Inc. (together "PMA") provide additional services to local units of government including the District. These services may include all or a portion of the following services: investment advice through the Prudent Man Analysis™ report that is used to ascertain the health of financial institutions, detailed cash flow analysis for operating fund expenditures and revenues, bond proceeds investment/management to monitor arbitrage compliance for municipal bonds, investment of operating funds, long-range financial planning through the Financial Planning Program™, and fund administrator for various local government investment pools.

The Financial Advisor's duties, responsibilities, and fees arise from that as Financial Advisor to the District in connection with this issuance and also from the investment of Bond proceeds. PMA receives additional fees for the services used by the District, if any, described in the paragraph above.

The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

THE OFFICIAL STATEMENT

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Official Statement

This Official Statement has been approved for distribution to the Underwriter of the Bonds.

The District's officials will provide to the original purchaser of the Bonds at the time of delivery of the Bonds, a certificate confirming to the purchaser that, to the best of their knowledge and belief, the Official Statement, with respect to the Bonds, at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

/s/ Marty Turek
President, Board of Education
Community Consolidated School District Number 181
DuPage and Cook Counties, Illinois

January 22, 2014

Appendix A

Form of Legal Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of Community Consolidated School District Number 181, DuPage and Cook Counties, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Refunding School Bonds, Series 2014B (the *"Bonds"*), to the amount of $9,385,000, dated the date hereof, due serially on May 1 of the years and in the amounts and bearing interest as follows:

2016	$ 155,000	2.00%
2017	105,000	2.00%
2018	1,670,000	2.00%
2019	820,000	2.00%
2020	790,000	3.00%
2021	955,000	3.00%
2022	285,000	3.00%
2023	2,230,000	3.00%
2024	2,375,000	3.00%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the *"Code"*), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Appendix B

Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2013

The Financial Statements contained in this Appendix B (the "Audit"), including the independent auditor's report accompanying the Audit, has been prepared by Klein Hall CPAs, Aurora, Illinois (the "Auditor"), and approved by formal action of the Board of Education of the District. The District has not requested the Auditor to update information contained in the Audit; nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. If you have a specific question or inquiry relating to the financial information of the District since the date of the Audit, you should contact Gary Frisch, Assistant Superintendent for Business and Operations of the District.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
Burr Ridge, Illinois

Comprehensive Annual Financial Report

Fiscal year ended
June 30, 2013

Prepared by:
Gary Frisch
Assistant Superintendent for Business

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
Comprehensive Annual Financial Report
June 30, 2013
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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
Principal Officers and Advisors
For the Fiscal Year Ended June 30, 2013

Board of Education

Marty Turek	President	2015
Jill Vorobiev	Vice-President	2017
Mridu Garg	Secretary	2017
Michael Nelson	Member	2015
Brendan Heneghan	Member	2015
Gary Clarin	Member	2017
Glenn Yaeger	Member	2017

District Administration and Officials

Dr. Renée Schuster, Superintendent

Gary Frisch, Assistant Superintendent for Business and Operations
Carolann Kwiat, Assistant Business Manager

Kevin Russell, Assistant Superintendent for Learning (CAI)
Dawn Benaitis, Director of Learning (CAI)
Eric Danley, Director of Technology

Dr. Kurt Schneider, Assistant Superintendent for Learning (PPS)
Christine Igoe, Director of Learning (PPS)

Douglas Eccarius, Assistant Superintendent for Human Resources

Bridget McGuiggan, Director of Communications

Officials Issuing Report

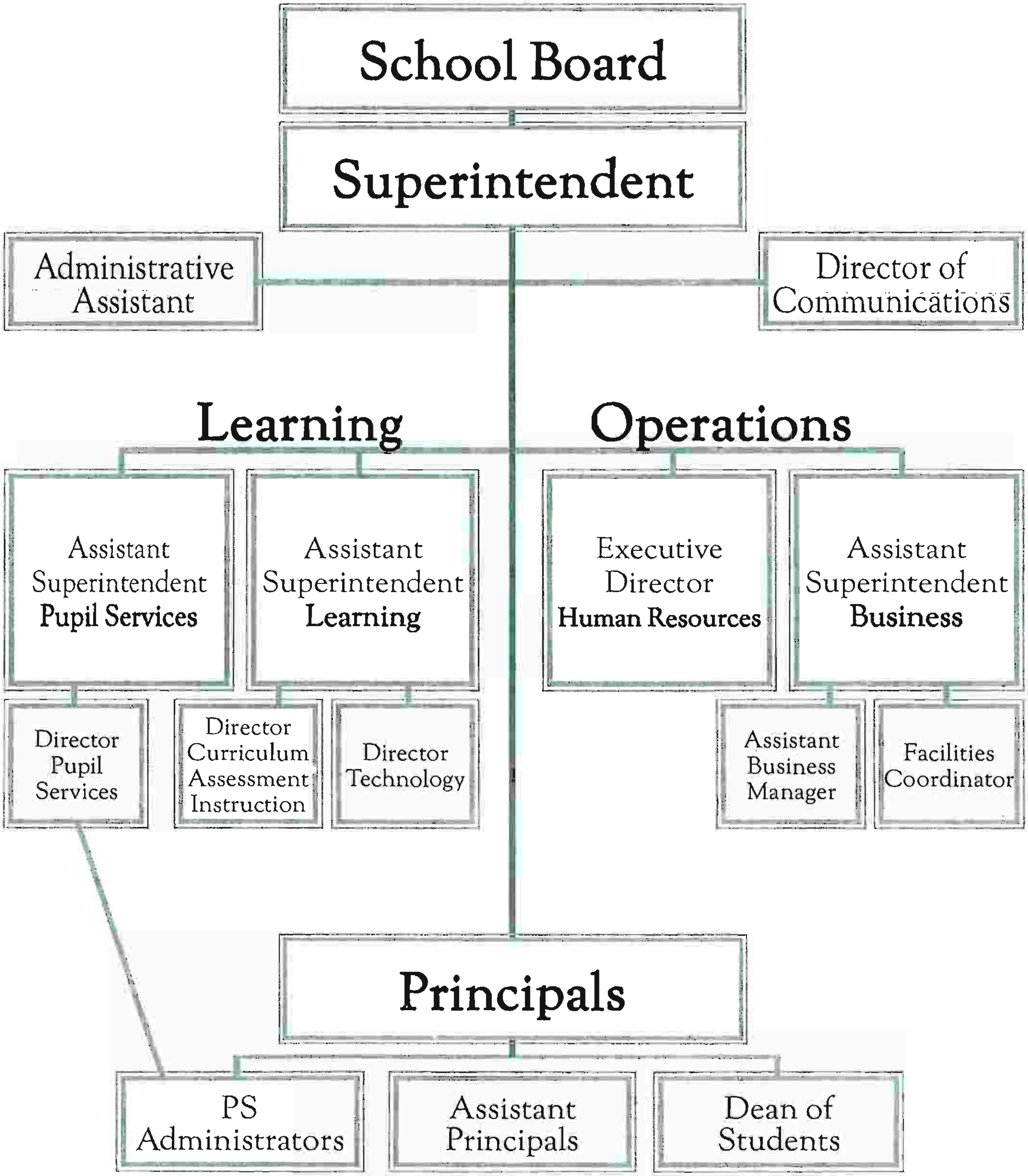
Dr. Renée Schuster, Superintendent
Gary Frisch, Assistant Superintendent for Business and Operations

Department Issuing Report

Business Office

Administrative Organizational Chart 2012-13

This organizational chart represents the chain of command used in Community Consolidated School District 181.



Community Consolidated School District 181
Administration Building
6010 S. Elm Street
Burr Ridge, IL 60527
630-887-1070 • FAX 630-887-1079

November 25, 2013

Citizens of Community Consolidated School District 181
And Members of the Board of Education
Community Consolidated School District 181
Burr Ridge, Illinois

The Comprehensive Annual Financial Report of Community Consolidated School District 181 ("the District"), Burr Ridge, Illinois, for the fiscal year ended June 30, 2013 is submitted herewith. The District's Business Office prepared the report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes a list of principal officials, the District's organizational chart and this transmittal letter. The financial section includes the management's discussion and analysis, the basic financial statements and schedules, as well as the independent auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Reporting Entity and Its Services

Community Consolidated School District 181 is located about 20 miles west of downtown Chicago, Illinois. The District encompasses an area of approximately 7.1 square miles of land in eastern DuPage County and western Cook County and includes most of the Villages of Hinsdale and Clarendon Hills and portions of the Villages of Oak

Brook, Willowbrook and Burr Ridge. The estimated population served within its boundaries is 26,000 and is composed of predominately residential communities.

Within these communities, the District operates seven (7) elementary schools (grades PreK-5) and two middle schools (grades 6 – 8). The elementary schools are: Elm School, Burr Ridge, Illinois; Madison, Monroe, Oak, and The Lane Schools in Hinsdale, Illinois; and Prospect and Walker Schools in Clarendon Hills, Illinois. The middle schools are: Hinsdale Middle School in Hinsdale, Illinois; and Clarendon Hills Middle School in Clarendon Hills, Illinois. Founded in 1947, the District provides public education to students in grades PreK-8 who reside within its boundaries. The District offers a rigorous curriculum with challenging opportunities for all students to succeed.

The District's governing body consists of a seven-member Board of Education elected from within the District's boundaries. Based on legislative authority codified in The School Code of Illinois, the Board of Education:

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

The District includes all funds that are controlled by or dependent on the Board of Education of the District, as determined on a basis of financial accountability. The District does not have such financial accountability over any other entity as a component unit in this report. Additionally, the District is an independent entity, not includable as a component unit of any other reporting entity.

On February 25, 2002, the Board of Education adopted a Mission statement for the District. Based on this statement, the Board of Education further defined the vision, values and core ideologies for the District. They are as follows:

- Mission
  - To educate each child in an environment of excellence that provides a foundation for contributing to a complex global society.

- Vision
  - To be a school district where all children experience success and exhibit excellence.

- Values
    - To realize excellence through: Leadership, Achievement, Accountability, Responsibility, Integrity, and Community Involvement.

- Core Ideologies
    - District 181 commits to an environment for excellence in education by:
        - Providing each child a challenging and safe learning environment.
        - Developing lifelong learners and productive citizens.
        - Building self-confidence and developing character.
        - Encouraging creativity
        - Demanding continuous improvement
        - Expecting innovation and professional development
        - Assuring accountability
        - Communicating effectively
        - Working with the community in a spirit of collaboration, trust and respect.
    - An environment of educational excellence will result in:
        - Engaged learners who demonstrate proficiency in basic academic skills, exhibit competency in current technology, and succeed in the educational program.
        - Critical thinkers, who apply their knowledge and skills to identify, gather, analyze, synthesize and evaluate information to plan action and solve problems.
        - Collaborative team members who cooperate and contribute in a variety of settings and roles.
        - Effective communicators who are able to express and understand thoughts or ideas in a variety of ways.
        - Responsible people who respect diversity, are considerate of others, and accept the consequences of their actions.
        - Informed citizens who recognize the importance of democratic principles and understand different social, historical, cultural and environmental perspectives.

Economic Outlook

Community Consolidated School District 181 has a tax base comprised of 94.37% residential, 5.59% commercial, and .04% industrial and railroad property. The 2012 total current equalized assessed valuation (EAV) of properties within the District is

$2,237,611,219. According to the 2010 census, the median household income in the District is $169,034 and the median household income in DuPage County is $76,581.

The 2013 enrollment of 4,012 students has increased by 78 students as compared to the year before. Teardowns of existing homes, which are then replaced with larger homes that are more desirable for families with young children, have recently increased with the improving economy. According to the American Community Survey, 2006-2010, the median value of a home in CCSD 181 is $802,900.

In 1991, the Illinois General Assembly imposed property tax limitation legislation (tax cap) on Cook County and the collar-counties, which includes DuPage County. The legislation limits the tax levy increase to the lesser of 5% or the increase in Consumer Price Index for all Urban Consumers (CPI-U), during the calendar year prior to the levy year. For the 2012 levy, the CPI-U was 3%.

Major Initiatives

The District was engaged in two major initiatives in the 2012-13 school year:

In February 2013, the Board of Education unanimously approved the multi-year Learning for All Plan (formerly called the Advanced Learning Plan) to be implemented beginning in the 2013-14 school year. The plan includes hiring an additional two teachers to support the development of common planning time for teachers, as well as the addition of two instructional coaches to provide job-embedded professional development for staff.

Facilities Five-Year Plan

The District will complete a facilities plan for the school buildings that will include major repairs and renovations for educational program needs. Hinsdale Middle School is the school in the District that is most need of repairs and renovations to be in the same condition as the other schools in the District. The school was built in the early 1970s and has some significant particular has some significant needs including roofs, piping and flooring. The cafeteria and Media Resource Center also need to be addressed.

Accounting Systems

As noted previously, Community Consolidated School District 181 conforms to Generally Accepted Accounting Principles as promulgated by the Governmental

Accounting Standards Board (GASB). The District reports on a modified accrual basis of accounting. The notes to financial statements expand upon all accounting policies. All District funds are presented in their report and have been audited by the District's Certified Public Accountants, Klein, Hall & Associates, LLC. Their opinion is unqualified.

In developing and evaluating the District's accounting system, much consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by District management.

Budgetary Controls

The District maintains budgeting controls to ensure compliance with legal provisions embodied in the annual appropriated budget.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. Actual activity compared to the budget is reported to the District's management on a monthly basis. Full disclosures are made if extraordinary variances appear during the year.

The District's actual expenditures in the Municipal Retirement/Social Security, Bond and Interest and Transportation Funds exceeded budgeted expenditures. However, additional resources are available to finance these excess expenditures as allowed under the State Budget Act.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Cash Management

The Board of Education *Policy 4:30 Revenue and Investments* states that all surplus funds are to be invested to realize the largest gain for the District. The District is bound by this policy and the Illinois Revenue Code as to what investment instruments can be used to facilitate this directive. Investments are made in Certificates of Deposit and Money Market funds.

Risk Management

As a member of an insurance cooperative, the District purchases liability and workers' compensation insurance from private companies. For both of these coverages, the District is a member of WCSIT (Workers Compensation Self-Insurance Trust). The insurance is adequate to protect against loss or liability to the District or any agent, employee, teacher, Board of Education member, administrator or member of the supervisory staff, resulting from the wrongful or negligent act of such agent in the discharge of his/her duties, within the scope of his/her employment and/or direction of the Board of Education. Premiums for these coverages are included in the expenditures of the District in the appropriate funds. The District also operates a self-insured medical plan for the medical, dental and vision coverages for the eligible employees of the District. The notes to the financial statements present more information related to the self-insurance program. No material decreases in insurance coverage have occurred nor have any insurance claims in excess of insurance coverage been paid or reported.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The audit is conducted by an independent certified public accountant selected by the District's Board of Education. The auditor's opinions have been included in this report.

Certificate of Excellence

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to Community Consolidated School District 181 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This certificate is a prestigious national award recognizing standards for preparation of state and local government financial reports. In order to be awarded this Certificate, the District must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy generally accepted accounting principles and applicable legal requirements.

We believe that our current report conforms to the Certificate requirements, and we are submitting it to ASBO International to determine its eligibility for the Certificate.

Closing Statement

It is our belief that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with a meaningful presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2013.

Acknowledgement

The preparation of the report on a timely basis could not have been accomplished without the efficient and dedicated services of all the members of the Business Office who assisted in the closing of the District's financial records and the preparation of this report. We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible, progressive manner.

Respectfully Submitted,

Dr. Renée Schuster
Superintendent

Mr. Gary Frisch
Assistant Superintendent for Business and Operations

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

Community Consolidated School District 181

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012

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

Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director

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Independent Auditor's Report

Board of Education
Community Consolidated School District 181
Burr Ridge, IL

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 181, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Community Consolidated School District 181's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Community Consolidated School District 181's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 181, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

3973 75th Street, Aurora, IL 60504 ▪ Phone: 630.898.5578 Fax: 630.898.5593 ▪ www.kleinhallcpa.com
Members of American Institute of Certified Public Accountants & Illinois CPA Society

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Consolidated School District 181's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2013 on our consideration of Community Consolidated School District 181's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Consolidated School District 181's internal control over financial reporting and compliance.

Klein Hall CPAs

Klein Hall CPAs
Aurora, Illinois
September 27, 2013

The discussion and analysis of Community Consolidated School District 181's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2013. 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. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights (Amounts reported in millions of dollars)

- Advanced refunded $19 of general obligation refunding school bonds to advance refund a portion of the 2004 general obligation school bonds to reduce cash flow by approximately $4.
- Revenues exceeded expenditures for the operation funds (General Fund, Transportation Fund and IMRF Fund) by $1.6.
- Operations and Maintenance Account (General Fund) decreased from $4.6 to $4.4 due to increased operational efficiencies.
- An extraordinary loss on a capital asset of $5.9 was taken to adjust the capital assets account.
- Long Term debt decreased by $3.1.
- Total assets decreased $2.7 or 2.3% from 2012.
- The end of year net position was $(0.8).
- Total revenues for 2013 were $73.8. Program specific revenues in the form of charges for services, grants and contributions accounted for $13.5 or 18.3% of total revenues.
- General revenues accounted for $60.3 or 81.7% of total revenue. General revenues consisted of property tax revenues of $58.9, other local revenues of $0.6 and Federal and State aid not restricted to specific purposes of $0.8.
- The District had $71.2 in expenses related to government activities, of which $13.5 were offset by program specific charges, grants and contributions.
- The District continued to pay down its general obligation debt bonds, retiring $21.1, of which $18.7 was defeased as a result of a refunding bond in fiscal 2013.

Overview of the Financial Statements

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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

Government-wide financial statements

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

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

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

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). With the exception of the district's summer school enrichment program, the District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Debt Service Funds, which are considered to be major funds. The Transportation, Municipal Retirement, Capital Projects and Fire Prevention and Safety Fund are considered non-major funds.

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

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

Notes to the financial statements

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

Other information

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

Government-Wide Financial Analysis

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government -wide financial statements, the District's activities are all categorized as governmental activities. All of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Working Cash).

The District has two categories of funds:

- Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balance left at year-end that is available for spending. Consequently, the governmental funds statements provide a detailed short-term view that can help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government -wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government –wide financial statements because it cannot use these assets to finance its operations.

Government-Wide Financial Analysis (Amounts reported in millions of dollars)

Net Position: The District's total assets are $115.2, total liabilities are $116.0 and the total net position for the year ending June 30, 2013 is $(0.8).

Table 1
Condensed Statement of Net Position
(in millions of dollars)

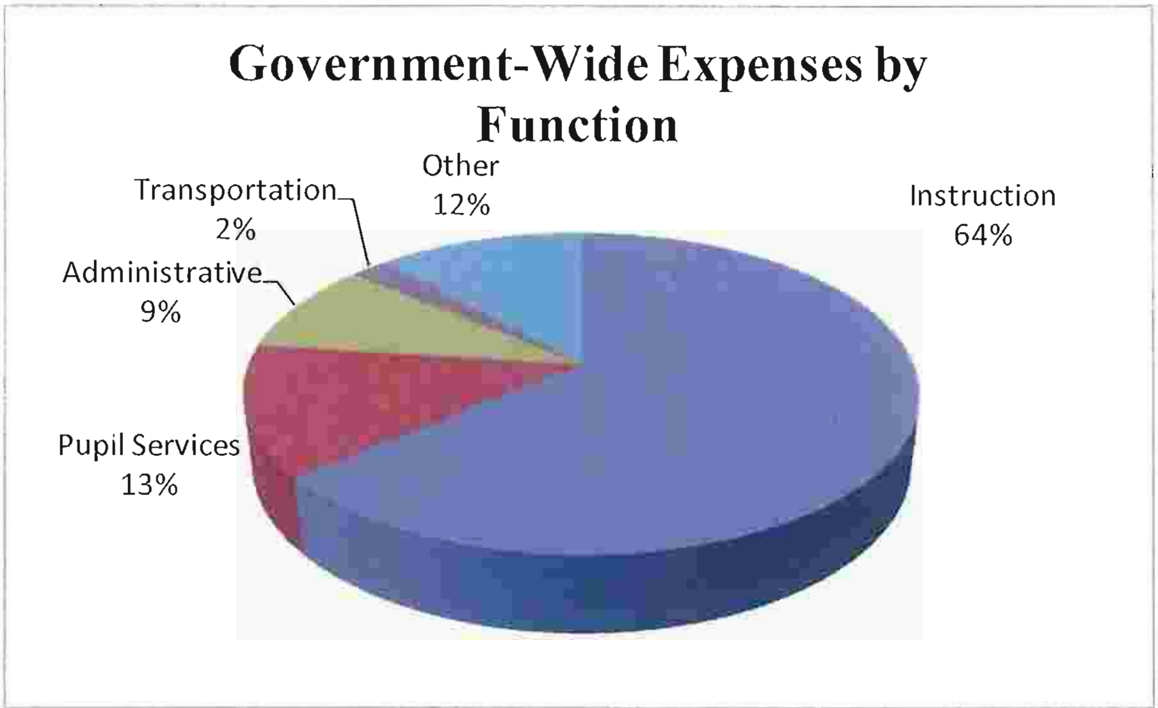
	2012	2013
Assets:		
Current assets	$ 59.8	$ 66.4
Capital assets	58.1	48.8
Total assets	117.9	115.2
Liabilities:		
Current liabilities	32.0	35.7
Current long-term debt outstanding	3.3	4.8
Long-term outstanding	80.1	75.5
Total liabilities	115.4	116.0
Net position:		
Net investment in capital assets	(23.1)	(28.7)
Restricted	7.3	7.6
Unrestricted	18.3	20.3
Total net position	$ 2.5	$ (0.8)

Changes in net position: The District's total revenues were $73.8. (See Table 2)

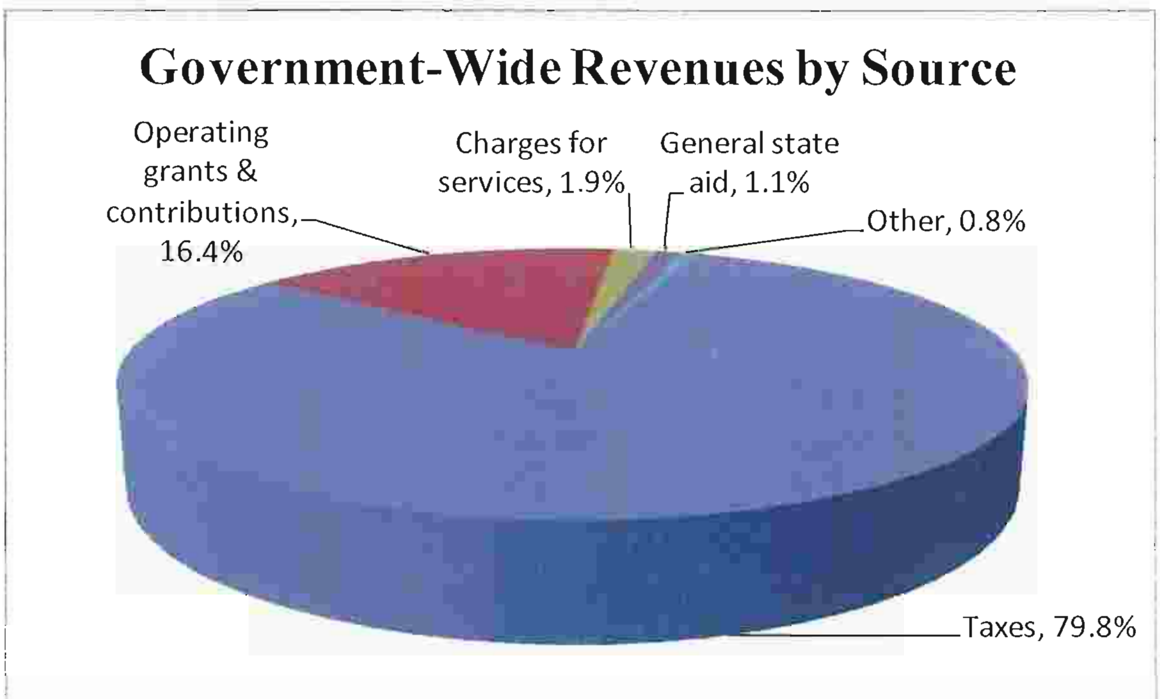
Table 2
Changes in Net Position
(in millions of dollars)

	2012	2013
Revenues:		
Program revenues:		
Charges for services	$ 1.3	$ 1.4
Operating grants & contributions	10.5	12.1
General revenues:		
Taxes	57.9	58.9
General state aid	0.9	0.8
Other	0.5	0.6
Total revenues	71.1	73.8
Expenses:		
Instruction	44.4	45.4
Pupil & instructional services	8.0	9.4
Administration & business	7.2	6.5
Transportation	1.4	1.6
Operations and maintenance	5.1	5.0
Other	4.4	3.3
Total expenses	70.5	71.2
Extraordinary loss on capital asset adjustme	-	(5.9)
Increase (decrease) in net position	0.6	(3.3)
Net Position, beginning of year	1.9	2.5
Net Position, end of year	$ 2.5	$ (0.8)

Property taxes accounted for most of the District's revenue, contributing about 80 cents of every dollar raised. The remainder comes from restricted and unrestricted state and federal, fees charged for services and miscellaneous sources. The total cost of all programs and services was $71.2. The District's expenses are predominantly (79.2%) related to instruction, pupil services and transportation of students.



Government-Wide Expenses by Function
Other 12%
Transportation 2%
Instruction 64%
Administrative 9%
Pupil Services 13%



Government-Wide Revenues by Source
Operating grants & contributions, 16.4%
Charges for services, 1.9%
General state aid, 1.1%
Other, 0.8%
Taxes, 79.8%

Financial Analysis of the District's Funds (Amounts reported in millions of dollars)

The statement of net position includes capital assets and long-term liabilities and therefore presents a financial picture that is different from the traditional modified accrual statements. The bulk of the long-term liabilities are bonds ($72.7), which will not be paid off with operating funds, but are supported by the specific ability to levy property taxes to meet the payment commitments. The modified accrual financial statements reflect strong financial performance of the District as a whole during the fiscal year. As the District completed the year, the ending fund balance in all funds was $29.8, a $2.4 increase for the year.

General Fund:

- The General Fund had an overall surplus of $1.9 for the year ended June 30, 2013.
- The General Fund's Education Account had a surplus of $1.4 after transfers out of $1.0.
- The General Fund's Operations and Maintenance Account continues to support the ongoing needs of the District facilities and is providing the funding obtained from expected energy savings for the Debt Certificates issued to fund HVAC improvements at Hinsdale Middle School.
- The Working Cash Account continues to grow through investment income. The District has no intention to transfer or abolish the fund in the near future.

Debt Service Fund:

- The Debt Service Fund had an overall surplus in earnings of $0.8 for the year ended June 30, 2013 after bond proceeds and premium of $19.9 and a deposit with an escrow agent of $20.0.
- The ending fund balance of $5.1 remained stable.
- Transfers of $1.5 from the General Fund provided funding for the payment of Debt Certificates and capital leases, which are not funded through tax levies.

General Fund Budgetary Highlights (Amounts reported in millions of dollars):

- The General Fund has an overall surplus during the year, and was $1.8 over the budgeted amount.
- Total actual revenues in the General Fund were $0.3 more than budgeted.
- Total actual expenditures in the General Fund were $1.5 less than budgeted.

Non-major fund highlights:

- The non-major funds had fund balances totaling $2.5 at June 30, 2013.
- The non-major funds had an overall deficit of $0.3 for the year ended June 30, 2013.

Capital Asset and Debt Administration

Capital assets (Amounts reported in millions of dollars)

The District's capital outlay expenditures decreased from $58.2 million in 2012 to $48.9 in 2013. Total depreciation expense for the year was $3.6. More detailed information about capital assets can be found in Note 3 to the basic financial statements.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	2012	2013
Land	$ 2.2	$ 2.2
Land improvements	0.3	0.2
Buildings	53.7	45.3
Equipment & furniture	2.0	1.2
Total	$ 58.2	$ 48.9

In 2013, the District experienced $5.9 extraordinary loss. This is a result of reconciling fixed assets recorded by the District with the most recent fixed asset appraisal which was completed on October 19, 2010. The District will consider a full appraisal in 2014 to assure that all fixed assets have been properly recorded since the last full appraisial.

Long-term debt (Amounts reported in millions of dollars)

In 2013 the District received proceeds of $19.0 for a Refunded General Obligation Bond and retired $21.1 in bonds, including $18.7 in bonds defeased, and decreased other long-term liabilities by $1.0. At the end of fiscal year 2013, the District had a debt margin of $87.4. More detailed information can be found in Note 4 of the basic financial statements.

Table 4
Outstanding Long-Term Debt
(in millions of Dollars)

	2012	2013
General obligation bonds	$ 75.2	$ 72.7
Debt certificates	5.9	5.6
Capital leases and other	2.3	2.0
Total	$ 83.4	$ 80.3

Factors Bearing on the District's Future (Amounts reported in millions of dollars)

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may significantly affect its financial health in the future:

In fiscal year 2014 the District expects to end the year with a balanced budget. The district has no current plans for any major capital projects in the near future. In the fall of 2013, the District started a facility committee that will assess the educational adequacy of its facilities. The teacher's association contract will expire at the end of June 30, 2014. Since a majority of the District's expenditures are connected with Teacher's contract, a new contract will have a significant bearing on the finances of the District. In 2013 property taxes accounted for 80% of the District's total revenue. Property tax levies, with the exception of those for bond and interest, are limited under Illinois law to a specific increase (lesser of 5% or the prior year CPI) over the prior year. The 2013 levy will be limited by a CPI of 1.5% affecting both the FY 2014 and 2015 budgets.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Community Consolidated School District 181
6010 S. Elm Street
Burr Ridge, IL 60527
(630) 887-1070

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
Assets:	
Cash and investments	$ 31,142,649
Receivables:	
Property taxes	33,755,897
Replacement taxes	96,855
Prepaid items	108,346
Due from other governments	473,832
Deferred charges	716,030
Capital assets:	
Land and construction in progress	2,246,559
Other capital assets, net of depreciation	46,663,092
Total Assets	115,203,260
Liabilities:	
Accounts payable	91,030
Accrued salaries and related payables	4,044,155
Self insurance claims payable	387,595
Unearned revenue	31,255,953
Noncurrent liabilities:	
Due within one year	4,801,338
Due in more than one year	75,451,666
Total Liabilities	116,031,737
Net Position:	
Net investment in capital assets	(28,747,584)
Restricted for:	
Debt service	5,137,106
Transportation	1,025,940
Employee healthcare costs	738,797
Other purposes	763,941
Unrestricted	20,253,323
Total net position	$ (828,477)

See accompanying notes to basic financial statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instructional services:				
Regular programs	$ 36,845,280	$ 1,143,432	$ 9,327,183	$ (26,374,665)
Special programs	8,492,052	26,449	2,294,678	(6,170,925)
Tuition, learning disabilities	52,767	218,593	-	165,826
Support services:				
Pupils	4,362,720	-	-	(4,362,720)
Instructional staff	4,999,934	-	38,894	(4,961,040)
General administration	2,252,468	-	-	(2,252,468)
School administration	2,579,079	-	-	(2,579,079)
Business	1,695,413	40,278	2,094	(1,653,041)
Operation and maintenance of facilities	4,999,531	14,848	-	(4,984,683)
Transportation	1,607,024	-	403,306	(1,203,718)
Central	267,465	-	-	(267,465)
Community services	67,769	-	-	(67,769)
Interest on long-term liabilities	3,016,208	-	-	(3,016,208)
Total school district	$ 71,237,710	$ 1,443,600	$ 12,066,155	(57,727,955)

General revenues:	
Property taxes levied for:	
General purposes	50,119,951
Transportation	951,535
Retirement	1,576,321
Debt service	6,264,921
Federal and state aid not restricted to specific purposes	821,506
Earnings on investments	29,385
Miscellaneous	501,905
Total general revenues	60,265,524
Extraordinary item-loss on adjustment of capital assets	(5,902,778)
Change in net position	(3,365,209)
Net position - beginning	2,536,732
Net position - ending	$ (828,477)

See accompanying notes to basic financial statements

FUND FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and investments	$ 23,974,845	$ 4,793,176	$ 2,374,628	$ 31,142,649
Receivables:				
Property taxes	28,703,886	3,826,331	1,225,680	33,755,897
Replacement taxes	96,855	-	-	96,855
Prepaid items	108,346	-	-	108,346
Due from other governments	389,687	-	84,145	473,832
TOTAL ASSETS	$ 53,273,619	$ 8,619,507	$ 3,684,453	$ 65,577,579
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 57,130	$ -	$ 33,900	$ 91,030
Self insurance claims payable	387,595	-	-	387,595
Accrued salaries and related expenditures	4,044,155	-	-	4,044,155
Deferred revenue	26,651,933	3,482,401	1,121,619	31,255,953
Total Liabilities	31,140,813	3,482,401	1,155,519	35,778,733
Fund Balances:				
Nonspendable	108,346	-	-	108,346
Restricted	738,797	5,137,106	-	5,875,903
Restricted reported in:				
Special Revenue Funds	-	-	1,789,881	1,789,881
Capital Projects Funds	-	-	739,053	739,053
Unassigned	21,285,663	-	-	21,285,663
Total Fund Balances	22,132,806	5,137,106	2,528,934	29,798,846
TOTAL LIABILITIES AND FUND BALANCES	$ 53,273,619	$ 8,619,507	$ 3,684,453	$ 65,577,579

See accompanying notes to basic financial statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total fund balances - governmental funds	$	29,798,846
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is $83,036,910 and the accumulated depreciation is $34,127,259.		48,909,651
Deferred charges included in the statement of net position are not available to pay for current period expenditures and accordingly, are not included in the governmental funds balance sheet.		716,030
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of:		
Long term debt		(80,253,004)
Net position of governmental activities	$	(828,477)

See accompanying notes to basic financial statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local sources	$ 52,048,811	$ 6,268,135	$ 2,570,672	$ 60,887,618
State sources	11,580,998	-	403,306	11,984,304
Federal sources	903,357	-	-	903,357
Total Revenues	64,533,166	6,268,135	2,973,978	73,775,279
EXPENDITURES				
Current operating:				
Instruction	41,769,293	-	598,202	42,367,495
Supporting services	19,201,512	-	2,762,100	21,963,612
Community services	66,848	-	921	67,769
Non-programmed charges	52,767	-	-	52,767
Debt service:				
Principal	-	3,425,066	-	3,425,066
Interest and other	-	3,323,070	-	3,323,070
Total Expenditures	61,090,420	6,748,136	3,361,223	71,199,779
Excess of revenues over expenditures	3,442,746	(480,001)	(387,245)	2,575,500
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	19,040,000	-	19,040,000
Premium on bond proceeds	-	842,771	-	842,771
Deposits with escrow agent	-	(20,042,936)	-	(20,042,936)
Transfers in	-	1,473,233	100,000	1,573,233
Transfers out	(1,573,233)	-	-	(1,573,233)
Total other financing sources (uses)	(1,573,233)	1,313,068	100,000	(160,165)
Net changes in fund balance	1,869,513	833,067	(287,245)	2,415,335
Fund Balances at beginning of year	20,263,293	4,304,039	2,816,179	27,383,511
FUND BALANCES AT END OF YEAR	$ 22,132,806	$ 5,137,106	$ 2,528,934	$ 29,798,846

See accompanying notes to basic financial statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds		$ 2,415,335
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, assets with an initial, individual cost of more than $1,500 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	$ 227,861	
Depreciation expense	(3,585,940)	(3,358,079)
The cost from the acquisition of capital assets are reported as expenses in the governmental funds. However, the cost of the capital assets are removed from the capital assets account in the statement of net position and offset against the proceeds from the sale of capital assets resulting in a gain/loss on the sale of capital assets in the statement of activities. Also, any adjustments of the capital assets are not reflected in the governmental funds		
Loss on adjustment of capital assets		(5,902,778)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Increase in early retirement obligations	(13,343)	
Decrease in compensated absences	14,583	
Increase in other post employment benefits	(413,020)	(411,780)
The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:		
Bond proceeds	(19,040,000)	
Premium on bond proceeds	(842,771)	
Deferred refunding charge on bonds issued	1,360,870	
Bonds deceased	18,690,000	
Repayment of bond principal	2,390,000	
Repayment of debt certificate principal	280,000	
Repayment of capital lease	755,066	
Bond premium amortization	173,048	
Issuance cost on bonds issued	404,133	
Issuance cost amortization	(85,546)	
Refunding charge amortization	(192,707)	3,892,093
Change in net position of governmental activities		$ (3,365,209)

See accompanying notes to basic financial statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS - ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2013

Assets:	
Cash	$ 493,355
Liabilities:	
Due to organizations	$ 493,355

See accompanying notes to basic financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Consolidated School District 181 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

In June 1999 the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* Certain of the significant changes in the Statement include the following:

The financial statements include;

- A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

- Financial statements prepared using the full-accrual basis of accounting for all the District's activities.

- A change in the fund financial statements to focus on major funds.

a. Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is legally separate organization for which the District is financially accountable and other organizations for which nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District's reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

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

b. Fund Accounting

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

GASB statement No. 54 refined the definitions of various governmental funds. These updated definitions are incorporated into the following fund descriptions.

Governmental funds include the following fund types:

General Fund - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Tort Immunity Account and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Educational Account – These accounts are used for most of the instructional and administrative aspects of the District's operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

Operations and Maintenance Account – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

Working Cash Account – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund's Educational Account, upon Board approval.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District's Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

Transportation Fund – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund – This fund accounts for the District's portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Debt Service Funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

Capital Projects Funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Capital Projects Fund – Capital Projects Funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

Fiduciary Fund Type

Agency Funds - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The District reports the following funds as major governmental funds:

General Fund
Debt Service Fund

Additionally, the District reports the following fund type:

Fiduciary Fund

The District has adopted a policy consistent with GASB Statement No. 34 to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

c. Basis of Presentation

Government-Wide Financial Statements

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

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

Governmental Fund Financial Statements

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

Separate financial statements are provided for all governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual government funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants similar items are recognized as revenue as soon as all eligibility requirements have been met.

Government funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, unmatured principal and interest on general long-term debt is recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

In accordance with GASB No. 24, on-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

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

Revenues – Exchange and nonexchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements that specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, grants, entitlements and student fees.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Expenses / Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

d. Deposits and Investments

Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States.
- Interest and non-interest bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over $500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Funds. (A state sponsored investment pool.)
- Repurchase agreements which meet instrument transactions requirements of Illinois law.

e. Property Tax Revenues

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2012 levy ordinance was approved during the December 10, 2012 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

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

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments; the first due on June 1 and the second due on September 1 for property located in DuPage County and March 1 and August 1 for Cook County. Property taxes are normally collected by the District within 60 days of the respective installments dates. Due to the allocation method used, individual fund rates for Cook County may exceed the statutory limits; however, the combined extension is limited to the statutory rate limits extended on the combines equalized assessed valuation.

The 2012 property tax levy is recognized as a receivable in fiscal 2013. The District considers that the first installment of the 2012 levy is to be used to finance operations in fiscal 2013. This District has determined that the second installment of the 2012 levy is to be used to finance operations in fiscal 2014 and has deferred the corresponding receivable.

f. Personal Property Replacement Taxes

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

g. Capital Assets

Capital assets, which include land, buildings, buildings improvements, vehicles, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $1,500 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

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

Assets	Years
Buildings and building improvements	50 years
Land improvements	20 years
Furniture, equipment and vehicles	5-15 years

h. Compensated Absences

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken during the following fiscal year. Administrative employees may carry over unused vacation days to subsequent years; however unused days may not accumulate beyond 60 days. The entire liability for unused compensated absences is reported on the government-wide financial statements.

For governmental funds, the current portion of the compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid.

All certified employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between the Board of Education and the Education Association. Unused sick leave days accumulate to a maximum of 340 days. Upon retirement, if certain conditions are met, the employee may be reimbursed for up to 20 unused sick days, if these are not applied towards credited service for one of the District's retirement plans. Also upon retirement, a certified employee may apply up to 340 days of unused sick leave towards service credit for TRS.

Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated sick leave.

i. Long-term obligations

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

In the governmental fund financial statements, the full amounts of discounts, as well as bond issuance costs, are recognized 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.

j. Net Position

Government-Wide Statements

Net Position is classified and displayed in three components:

1. Net investment in capital assets. Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debts.

2. Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

3. Unrestricted. Net amount of assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when and expense is incurred for purposes for which both restricted and unrestricted net resources are available.

k. Comparative Data

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

l. Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

m. Use of Estimates

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

NOTE 2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits

At June 30, 2013 the carrying amount of the District's deposits, excluding student activity funds of $493,355 and petty cash of $300, which include both cash and certificate of deposits totaled $22,955,748 and the bank balances totaled $25,317,691. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2013 all deposits were either collateralized or insured.

Investments

As of June 30, 2013, the District has the following investments and maturities:

Investment Type	Fair Value	Maturities (in years) Less than 1	Percent of Portfolio	Applicable Agency Rating
Other Investments:				
Illinois School District Liquid Asset Fund	$ 8,186,601	$ 8,186,601	100.0%	AAAm
Total Investments	**$ 8,186,601**	**$ 8,186,601**	100.0%	

The Illinois School District Liquid Asset Fund is an investment pool. The value of the position in this SEC registered investment pool is the same as the value of the pool shares.

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

Credit Risk. The District's investments are rated, as shown above, by the applicable rating agency.

Concentration of Credit Risk. The District places no limit on the amount of the District may invest any one issuer. More than 5 percent of the District's investments are concentrated in specific individual investments. The above table indicates the percentage of each investment to the total investments of the District.

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

Foreign Currency Risk. The District held no foreign investments during the fiscal year.

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

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

NOTE 3. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance June 30, 2012	Additions	Deletion	Balance June 30, 2013
Capital assets, not being depreciated				
Land	$ 2,246,559	$ -	$ -	$ 2,246,559
Total capital assets not being depreciated	2,246,559	-	-	2,246,559
Capital assets, being depreciated:				
Land Improvements	1,082,231	-	76,402	1,005,829
Buildings	76,303,286	36,850	5,011,415	71,328,721
Equipment and Vehicles	10,266,729	191,011	2,001,939	8,455,801
Total capital assets being depreciated	**87,652,246**	**227,861**	**7,089,756**	**80,790,351**
Accumulated depreciation for:				
Land Improvements	774,626	55,108	71,524	758,210
Buildings	22,680,919	3,340,860	-	26,021,779
Equipment and Vehicles	8,272,752	189,972	1,115,454	7,347,270
Total Accumulated depreciation	**31,728,297**	**3,585,940**	**1,186,978**	**34,127,259**
Total capital assets being depreciated, net	55,923,949	(3,358,079)	5,902,778	46,663,092
Total capital assets, net	**$ 58,170,508**	**$ (3,358,079)**	**$ 5,902,778**	**$ 48,909,651**

Depreciation expense was charged to functions of the District as follows:

Instructional Services:	
Regular Programs	$ 2,043,986
Special Programs	573,750
Supporting Services:	
Pupils	107,578
School Administration	71,719
Business	143,438
Operations & Maintenance	645,469
	$ 3,585,940

NOTE 4. LONG-TERM DEBT

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Amount due in one year
General Obligation Bonds Payable:					
Series dated December 3, 2012	$ -	$ 9,395,000	$ -	$ 9,395,000	$ 25,000
Series dated February 7, 2013	-	9,645,000	-	9,645,000	1,640,000
Series dated May 1, 2004	31,900,000	-	18,690,000	13,210,000	-
Series dated July 21, 2005	8,750,000	-	780,000	7,970,000	995,000
Series dated December 20, 2006	9,245,000	-	565,000	8,680,000	670,000
Series dated March 1, 2007	9,670,000	-	40,000	9,630,000	40,000
Series dated June 15, 2010	2,760,000	-	975,000	1,785,000	995,000
Series dated December 21, 2011	12,975,000	-	30,000	12,945,000	30,000
District 101 Bond	37,440	-	-	37,440	11,032
Deferred Refunding	(1,455,884)	(1,360,870)	(192,707)	(2,624,047)	-
Unamortized Premium	1,332,865	842,772	173,048	2,002,589	-
Total Bonds Payable	**$ 75,214,421**	**$ 18,521,902**	**$ 21,060,341**	**$ 72,675,982**	**$ 4,406,032**
Debt Certificates Series 2009	5,280,000	-	165,000	5,115,000	170,000
Debt Certificates Series 2010	615,000	-	115,000	500,000	120,000
Capital Lease	860,372	-	755,066	105,306	105,306
Early Retirement Incentive Obligation	205,404	13,343	-	218,747	-
Compensated Absences	67,246		14,583	52,663	-
Other Post Employment Benefits	1,172,286	611,119	198,099	1,585,306	-
Total Long-Term Debt	**$ 83,414,729**	**$ 19,146,364**	**$ 22,308,089**	**$ 80,253,004**	**$ 4,801,338**

Long Term Debt at June 30, 2013 is comprised of the following:

General Obligation Bonds Payable

May 1, 2004, Building & Refunding Bonds in the original amount of $41,005,000, due in installments varying from $1,160,000 to $8,730,000 through 2024, interest rates varying from 5.00% to 6.00% per annum. This bond partially defeased of 18,690,000 in 2012.

July 21, 2005, Refunding Bonds in the original amount of $9,840,000, due in installments varying from $135,000 to $2,795,000 through 2017, interest rates varying from 3.25% to 3.60% per annum.

December 20, 2006, Refunding Bonds in the original amount of $9,905,000, due in annual installments varying from $50,000 to $3,795,000 through 2021, interest rate at 3.00% per annum.

March 1, 2007, Refunding Bonds in the original amount of $10,000,000, due in annual installments varying from $30,000 to $8,050,000 through 2024, interest rate at 4.00% per annum.

June 15, 2010, Refunding Bonds in the original amount of $4,980,000, due in annual installments varying from $790,000 to $1,310,000 through 2015, interest rate from 2.09% to 3.0% per annum.

December 21, 2011, Refunding Bonds in the original amount of $13,095,000, due in installments varying from $30,000 to $3,900,000 through 2022, interest rate from 2.00% to 3.00% per annum.

December 3, 2012, Refunding Bonds in the original amount of $9,395,000, due in installments varying from $25,000 to $4,165,000 through 2023, interest rate from 2.00% to 3.00% per annum.

December 15, 1996, District 101 Annexation Bonds due in annual installments varying from $4,334 to $11,623 through 2016, interest rates varying from 5.30% to 5.60% per annum.

February 7, 2013, Refunding Bonds in the original amount of $9,645,000, due in installments varying from $775,000 to $1,640,000 through 2023, interest rate from 2.00% to 2.13% per annum.

At June 30, 2013, the annual debt service requirements to maturity for general obligation bonds were as follows for governmental type activities:

Fiscal year ending June 30,	**Principal**	**Interest**	**Total**
2014	$ 4,406,032	$ 2,508,741	$ 6,914,773
2015	3,231,623	2,382,983	5,614,606
2016	4,674,344	2,281,542	6,955,886
2017	5,235,000	2,101,331	7,336,331
2018	5,820,000	1,894,771	7,714,771
2019-2023	39,060,000	6,245,618	45,305,618
2024	10,870,441	462,500	11,332,941
Total	**$ 73,297,440**	**$ 17,877,486**	**$ 91,174,926**

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2013, the statutory debt limit for the District was $155,530,456, providing a debt margin of $87,370,123 after taking into account amounts available in the Debt Service Fund. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2013, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

Debt Certificates

On June 15, 2009, the District issued $5,760,000 of debt certificates. Principal payments are due December 1, beginning in 2010, with interest payments at rates from 2.00% to 4.35% due June 1 and December 1, through the fiscal year ending June 30, 2028.

On June 15, 2010, the District issued $730,000 of debt certificates. Principal payments are due December 1, beginning in 2011, with interest payments at rates from 2.00% to 2.75% due June 1 and December 1, through the fiscal year ending June 30, 2016.

At June 30, 2013 the annual debt service requirements to maturity for debt certificates were as follows for governmental type activities:

Fiscal year ending June 30,	Principal	Interest	Total
2014	$ 290,000	$ 208,812	$ 498,812
2015	295,000	201,512	496,512
2016	305,000	193,287	498,287
2017	315,000	184,244	499,244
2018	325,000	173,762	498,762
2019-2023	1,830,000	666,800	2,496,800
2024-2027	1,765,000	239,405	2,004,405
2028	490,000	10,658	500,658
Total	**$ 5,615,000**	**$ 1,878,480**	**$ 7,493,480**

Early Retirement Incentive Obligations.

At June 30, 2013, the District was obligated for $218,747 in early retirement benefits. The liability is for the TRS health insurance plan (THIS) for retired employees as well as early retirement contracts and health insurance benefits. This additional District plan may phase out in future fiscal years as current contract negotiations will not likely include this plan in the resulting teacher contracts.

Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of copier and technology equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2013, $1,682,128 of amounts included in capital assets acquired were through capital leases. The obligations for the capital leases will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, are as follows:

Year ending June 30,	Amount
2014	$ 108,124
Total minimum lease payments	108,124
Less: amount representing interest	(2,818)
Present value of minimum lease payments	$ 105,306

The payments to retire the early retirement obligations and compensated absences will be provided by future tax levies within the General Fund's Educational and Operations and Maintenance Accounts. Payments to retire bonds payable and debt certificates will be made from debt service levies in future periods. There is $5,137,106 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

Defeased Bonds

On December 3, 2012 and February 7, 2013, the District issued $9,395,000 and $9,645,000 in General Obligation Refunding School Bonds to partially advance refund a portion of the Series 2004 General Obligation bonds. Proceeds of $20,042,936 were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. As a result these bonds are considered defeased and the liability has been removed from the general long-term debt. As a result of the new refunding bond, total cash flow was reduced by approximately $4,000,000. Additionally, there was an economic gain approximately $2,000,000. As of June 30, 2013, the outstanding debt considered defeased is $31,970,000.

NOTE 5. RETIREMENT FUND COMMITMENTS

Retirement Plans

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

Illinois Teachers' Retirement System:

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for 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, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees. The total creditable earnings for the year ended June 30, 2013 was $31,522,610.

On-behalf contributions. The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2013, state of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of $8,833,024 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent ($7,804,889) and 23.10 percent ($7,034,833), respectively.

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

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were $182,831. Contributions for the years ending June 30, 2012 and 2011, were $181,879 and $176,920, 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, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011 the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling $32,329 were paid from federal and special trust funds that required employer contributions of $9,068. For the years ended June 30, 2012 and 2011, required district contributions were $6,485 and $11,456, 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.

The maximum employer ERO contribution under the current program is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2013, the district paid $71,041 to TRS for employer contributions under the ERO program. For the years ended June 30, 2012 and June 30, 2011, the district paid $0 and $0 in employer ERO contributions, respectively.

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

For the year ended June 30, 2013, the District paid $13,658 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2012 and June 30, 2011, the District paid $5,500 and $35,171 to TRS for employer contributions due on salary increases in excess of 6 percent, 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 rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the year ended June 30, 2013, the District paid $3,504 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2012 and June 30, 2011, the District paid $1,022 and $7,646 in employer contributions granted for sick leave days, respectively.

Further information on TRS. 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, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at http://www.trs.illinois.gov.

Teacher Health Insurance Security (THIS)

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state to make a contribution to THIS Fund.

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

On Behalf Contributions to THIS Fund. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were $290,008, 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, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of district employees were $275,954, and $268,430, respectively.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the District paid $217,506 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the District paid $206,965 and $201,323, respectively, which was 100 percent of the required contribution.

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

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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual required contribution rate for calendar year 2012 was 13.01 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was $764,149.

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	$ 764,148	100%	$ -
12/31/2011	690,606	100%	-
12/31/2010	620,246	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 65.08 percent funded. The actuarial accrued liability for benefits was $11,836,157 and the actuarial value of assets was $7,702,930, resulting in an underfunded actuarial accrued liability (UAAL) of $4,133,227. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was $5,873,547 and the ratio of the UAAL to the covered payroll was 70 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 6. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description

The medical and dental benefit plans for the District are single-employer defined benefit plans administered by the District. The District has the authority to establish and amend benefit provisions of the medical and dental benefit plans. The District has the authority to establish and amend benefit provisions of the medical and dental benefit plans. The District issues a publicly available financial report that includes financial statements and required supplementary information for the medical and dental benefit plans.

Monthly Retiree Contributions

Retirees make no contributions toward the cost of District postretirement benefit plans.

Employer Contributions

The postretirement benefit plans for the District are funded on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The Annual OPEB Cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of Annual OPEB Cost:

	FY 2012	FY 2013
Annual Required Contribution	$ 539,167	$ 636,455
Interest on net OPEB obligations	20,866	29,307
Adjustment to annual required contribution	(38,905)	(54,643)
Annual OPEB cost (expense)	521,128	611,119
Estimated Contributions made by the District	(183,498)	(198,099)
Increase in net OPEB obligation	337,630	413,020
Net OPEB obligation - Beginning of Year	834,656	1,172,286
Net OPEB obligation - End of Year	$ 1,172,286	$ 1,585,306

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the Net OPEB obligation at the end of the year is as follows:

	FY 2012	FY 2013
Annual OPEB cost (expense)	$ 521,128	$ 636,455
Estimated contributions made by District	(183,498)	(198,099)
Percentage of Annual OPEB Cost Contributed	35.2%	31.1%
Net OPEB Obligation as of December 31	$ 1,172,286	$ 1,585,306

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

Actuarial Methods and Assumptions

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

Valuation Method

The method used for the medical and dental benefit plans is called the projected Unit Credit Method. According to this method an equal amount of an employee's projected benefit is allocated to each year from the date the employee first enters the plan until the date the employee is first eligible to receive benefits.

Valuation of Assets

There are no assets that have been set aside to fund the liabilities for this plan. These plans are funded on a pay-as-you-go basis.

Eligible Plan Participants

All active and retired employees who are participants in the medical and dental benefit plans as of the date this valuation was performed are included in the calculations in this report.

Actuarial Assumptions

Valuation Date	July 1, 2012
Interest Rate	2.5%
Amortization Method	Level Dollar Amount, Open
Amortization Period for Actuarial Accrued Liabili	30 Years
Amortization factor	21.454
Percent of Current Spouses Electing Coverage	N/A
Mortality Table	RP-2000 with Mortality Improvement Scale BB to 2030

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 7. EXCESS OF EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

Expenditures exceeded the budgeted amount in the following funds:

	Budget	Actual	Excess
Transportation Fund	$ 1,467,595	$ 1,607,024	$ 139,429
Municipal Retirement/Social Security Fund	1,617,388	1,655,336	37,948
Total	$ 3,084,983	$ 3,262,360	$ 177,377

NOTE 8. RISK MANAGEMENT

The District has purchased insurance from private insurance companies. Risks covered include general liability, workers compensation and other. Premiums have been displayed as expenditures in appropriate funds. The District also operates a self-insurance program for medical coverage for employees (see Note 9). No significant reductions in insurance coverage have occurred from the prior year, and no settlements have been made in the last three years which exceeded any insurance coverage.

NOTE 9. SELF-INSURANCE PLAN/RESTRICTED FUND BALANCE

The District maintains a self-insurance plan to provide medical insurance to its employees. An outside administrator administers claims for a fixed fee per enrolled employee. The District makes periodic payments to an escrow account established by the plan administrator. The administrator pays employee claims from this escrow account and requires the District to cover any deficiencies. The District liability is limited by private insurance which provides a $125,000 specific stop loss and a minimum aggregate stop loss of $5,681,353.

Cumulative employee and District contributions have exceeded claims paid to the plan as of June 30, 2013, and consequently the General Fund's Education Account fund balance is restricted for the excess of $738,797.

A summary of the changes in the Districts claim liability is as follows:

	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2013
Claims liability at July 1,	$ 304,000	$ 375,810
Current year claims and changes in estimated	3,519,192	4,103,387
Claim payments	(3,447,382)	(4,091,602)
Claims liability at June 30,	$ 375,810	$ 387,595

NOTE 10. SPECIAL TAX LEVIES

Fund balance restrictions represent that portion of fund balance that is legally separated for a specific future use.

Proceeds from the Special Education levy and related expenditures have been included in the operations of the General Fund's Educational Account. At June 30, 2013, the cumulative expenditures had exceeded related cumulative revenues.

NOTE 11. STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE 12. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2013:

Transfer From	Transfer To	Amount
General Fund - Operations and Maintenance Account	Debt Service Fund	$ 495,144
General Fund - Education Account	Debt Service Fund	978,089
General Fund - Operation and Maintenance Account	Capital Projects Fund	100,000
	Total Transfers	**$ 1,573,233**

Transfers from the General Fund to the Debt Service Fund were made to provide funds for the debt service payments on loans

Transfers from the General Fund to the Capital Projects Fund were made to provide funds for future construction.

NOTE 13. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

Revenues received and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

2. Health Insurance

Revenues and expenditures for the District's self-insured health plan are accounted for in the General Fund's Educational Account. At June 30, 2013 $738,797 is restricted for health insurance expenditures. This is due to the outside negotiated contracts stipulating the treatment of any excess health insurance funds.

3. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2013, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

4. Social Security

Expenditures and the related revenues of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenues received exceeded expenditures for this purpose, resulting in a restricted fund balance $305,576. The remaining balance is restricted for Municipal Retirement purposes.

5. Capital Projects Funds

Expenditures and the related revenues received are accounted for in the Capital Projects and Fire Prevention and Safety Funds. All equity within these funds are restricted for the associated capital expenditures within these funds.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

No committed balances existed as of June 30, 2013.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

No assigned balances existed as of June 30, 2013.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Reconciliation of Fund Balance Reporting

Fund/Account	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational	$ -	$ 738,797	$ -	$ -	$ 14,445,606
Operations & Maintenance	108,346	-	-	-	4,665,616
Working Cash	-	-	-	-	2,174,442
Debt Service	-	5,137,106	-	-	-
Transportation	-	1,025,940	-	-	-
Municipal Retirement	-	763,941	-	-	-
Capital Projects	-	367,853	-	-	-
Fire Prevention & Safety	-	371,200	-	-	-

G. Expenditures of Fund Balance

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

NOTE 14. DUE FROM OTHER GOVERNMENTS

The following amounts were due at June 30, 2013:

General Fund - Special Education Aid	$ 389,687
Transportation Fund - Transportation Aid	84,145
	$ 473,832

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
Schedule of Funding Progress (unaudited)
Illinois Municipal Retirement Fund
June 30, 2013

Actual 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)
12/31/2012	7,702,930	11,836,157	4,133,227	65.08	5,873,547	70.37%
12/31/2011	6,822,748	11,043,957	4,221,209	61.78	5,463,658	77.26%
12/31/2010	6,862,614	10,440,739	3,578,125	65.73	5,054,983	70.78%

On a market value basis, the actuarial value of assets as of December 31, 2012 is $8,035,815. On a market basis, the funded ratio would be 67.89%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Hinsdale SD 181. They do not include amounts for retirees. The actuarial liability for retirees is 100% funded.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
Schedule of Funding Progress (unaudited)
Other Post Employment Benefits
June 30, 2013

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)
07/01/2013	$ 0	$4,753,990	$4,753,990	0.00	N/A
07/01/2012	0	4,250,158	4,250,158	0.00	N/A
07/01/2011	0	4,000,577	4,000,577	0.00	N/A

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2013

	General		
	Original & Final Budget	Actual	Variance Over/ Under
REVENUES			
Local sources	$ 51,760,090	$ 52,048,811	$ 288,721
State sources	11,485,643	11,580,998	95,355
Federal sources	1,032,443	903,357	(129,086)
Total Revenues	64,278,176	64,533,166	254,990
EXPENDITURES			
Current operating:			
Instruction	42,704,044	41,769,293	934,751
Support services	19,686,568	19,201,512	485,056
Community services	89,783	66,848	22,935
Non-programmed charges	65,000	52,767	12,233
Provision for contingencies	81,862	-	81,862
Total Expenditures	62,627,257	61,090,420	1,536,837
Excess of revenues over expenditures	1,650,919	3,442,746	1,791,827
OTHER FINANCING USES			
Transfers out	(1,573,233)	(1,573,233)	-
Total other financing uses	(1,573,233)	(1,573,233)	-
Net changes in fund balance	$ 77,686	1,869,513	$ 1,791,827
Fund balance at beginning of year		20,263,293	
FUND BALANCES AT END OF YEAR		$ 22,132,806	

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes,* follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.

4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget was originally adopted on August 27, 2012.

5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

7. The budget (all appropriations) lapses at the end of each fiscal year.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following legally mandated accounts within the General Fund:

Educational Account - To account for most of the instructional and administrative aspects of the District's operations.

Operations and Maintenance Account - To account for repair and maintenance of the District's property.

Working Cash Account - To account for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2013

	Educational	Operations and Maintenance	Working Cash	Total General
ASSETS				
Cash and investments	$ 17,377,956	$ 4,422,448	$ 2,174,441	$ 23,974,845
Receivables:				
Property taxes	25,831,651	2,872,235	-	28,703,886
Prepaid items	-	108,346	-	108,346
Replacement taxes	96,855	-	-	96,855
Due from other governments	389,687	-	-	389,687
TOTAL ASSETS	$ 43,696,149	$ 7,403,029	$ 2,174,441	$ 53,273,619
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 47,181	$ 9,949	$ -	$ 57,130
Self insurance claims payable	387,595	-	-	387,595
Accrued salaries and related expenditures	4,044,155	-	-	4,044,155
Deferred revenue	24,032,815	2,619,118	-	26,651,933
Total Liabilities	28,511,746	2,629,067	-	31,140,813
Fund balances:				
Nonspendable	-	108,346	-	108,346
Restricted for employee healthcare costs	738,797	-	-	738,797
Unassigned	14,445,606	4,665,616	2,174,441	21,285,663
Total Fund Balances	15,184,403	4,773,962	2,174,441	22,132,806
TOTAL LIABILITIES AND FUND BALANCES	$ 43,696,149	$ 7,403,029	$ 2,174,441	$ 53,273,619

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2013

	Educational	Operations and Maintenance	Working Cash	Total General
REVENUES				
Local sources	$ 46,579,367	$ 5,467,432	$ 2,012	$ 52,048,811
State sources	11,580,998	-	-	11,580,998
Federal sources	903,357	-	-	903,357
Total Revenues	59,063,722	5,467,432	2,012	64,533,166
EXPENDITURES				
Current operating:				
Instruction	41,769,293	-	-	41,769,293
Support services	14,810,600	4,390,912	-	19,201,512
Community services	66,848	-	-	66,848
Non-programmed charges	52,767	-	-	52,767
Total Expenditures	56,699,508	4,390,912	-	61,090,420
Excess of revenues over expenditures	2,364,214	1,076,520	2,012	3,442,746
OTHER FINANCING USES				
Transfers out	(978,089)	(595,144)	-	(1,573,233)
Total other financing uses	(978,089)	(595,144)	-	(1,573,233)
Net changes in fund balance	1,386,125	481,376	2,012	1,869,513
Fund balances at beginning of year	13,798,278	4,292,586	2,172,429	20,263,293
FUND BALANCES AT END OF YEAR	$ 15,184,403	$ 4,773,962	$ 2,174,441	$ 22,132,806

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
REVENUES				
Local sources:				
Property taxes	$ 44,920,734	$ 44,876,525	$ (44,209)	$ 43,804,152
Replacement taxes	436,690	470,944	34,254	460,262
Tuition	166,905	225,668	58,763	145,328
Earnings on investments	16,000	20,125	4,125	19,108
Pupil activities	183,090	196,113	13,023	199,107
Textbooks	670,238	682,059	11,821	692,519
Other	111,563	107,933	(3,630)	44,667
Total local sources	46,505,220	46,579,367	74,147	45,365,143
State sources:				
Unrestricted:				
General state aid	821,506	821,506	-	870,744
Restricted:				
Special education	1,560,637	1,560,812	175	1,471,565
Bilingual education	25,000	5,523	(19,477)	18,483
On behalf payments - State of Illinois	9,000,000	9,123,032	123,032	8,080,843
Other grants-in-aid	78,500	70,125	(8,375)	19,242
Total state sources	11,485,643	11,580,998	95,355	10,460,877
Federal sources:				
Restricted:				
Title I	135,000	77,026	(57,974)	30,578
Education for handicapped	781,243	733,866	(47,377)	410,015
ARRA programs	-	-	-	176,075
School lunch programs	6,500	1,991	(4,509)	6,557
Title II	73,000	38,894	(34,106)	62,045
Safe and drug free schools	-	-	-	(1,254)
Title III	6,700	(515)	(7,215)	12,004
Other	30,000	52,095	22,095	71,303
Total federal sources	1,032,443	903,357	(129,086)	767,323
Total revenues	$ 59,023,306	$ 59,063,722	$ 40,416	$ 56,593,343

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
EXPENDITURES				
Current operating:				
Instruction:				
Regular programs:				
Salaries	$ 20,828,207	$ 20,572,626	$ 255,581	$ 20,025,258
Employee benefits	12,505,357	12,324,707	180,650	11,174,112
Purchased services	54,500	46,500	8,000	50,408
Supplies and materials	1,299,659	1,050,491	249,168	1,064,193
Capital outlay	43,380	35,761	7,619	29,924
Other objects	6,711	7,217	(506)	3,667
Termination benefits	110,000	105,482	4,518	17,705
Total	34,847,814	34,142,784	705,030	32,365,267
Special education programs:				
Salaries	4,844,688	4,764,928	79,760	4,778,225
Employee benefits	1,199,724	1,216,339	(16,615)	1,185,432
Purchased services	142,720	109,672	33,048	212,323
Supplies and materials	60,286	83,772	(23,486)	108,487
Capital outlay	38,200	20,069	18,131	3,244
Other objects	3,500	3,025	475	2,833
Total	6,289,118	6,197,805	91,313	6,290,544
Special education programs pre-k:				
Salaries	271,958	251,645	20,313	291,217
Employee benefits	85,952	53,181	32,771	88,276
Purchased services	10,500	603	9,897	16,689
Supplies and materials	42,000	21,388	20,612	27,350
Capital outlay	11,008	3,849	7,159	5,000
Total	421,418	330,666	90,752	428,532
Educationally deprived/remedial programs:				
Salaries	50,400	50,084	316	30,028
Employee benefits	8,965	5,571	3,394	5,664
Purchased services	47,289	-	47,289	5,532
Supplies and materials	37,000	46,763	(9,763)	16,363
Capital outlay	13,500	-	13,500	16,974
Total	$ 157,154	$ 102,418	$ 54,736	$ 74,561

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
Interscholastic programs:				
Salaries	$ 242,725	$ 218,146	$ 24,579	$ 213,726
Employee benefits	1,200	1,151	49	1,140
Purchased services	7,000	5,340	1,660	5,598
Supplies and materials	6,450	3,053	3,397	2,308
Other	2,000	1,400	600	800
Total	259,375	229,090	30,285	223,572
Summer school:				
Salaries	83,160	112,126	(28,966)	82,005
Employee benefits	1,667	866	801	1,983
Purchased services	3,500	6,475	(2,975)	1,750
Supplies and materials	6,073	2,730	3,343	9,091
Other	-	-	-	4,200
Total	94,400	122,197	(27,797)	99,029
Gifted:				
Salaries	-	-	-	848,834
Employee benefits	-	-	-	108,588
Supplies and materials	-	-	-	3,644
Total	-	-	-	961,066
Bilingual:				
Salaries	363,610	359,224	4,386	344,562
Employee benefits	48,705	44,855	3,850	49,652
Purchased services	1,750	4,200	(2,450)	2,450
Supplies and materials	10,700	97	10,603	11,760
Capital outlay	10,000	-	10,000	9,580
Total	434,765	408,376	26,389	418,004
Special education programs pre-k:				
Other objects	200,000	235,957	(35,957)	230,210
Total	200,000	235,957	(35,957)	230,210
Total instruction	$ 42,704,044	$ 41,769,293	$ 934,751	$ 41,090,785

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
Support services:				
Pupils:				
Attendance and social work:				
Salaries	$ 1,095,641	$ 1,098,902	$ (3,261)	$ 1,048,314
Employee benefits	152,622	140,791	11,831	151,404
Purchased services	300	-	300	-
Total	1,248,563	1,239,693	8,870	1,199,718
Guidance services:				
Salaries	334,387	337,736	(3,349)	309,070
Employee benefits	21,034	43,712	(22,678)	22,169
Total	355,421	381,448	(26,027)	331,239
Health services:				
Salaries	738,313	793,670	(55,357)	712,323
Employee benefits	230,247	204,101	26,146	189,894
Purchased services	42,350	45,802	(3,452)	3,372
Supplies and materials	8,840	8,480	360	7,441
Capital outlay	2,600	1,947	653	1,950
Total	1,022,350	1,054,000	(31,650)	914,980
Speech pathology and audiology services:				
Salaries	71,641	58,093	13,548	65,317
Employee benefits	-	12,331	(12,331)	10,889
Total	71,641	70,424	1,217	76,206
Speech pathology and audiology services:				
Salaries	1,171,074	1,155,385	15,689	1,096,836
Employee benefits	173,406	158,965	14,441	166,257
Purchased services	-	8,360	(8,360)	-
Total	1,344,480	1,322,710	21,770	1,263,093
Total pupils	$ 4,042,455	$ 4,068,275	$ (25,820)	$ 3,785,236

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
Instructional staff:				
Improvement of instruction services:				
Salaries	$ 1,050,338	$ 1,136,637	$ (86,299)	$ 1,036,934
Employee benefits	68,849	94,838	(25,989)	67,701
Purchased services	266,489	291,595	(25,106)	341,903
Supplies and materials	23,915	23,197	718	31,952
Other	5,000	1,836	3,164	1,954
Total	1,414,591	1,548,103	(133,512)	1,480,444
Educational media services:				
Salaries	1,204,438	1,229,977	(25,539)	1,158,844
Employee benefits	215,314	214,194	1,120	204,244
Purchased services	507,855	481,337	26,518	467,569
Supplies and materials	600,378	519,185	81,193	449,931
Capital outlay	806,150	758,138	48,012	89,731
Other	-	60	(60)	-
Total	3,334,135	3,202,891	131,244	2,370,319
Assessment and testing services:				
Salaries	132,500	127,469	5,031	-
Employee benefits	30,689	35,472	(4,783)	-
Supplies and materials	75,000	80,242	(5,242)	26,255
Total	238,189	243,183	(4,994)	26,255
Total instructional staff	4,986,915	4,994,177	(7,262)	3,877,018
General administration:				
Board of education:				
Employee benefits	365,000	373,176	(8,176)	362,926
Purchased services	648,000	273,101	374,899	759,684
Supplies and materials	2,000	2,159	(159)	1,000
Other	10,000	8,829	1,171	16,508
Total	$ 1,025,000	$ 657,265	$ 367,735	$ 1,140,118

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
Executive administration:				
Salaries	$ 541,787	$ 556,197	$ (14,410)	$ 606,688
Employee benefits	128,046	143,971	(15,925)	109,694
Purchased services	53,525	38,093	15,432	21,183
Supplies and materials	7,000	7,253	(253)	10,317
Other	21,500	21,060	440	19,108
Total	751,858	766,574	(14,716)	766,990
Special area administration:				
Salaries	586,002	587,522	(1,520)	678,353
Employee benefits	159,669	171,218	(11,549)	158,066
Purchased services	17,630	16,446	1,184	8,790
Supplies and materials	100	164	(64)	636
Total	763,401	775,350	(11,949)	845,845
Total general administration	2,540,259	2,199,189	341,070	2,752,953
School administration:				
Office of the principal:				
Salaries	1,808,967	1,818,098	(9,131)	1,774,222
Employee benefits	605,210	558,230	46,980	568,402
Purchased services	11,900	11,296	604	20,474
Other	2,500	2,476	24	2,165
Total	2,428,577	2,390,100	38,477	2,365,263
Total school administration	2,428,577	2,390,100	38,477	2,365,263
Business:				
Direction of business support services:				
Salaries	170,000	170,350	(350)	167,787
Employee benefits	53,832	43,357	10,475	32,982
Total	$ 223,832	$ 213,707	$ 10,125	$ 200,769

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
Fiscal services:				
Salaries	$ 272,089	$ 276,804	$ (4,715)	$ 293,574
Employee benefits	99,276	75,125	24,151	88,082
Purchased services	63,500	61,121	2,379	43,823
Supplies and materials	18,180	16,185	1,995	18,012
Capital outlay	10,000	-	10,000	-
Other	1,300	1,160	140	199
Total	464,345	430,395	33,950	443,690
Food services:				
Salaries	240,000	224,344	15,656	231,091
Employee benefits	400	312	88	355
Purchased services	50,000	54,749	(4,749)	58,815
Other	1,000	-	1,000	-
Total	291,400	279,405	11,995	290,261
Total business	979,577	923,507	56,070	934,720
Central:				
Direction of central support services:				
Salaries	156,239	-	156,239	-
Employee benefits	36,109	-	36,109	-
Purchased services	18,310	-	18,310	-
Supplies and materials	3,300	-	3,300	-
Total	213,958	-	213,958	-
Information services:				
Salaries	-	163,287	(163,287)	179,573
Employee benefits	-	31,994	(31,994)	42,932
Purchased services	-	12,737	(12,737)	13,130
Supplies and materials	-	3,437	(3,437)	2,806
Total	-	211,455	(211,455)	238,441
Data processing services:				
Purchased services	30,000	23,897	6,103	29,474
Total	30,000	23,897	6,103	29,474
Total central	243,958	235,352	8,606	267,915
Total support services	$ 15,221,741	$ 14,810,600	$ 411,141	$ 13,983,105

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
Community services:				
Salaries	$ 13,747	$ 11,846	$ 1,901	$ 17,611
Employee benefits	-	3	(3)	11
Purchased services	75,036	54,742	20,294	74,081
Supplies and materials	1,000	257	743	9,034
Capital outlay	-	-	-	16,984
Total community services	89,783	66,848	22,935	117,721
Non-programmed charges:				
Other payments to In-State Governments				
Purchased services	-	2,464	(2,464)	-
Payments for special education programs				
Other objects	65,000	50,303	14,697	29,220
Total non-programmed charges	65,000	52,767	12,233	29,220
Provision for contingencies	81,862	-	81,862	-
Total expenditures	58,162,430	56,699,508	1,462,922	55,220,831
Excess of revenues over expenditures	860,876	2,364,214	1,503,338	1,372,512
OTHER FINANCING USES				
Transfers out	(978,089)	(978,089)	-	(690,180)
Total other financing uses	(978,089)	(978,089)	-	(690,180)
Net changes in fund balance	$ (117,213)	1,386,125	$ 1,503,338	682,332
Fund balance at beginning of year		13,798,278		13,115,946
FUND BALANCE AT END OF YEAR		$ 15,184,403		$ 13,798,278

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
REVENUES				
Local sources:				
Property taxes	$ 5,073,670	$ 5,243,426	$ 169,756	$ 5,411,814
Earnings on investments	3,000	2,759	(241)	4,360
Rentals	10,000	14,848	4,848	15,410
Refunds of prior years' expenditures	5,000	109,681	104,681	4,863
Other	160,000	96,718	(63,282)	215,275
Total local sources	5,251,670	5,467,432	215,762	5,651,722
Total revenues	5,251,670	5,467,432	215,762	5,651,722
EXPENDITURES				
Current operating:				
Support services:				
Operations and maintenance of plant services:				
Salaries	1,977,882	1,964,511	13,371	1,913,503
Employee benefits	495,145	477,610	17,535	411,907
Purchased services	966,800	954,740	12,060	1,088,779
Supplies and materials	912,000	877,238	34,762	1,015,031
Capital outlay	113,000	116,813	(3,813)	209,676
Total	4,464,827	4,390,912	73,915	4,638,896
Total support services	4,464,827	4,390,912	73,915	4,638,896
Total expenditures	4,464,827	4,390,912	73,915	4,638,896
Excess of revenues over expenditures	$ 786,843	$ 1,076,520	$ 289,677	$ 1,012,826

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
OTHER FINANCING USES				
Transfers out	$ (595,144)	$ (595,144)	$ -	$ (625,120)
Total other financing uses	(595,144)	(595,144)	-	(625,120)
Net changes in fund balance	$ 191,699	481,376	$ 289,677	387,706
Fund balance at beginning of year		4,292,586		3,904,880
FUND BALANCE AT END OF YEAR		$ 4,773,962		$ 4,292,586

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WORKING CASH ACCOUNT
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
REVENUES				
Local sources:				
Earnings on investments	$ 3,200	$ 2,012	$ (1,188)	$ 3,489
Total local sources	3,200	2,012	(1,188)	3,489
Total revenues	3,200	2,012	(1,188)	3,489
Excess of revenues over expenditures	$ 3,200	2,012	$ (1,188)	3,489
Fund balance at beginning of year		2,172,429		2,168,940
FUND BALANCE AT END OF YEAR		$ 2,174,441		$ 2,172,429

MAJOR DEBT SERVICE FUND

Debt Service Fund - To account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest and related costs.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
REVENUES				
Local sources:				
Property taxes	$ 5,500,802	$ 6,264,921	$ 764,119	$ 5,576,086
Earnings on investments	3,200	3,214	14	3,811
Total local sources	5,504,002	6,268,135	764,133	5,579,897
Total revenues	5,504,002	6,268,135	764,133	5,579,897
EXPENDITURES				
Debt service:				
Principal retirement	3,915,269	3,425,066	490,203	2,752,484
Interest on bonds	2,983,010	3,037,400	(54,390)	3,477,740
Service charges	-	121,126	(121,126)	5,031
Other	4,146	164,544	(160,398)	391,048
Total expenditures	6,902,425	6,748,136	154,289	6,626,303
Excess (deficiency) of revenues over expenditures	(1,398,423)	(480,001)	918,422	(1,046,406)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	19,040,000	19,040,000	13,095,000
Premium on bond proceeds	-	842,771	842,771	611,756
Deposits with escrow refunding agent	-	(20,042,936)	(20,042,936)	(13,467,166)
Transfers in	1,473,233	1,473,233	-	1,191,130
Total other financing sources (uses)	1,473,233	1,313,068	(160,165)	1,430,720
Net changes in fund balance	$ 74,810	833,067	$ 758,257	384,314
Fund balance at beginning of year		4,304,039		3,919,725
FUND BALANCE AT END OF YEAR		$ 5,137,106		$ 4,304,039

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Special Revenue Funds:

Transportation Fund - To account for activity relating to student transportation to and from school.

Municipal Retirement/Social Security Fund - To account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for noncertified employees.

CAPITAL PROJECTS FUNDS

Capital Projects Fund - To account for financial resources to be used for the acquisition or construction of major capital facilities.

Fire Prevention and Safety Fund - To account for financial resources to be used for the acquisition, construction, and or additions related to qualifying fire prevention and safety projects.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Transportation	Municipal Retirement/ Social Security	Capital Projects	Fire Prevention and Safety	Total Nonmajor Governmental Funds
ASSETS					
Assets:					
Cash and investments	$ 950,782	$ 684,793	$ 367,853	$ 371,200	$ 2,374,628
Receivables:					
Property taxes	318,395	907,285	-	-	1,225,680
Due from other governments	84,145	-	-	-	84,145
TOTAL ASSETS	$ 1,353,322	$ 1,592,078	$ 367,853	$ 371,200	$ 3,684,453
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 33,900	$ -	$ -	$ -	$ 33,900
Deferred revenue	293,482	828,137	-	-	1,121,619
Total Liabilities	327,382	828,137	-	-	1,155,519
Fund Balances:					
Restricted	1,025,940	763,941	367,853	371,200	2,528,934
Total Fund Balances	1,025,940	763,941	367,853	371,200	2,528,934
TOTAL LIABILITIES AND FUND BALANCES	$ 1,353,322	$ 1,592,078	$ 367,853	$ 371,200	$ 3,684,453

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Transportation	Municipal Retirement/ Social Security	Capital Projects	Fire Prevention and Safety	Total Nonmajor Governmental Funds
REVENUES					
Local sources	$ 962,969	$ 1,607,573	$ 25	$ 105	$ 2,570,672
State sources	403,306	-	-	-	403,306
Total Revenues	1,366,275	1,607,573	25	105	2,973,978
EXPENDITURES					
Current operating:					
Instruction	-	598,202	-	-	598,202
Support services	1,607,024	1,056,213	92,571	6,292	2,762,100
Community services	-	921	-	-	921
Total Expenditures	1,607,024	1,655,336	92,571	6,292	3,361,223
Excess (deficiency) of revenues over expenditures	(240,749)	(47,763)	(92,546)	(6,187)	(387,245)
OTHER FINANCING SOURCES					
Transfers in	-	-	100,000	-	100,000
Total other financing sources	-	-	100,000	-	100,000
Net changes in fund balance	(240,749)	(47,763)	7,454	(6,187)	(287,245)
Fund balances at beginning of year	1,266,689	811,704	360,399	377,387	2,816,179
FUND BALANCES AT END OF YEAR	$ 1,025,940	$ 763,941	$ 367,853	$ 371,200	$ 2,528,934

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
REVENUES				
Local sources:				
Property taxes	$ 1,270,000	$ 951,535	$ (318,465)	$ 1,479,255
Earnings on investments	1,000	854	(146)	1,313
Refunds of prior years' expenditures	-	7,051	7,051	268
Other local fees	-	3,529	3,529	-
Total local sources	1,271,000	962,969	(308,031)	1,480,836
State sources:				
Restricted:				
Transportation aid	335,747	403,306	67,559	147,030
Total state sources	335,747	403,306	67,559	147,030
Total revenues	1,606,747	1,366,275	(240,472)	1,627,866
EXPENDITURES				
Current operating:				
Support services:				
Pupils:				
Other support services:				
Salaries	25,108	22,176	2,932	22,050
Purchased services	76,800	83,010	(6,210)	83,359
Total	101,908	105,186	(3,278)	105,409
Business:				
Purchased services	1,362,600	1,501,838	(139,238)	1,270,830
Total	1,362,600	1,501,838	(139,238)	1,270,830
Total support services	$ 1,464,508	$ 1,607,024	$ (142,516)	$ 1,376,239

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2013

	2013			2012
	Final Budget	Actual	Variance Over/Under	Actual
Community services:				
Purchased services	$ 3,087	$ -	$ 3,087	$ 1,138
Total community services	3,087	-	3,087	1,138
Total expenditures	1,467,595	1,607,024	(139,429)	1,377,377
Excess (deficiency) of revenues over expenditures	$ 139,152	(240,749)	$ (379,901)	250,489
Fund balance at beginning of year		1,266,689		1,016,200
FUND BALANCE AT END OF YEAR		$ 1,025,940		$ 1,266,689

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
REVENUES				
Local sources:				
Property taxes	$ 794,228	$ 788,318	$ (5,910)	$ 798,551
Social security/medicare only levy	794,228	788,003	(6,225)	798,567
Corporate personal property replacement taxes	30,960	30,961	1	30,961
Earnings on investments	245	291	46	1,172
Total local sources	1,619,661	1,607,573	(12,088)	1,629,251
Total revenues	1,619,661	1,607,573	(12,088)	1,629,251
EXPENDITURES				
Current operating:				
Instruction:				
Regular programs	301,671	282,491	19,180	160,781
Pre-k programs	-	-	-	106,985
Special education programs	274,813	283,768	(8,955)	302,561
Special education pre-k	19,306	16,329	2,977	25,624
Educationally deprived/remedial programs	-	1,943	(1,943)	172
Interscholastic programs	6,789	5,268	1,521	5,435
Summer school programs	2,395	2,191	204	2,290
Gifted programs	3,000	1,138	1,862	11,957
Bilingual programs	6,500	5,074	1,426	5,091
Total instruction	614,474	598,202	16,272	620,896
Support services:				
Pupils:				
Attendance and social work services	12,000	14,330	(2,330)	13,174
Guidance	3,200	4,796	(1,596)	4,351
Health services	131,733	138,451	(6,718)	125,987
Psychology	11,500	11,498	2	13,220
Speech pathology and audiology services	14,346	16,044	(1,698)	15,223
Other	4,123	3,695	428	3,189
Total pupils	176,902	188,814	(11,912)	175,144
Instructional staff:				
Improvement of instruction services	29,852	35,827	(5,975)	32,839
Educational media services	83,442	97,080	(13,638)	91,849
Assessment & testing services	-	2,235	(2,235)	-
Total instructional staff	$ 113,294	$ 135,142	$ (21,848)	$ 124,688

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
General administration:				
Executive administration services	$ 16,200	$ 44,767	$ (28,567)	$ 45,733
Special area administration services	41,605	8,512	33,093	11,516
Total general administration	57,805	53,279	4,526	57,249
School administration:				
Office of the principal services	104,262	117,260	(12,998)	113,990
Total school administration	104,262	117,260	(12,998)	113,990
Business:				
Direction of business support services	2,278	2,481	(203)	2,397
Fiscal services	61,470	54,780	6,690	58,925
Operation and maintenance of plant services	426,487	445,236	(18,749)	357,436
Food services	26,916	27,108	(192)	27,282
Total business	517,151	529,605	(12,454)	446,040
Central:				
Information services	33,500	32,113	1,387	37,678
Total central	33,500	32,113	1,387	37,678
Total support services	1,002,914	1,056,213	(53,299)	954,789
Community service:				
Community service	-	921	(921)	-
Total community services	-	921	(921)	-
Total expenditures	1,617,388	1,655,336	(37,948)	1,575,685
Excess (deficiency) of revenues over expenditures	$ 2,273	(47,763)	$ 25,860	53,566
Fund balance at beginning of year		811,704		758,138
FUND BALANCE AT END OF YEAR		$ 763,941		$ 811,704

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
REVENUES				
Local sources:				
Earnings on investments	$ 30	$ 25	$ (5)	$ 49
Total local sources	30	25	(5)	49
Total revenues	30	25	(5)	49
EXPENDITURES				
Support services:				
Purchased services	100,000	92,571	7,429	375,000
Total expenditures	100,000	92,571	7,429	375,000
Excess (deficiency) of revenues over expenditures	(99,970)	(92,546)	7,424	(374,951)
OTHER FINANCING SOURCES				
Transfers in	100,000	100,000	-	124,170
Total other financing sources	100,000	100,000	-	124,170
Net changes in fund balance	$ 30	7,454	$ 7,424	(250,781)
Fund balance at beginning of year		360,399		611,180
FUND BALANCE AT END OF YEAR		$ 367,853		$ 360,399

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PREVENTION AND SAFETY FUND
YEAR ENDED JUNE 30, 2013

	2013			
	Final Budget	Actual	Variance Over/Under	2012 Actual
REVENUES				
Local sources:				
Earnings on investments	$ 400	$ 105	$ (295)	$ 571
Total local sources	400	105	(295)	571
Total revenues	400	105	(295)	571
EXPENDITURES				
Current operating:				
Support services:				
Facilities acquisition and construction:				
Purchased services	150,000	6,292	143,708	-
Total support services	150,000	6,292	143,708	-
Total expenditures	150,000	6,292	143,708	-
Excess (deficiency) of revenues over expenditures	$ (149,600)	(6,187)	$ 143,413	571
Fund balance at beginning of year		377,387		376,816
FUND BALANCE AT END OF YEAR		$ 371,200		$ 377,387

AGENCY FUND

Student Activity Funds - To account for assets held by the District in a trustee capacity as an agent for student organizations and employees.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS - ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Assets:				
Cash	$ 258,670	$ 1,135,072	$ 900,387	$ 493,355
Liabilities:				
Due to organizations	$ 258,670	$ 1,135,072	$ 900,387	$ 493,355

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STATISTICAL SECTION (UNAUDITED)

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2013	2012	2011	2010	2009
Governmental activities					
Net investment in capital assets	$ (28,747,584)	$ (23,061,499)	$ (23,293,393)	$ -	$ -
Restricted	7,665,784	7,303,600	7,419,141	1,604,254	7,364,517
Unrestricted	20,253,323	18,294,631	17,774,739	892	(8,284,971)
Total governmental activities net position	$ (828,477)	$ 2,536,732	$ 1,900,487	$ 1,605,146	$ (920,454)

Source of information: Annual Financial Statements

2008	2007	2006	2005	2004
$ -	$ 4,387,734	$ 9,244,735	$ 8,491,538	$ 9,394,243
5,361,960	3,601,245	3,633,435	5,338,797	6,666,057
(3,507,510)	9,921,011	6,449,845	3,220,285	474,619
$ 1,854,450	$ 17,909,990	$ 19,328,015	$ 17,050,620	$ 16,534,919

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2013	2012	2011	2010
Expenses				
Instruction:				
Regular programs	$ 27,722,248	$ 26,743,312	$ 26,663,034	$ 26,415,375
Special programs	8,492,052	9,581,450	9,032,381	6,518,478
Other instructional programs	52,767	29,220	471,651	557,193
State retirement contributions	9,123,032	8,080,843	7,303,263	7,226,833
Support services:				
Pupils	4,362,720	4,059,230	3,064,676	2,991,466
Instructional staff	4,999,934	3,911,975	3,854,469	4,082,288
General administration	2,252,468	2,810,202	2,502,450	1,827,992
School administration	2,579,079	2,546,453	2,370,018	2,296,623
Business	1,695,413	1,890,160	1,378,198	1,133,967
Operations and maintenance of facilities	4,999,531	5,034,020	5,237,418	5,319,726
Transportation	1,607,024	1,377,377	1,327,906	1,421,632
Central	267,465	305,593	239,292	243,690
Community services	67,769	100,737	62,460	33,690
Interest and fees on long term liabilities	3,016,208	3,979,371	3,903,692	3,975,719
Unallocated depreciation	-	-	-	-
Total expenses	$ 71,237,710	$ 70,449,943	$ 67,410,908	$ 64,044,672
Program revenues				
Governmental activities				
Charges for services				
Instruction:				
Regular programs	1,143,432	1,096,294	1,280,141	792,605
Special programs	26,449	16,153	-	-
Other instructional programs	218,593	145,229	-	-
Support services:				
Business	40,278	43,378	43,535	-
Operations and maintenance of facilities	14,848	15,410	119,177	156,291
Transportation	-	-	289	23,080
Operating grants and contributions	12,066,155	10,504,486	9,462,841	10,413,639
Capital grants and contributions	-	-	-	78
Total governmental activities program revenues	13,509,755	11,820,950	10,905,983	11,385,693
Net revenue (expense)	(57,727,955)	(58,628,993)	(56,504,925)	(52,658,979)
Governmental activities				
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	50,119,951	49,215,966	47,302,823	46,641,618
Real estate taxes, levied for specific purposes	2,527,856	3,076,373	2,705,214	2,211,563
Real estate taxes, levied for debt service	6,264,921	5,576,086	5,342,656	5,061,651
Personal property replacement taxes	501,905	491,223	533,979	411,761
State aid-formula grants	821,506	870,744	869,479	702,616
Investment earnings	29,385	33,873	46,115	155,370
Miscellaneous	-	973	-	-
Extraordinary item	(5,902,778)	-	-	-
Total governmental activities general revenues	54,362,746	59,265,238	56,800,266	55,184,579
Change in net position	$ (3,365,209)	$ 636,245	$ 295,341	$ 2,525,600

Source of information: Annual Financial Statements

2009	2008	2007	2006	2005	2004
$ 25,716,422	$ 25,415,247	$ 21,411,792	$ 20,424,455	$ 20,865,656	$ 19,496,372
6,815,290	5,932,582	5,902,035	5,653,869	5,060,792	4,064,913
619,115	877,194	1,264,654	1,036,508	962,241	798,767
5,139,299	3,617,469	2,462,056	1,795,430	2,748,122	2,991,254
2,777,271	2,512,663	2,629,424	2,391,934	2,240,723	2,032,789
3,887,711	3,753,224	3,532,015	3,038,347	2,742,462	2,666,224
2,403,827	2,144,870	2,063,395	2,106,540	1,584,134	1,241,220
2,290,179	2,151,136	1,984,151	1,851,845	1,832,609	1,767,043
3,518,943	1,318,710	1,309,999	1,145,975	3,555,051	1,356,525
5,408,296	5,233,582	6,064,280	6,973,539	3,306,269	3,303,863
1,487,277	1,414,591	1,262,343	1,523,295	1,310,066	1,051,043
232,170	205,090	190,541	180,448	180,296	155,049
1,115	4,783	23,696	19,821	9,269	-
3,880,828	3,543,208	3,955,806	4,098,594	4,198,720	3,089,736
-	-	341,022	300,098	103,074	114,356
$ 64,177,743	$ 58,124,349	$ 54,397,209	$ 52,540,698	$ 50,699,484	$ 44,129,154
709,855	687,464	502,767	504,646	508,550	443,587
-	63,432	22,042	39,016	88,571	43,457
-	-	57,563	53,960	71,773	120,585
-	294,817	334,001	361,297	420,463	419,122
23,671	88,923	40,346	37,110	39,011	37,729
-	16,679	-	-	-	-
7,173,012	5,724,987	4,674,636	3,709,600	4,772,887	5,034,170
-	-	-	-	-	-
7,906,538	6,876,302	5,631,355	4,705,629	5,901,255	6,098,650
(56,271,205)	(51,248,047)	(48,765,854)	(47,835,069)	(44,798,229)	(38,030,504)
44,461,165	41,498,560	33,666,755	33,747,238	31,482,663	30,550,592
2,037,211	2,343,345	6,302,013	6,671,473	7,336,402	2,331,118
4,762,442	4,549,491	4,278,694	4,287,936	3,780,256	3,389,377
508,980	581,844	544,099	498,709	445,428	320,265
818,612	853,423	878,030	836,903	831,471	813,340
767,803	1,147,435	1,573,890	1,541,571	1,284,755	387,224
140,088	23,790	104,348	210,661	152,955	15,743
-	(15,805,381)	-	-	-	-
53,496,301	35,192,507	47,347,829	47,794,491	45,313,930	37,807,659
$ (2,774,904)	$ (16,055,540)	$ (1,418,025)	$ (40,578)	$ 515,701	$ (222,845)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2013	2012	2011	2010
General Fund				
Nonspendable	$ 108,346	$ -	$ -	
Restricted	738,797	921,168	737,082	
Unassigned	21,285,663	19,342,125	18,452,684	
Total general fund	$ 22,132,806	$ 20,263,293	$ 19,189,766	
All Other Governmental Funds				
Restricted, reported in:				
Special revenue funds	$ 1,789,881	$ 2,078,393	$ 1,774,338	
Capital project funds	739,053	737,786	987,996	
Debt service funds	5,137,106	4,304,039	3,919,725	
Total all other governmental funds	$ 7,666,040	$ 7,120,218	$ 6,682,059	
General Fund				
Reserved				$ 1,604,254
Unreserved				14,491,185
Total general fund				$ 16,095,439
All Other Governmental Funds				
Unreserved, reported in:				
Special revenue funds				3,776,966
Capital project funds				1,326,186
Debt service funds				4,005,037
Total all other governmental funds				$ 9,108,189

Source of information: Annual Financial Statements

Note: Starting in fiscal year 2011, the Working Cash Account is reported in the General Fund. In 2011, the District implemented GASB Statement #54. Amounts prior to fiscal year 2011 have not been restated for GASB Statement #54.

2009	2008	2007	2006	2005	2004
$ 1,522,579	$ 1,466,078	$ -	$ -	$ -	$ -
14,468,248	16,449,044	10,870,382	10,365,731	7,364,332	6,235,295
$ 15,990,827	$ 17,915,122	$ 10,870,382	$ 10,365,731	$ 7,364,332	$ 6,235,295
4,103,314	4,588,658	11,231,048	7,738,889	7,395,049	5,340,768
4,969,564	449,645	3,128,991	3,346,984	3,267,856	3,764,031
3,686,836	3,446,237	452,912	6,835,141	25,972,449	41,501,389
$ 12,759,714	$ 8,484,540	$ 14,812,951	$ 17,921,014	$ 36,635,354	$ 50,606,188

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2013	2012	2011	2010
Revenues				
Local sources				
Property Taxes	$ 58,912,728	$ 57,868,425	$ 55,350,693	$ 53,914,832
Replacement Taxes	501,905	491,223	533,979	411,761
Tuition	225,668	145,328	112,308	95,104
Earnings on investments	29,385	33,873	46,115	155,370
Other local sources	1,217,932	1,172,109	1,330,834	890,590
Total local sources	60,887,618	59,710,958	57,373,929	55,467,657
State sources				
General state aid	821,506	870,744	869,479	702,616
Other state aid	11,162,798	9,737,163	9,009,987	9,141,658
Total state sources	11,984,304	10,607,907	9,879,466	9,844,274
Federal sources	903,357	767,323	452,854	1,258,341
Total revenues	73,775,279	71,086,188	67,706,249	66,570,272
Expenditures				
Current:				
Instruction	42,367,495	41,646,959	41,438,652	39,458,127
Supporting services	21,735,751	21,026,672	19,138,908	19,135,487
Community services	67,769	101,875	65,877	47,705
Nonprogrammed charges	52,767	29,220	471,651	557,193
Debt service				
Principal	3,425,066	2,752,484	2,874,396	2,086,091
Interest and other	3,323,070	3,873,819	3,780,999	3,828,431
Capital outlay	227,861	383,063	527,079	5,011,415
Total expenditures	71,199,779	69,814,092	68,297,562	70,124,449
Excess (deficiency) of revenue over expenditures	2,575,500	1,272,096	(591,313)	(3,554,177)
Other Financing Sources (Uses)				
Principal on bonds sold	19,040,000	13,095,000	-	5,710,000
Premium on bonds sold	842,771	611,756	-	185,115
Accrued interest on bonds sold	-	-	-	-
Payments to escrow agent	(20,042,936)	(13,467,166)	-	(5,887,851)
Capital lease proceeds	-	-	1,259,510	-
Transfers in	1,573,233	1,315,300	1,420,365	2,654,558
Transfers (out)	(1,573,233)	(1,315,300)	(1,420,365)	(2,654,558)
Total other financing sources (uses)	(160,165)	239,590	1,259,510	7,264
Net change in fund balances	$ 2,415,335	$ 1,511,686	$ 668,197	$ (3,546,913)
Debt service as a percentage of noncapital expenditures	9.51%	9.54%	9.82%	9.08%

Source of information: Annual Financial Statements

2009	2008	2007	2006	2005	2004
$ 51,260,818	$ 48,391,396	$ 44,247,462	$ 44,706,647	$ 42,599,321	$ 36,271,087
508,980	581,844	544,099	498,709	445,428	320,265
100,696	226,506	79,605	92,976	72,484	107,807
767,803	1,147,435	1,573,890	1,925,545	1,038,634	465,416
799,631	948,599	978,112	1,113,714	1,217,956	972,416
53,437,928	51,295,780	47,423,168	48,337,591	45,373,823	38,136,991
632,192	853,423	878,030	836,903	4,885,302	5,169,053
6,852,574	5,416,579	4,331,839	3,394,820	221,629	163,365
7,484,766	6,270,002	5,209,869	4,231,723	5,106,931	5,332,418
480,145	308,408	342,797	314,780	497,427	515,092
61,402,839	57,874,190	52,975,834	52,884,094	50,978,181	43,984,501
36,019,832	31,026,416	28,909,068	26,936,281	27,685,155	25,117,772
18,818,087	17,878,739	18,320,312	16,599,825	15,878,753	13,579,686
1,115	4,783	23,696	19,821	9,269	-
619,115	877,194	797,419	771,481	979,490	891,131
1,624,568	1,028,276	944,441	777,092	561,698	1,126,304
3,725,473	3,777,037	4,069,872	4,094,132	4,119,002	3,151,906
4,563,052	2,565,416	2,856,931	19,938,281	14,586,611	11,353,228
65,371,242	57,157,861	55,921,739	69,136,913	63,819,978	55,220,027
(3,968,403)	716,329	(2,945,905)	(16,252,819)	(12,841,797)	(11,235,526)
5,760,000	-	20,000,000	10,000,000	-	9,955,000
-	-	-	-	-	1,138,825
4,152	-	-	-	-	57,274
(1,056,587)	-	(19,657,507)	(9,802,909)	-	(9,941,014)
1,611,717	-	-	342,787	-	-
2,282,675	-	4,622,698	-	-	-
(2,282,675)	-	(4,622,698)	-	-	-
6,319,282	-	342,493	539,878	-	1,210,085
$ 2,350,879	$ 716,329	$ (2,603,412)	$(15,712,941)	$(12,841,797)	$(10,025,441)
8.80%	8.80%	9.45%	9.90%	9.51%	9.75%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
EQUALIZED ASSESSED VALUATION AND
ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
DUPAGE COUNTY
LAST TEN TAX LEVY YEARS

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase Over Previous Year	Percentage Increase Over Previous Year	Actual Estimated Value *
2012	$ 2,254,852,026	$ 130,311,682	6.13%	$ 6,764,556,078
2011	2,124,540,344	(203,847,561)	-8.75%	6,373,621,032
2010	2,328,387,905	(148,013,449)	-5.98%	6,985,163,715
2009	2,476,401,354	8,462,834	0.34%	7,429,204,062
2008	2,467,938,520	161,003,553	6.98%	7,403,815,560
2007	2,306,934,967	234,581,696	11.32%	6,920,804,901
2006	2,072,353,271	186,519,977	9.89%	6,217,059,813
2005	1,885,833,294	164,701,009	9.57%	5,657,499,882
2004	1,721,132,285	164,625,730	10.58%	5,163,396,855
2003	1,556,506,555	221,166,574	16.56%	4,669,519,665

Tax Levy Year	Real Property		Total Equalized Assessed Valuation	Total Direct Tax Rate
	Residential	Commercial		
2012	$ 1,887,125,483	$ 367,726,543	$ 2,254,852,026	2.6987
2011	2,004,900,929	119,639,415	2,124,540,344	2.3653
2010	2,344,697,828	(16,309,923)	2,328,387,905	2.1353
2009	2,344,697,828	131,703,526	2,476,401,354	1.9023
2008	2,334,380,969	133,557,551	2,467,938,520	1.9128
2007	2,179,714,556	127,220,411	2,306,934,967	1.8836
2006	N/A	N/A	2,072,353,271	1.9491
2005	N/A	N/A	1,885,833,294	2.0148
2004	N/A	N/A	1,721,132,285	2.4820
2003	N/A	N/A	1,556,506,555	2.2404

Note - Residential and Commerical Real Property amounts were unavailable for 2003 - 2006.

* Equalized Assessed Valuation is one-third of the Actual Estimated Value.

Source of information: DuPage County Levy, Rate and Extension Reports for the years 2003 to 2012.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
EQUALIZED ASSESSED VALUATION AND
ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
COOK COUNTY
LAST TEN TAX LEVY YEARS

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase Over Previous Year	Percentage Increase Over Previous Year	Actual Estimated Value *
2012	$ 254,192,457	$ (68,455,304)	-21.22%	$ 762,577,371
2011	322,647,761	(3,739,635)	-1.15%	967,943,283
2010	326,387,396	17,173,786	5.55%	979,162,188
2009	309,213,610	(962,935)	-0.31%	927,640,830
2008	310,176,545	55,141,822	21.62%	930,529,635
2007	255,034,723	12,568,728	5.18%	765,104,169
2006	242,465,995	6,223,089	2.63%	727,397,985
2005	236,242,906	50,694,923	27.32%	708,728,718
2004	185,547,983	9,220,139	5.23%	556,643,949
2003	176,327,844	1,721,946	0.99%	528,983,532

Tax Levy Year	Real Property		Total Equalized Assessed Valuation	Total Direct Tax Rate
	Residential	Commercial		
2012	$ 212,738,156	$ 41,454,301	$ 254,192,457	2.6987
2011	304,478,471	18,169,290	322,647,761	2.3653
2010	309,294,868	17,092,528	326,387,396	2.1353
2009	292,768,569	16,445,041	309,213,610	1.9023
2008	293,390,706	16,785,839	310,176,545	1.9128
2007	240,970,338	14,064,385	255,034,723	1.8836
2006	N/A	N/A	242,465,995	1.9491
2005	N/A	N/A	236,242,906	2.0148
2004	N/A	N/A	185,547,983	2.4820
2003	N/A	N/A	176,327,844	2.2404

Note - Residential and Commerical Real Property amounts were unavailable for 2003 - 2006.

* Equalized Assessed Valuation is one-third of the Actual Estimated Value.

Source of information: Cook County Levy, Rate and Extension Reports for the years 2003 to 2012.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
GOVERNMENTS
LAST TEN TAX LEVY YEARS

Taxing District	2012	2011	2010	2009
DuPage County	0.1929	0.1773	0.1659	0.1554
DuPage County Forest Preserve	0.1542	0.1414	0.1321	0.1217
Downers Grove Township	0.0343	0.0307	0.0281	0.0256
Downers Grove Township Road District	0.0512	0.0459	0.0420	0.0382
Village of Hindsdale	0.3762	0.3401	0.3177	0.2818
Village of Hindsdale Library	0.1695	0.1527	0.1361	0.1206
High School District #86	1.4984	1.3362	1.2011	1.0948
Airport Authority	0.0168	0.0169	0.0158	0.0148
Community College	0.2681	0.2495	0.2349	0.2127
Total Overlapping Governments	2.7616	2.4907	2.2737	2.0656
Community Consolidated SD #181	2.6987	2.3877	2.1179	1.9023
Totals	5.4603	4.8784	4.3916	3.9679

Tax rates are expressed in dollars per one hundred of assessed valuation.

It should be noted that the boundaries of some of the overlapping governments listed only partially overlap the District, and therefore the totals shown above overstate the tax rates for individual taxpayers within the District.

Source of information: DuPage County Clerk Offices.

2008	2007	2006	2005	2004	2003
0.1557	0.1651	0.1713	0.1797	0.1850	0.1999
0.1206	0.1187	0.1303	0.1271	0.1358	0.1419
0.0254	0.0256	0.0268	0.0278	0.0290	0.0306
0.0379	0.0383	0.0401	0.0416	0.0434	0.0459
0.2745	0.2773	0.2902	0.3066	0.3111	0.3338
0.1143	0.1191	0.1208	0.1130	0.1144	0.1238
1.0804	1.0943	1.1418	1.1910	1.2310	1.3094
0.0160	0.0170	0.0183	0.0198	0.0213	0.0230
0.1858	0.1888	0.1929	0.1874	0.1972	0.2097
2.0106	2.0442	2.1325	2.1940	2.2682	2.4180
1.9128	1.8836	1.9491	2.0148	2.4820	2.2404
3.9234	3.9278	4.0816	4.2088	4.7502	4.6584

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Name of Taxpayer	2012 Equalized Assessed Valuation	Rank	Percentage of total 2012 Equalized Assessed Valuation
PHT Hinsdale Mobs LLC	5,541,560	1	0.25%
King Bruwaert Woods	5,181,084	2	0.23%
21 Spinning Wheel Dr LLC	4,732,860	3	0.21%
15 Spinning Wheel Dr LLC	3,951,810	4	0.18%
Grant Square LLC	2,982,320	5	0.13%
MCHS	2,953,890	6	0.13%
Wild Oaks Comm Mkt Adm	2,942,592	7	0.13%
Schwendender 15	2,881,290	8	0.13%
Dean Buntrock	2,348,730	9	0.10%
Midwest Bank	2,257,850	10	0.10%
Foxford LLC	-	-	-
Alfred N. Koplin	-	-	-
LaSalle Bank	-	-	-
Sproat & Co.	-	-	-
HCR Manor Care	-	-	-
Hinsdale Management	-	-	-
	$ 35,773,986		1.59%

Every reasonable effort has been made to determine and report the largest taxpayers and to include all the taxable property of those taxpayers listed.
Many of the taxpayers listed, however, may contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Source of information: DuPage and Cook County Clerk's offices and Downers Grove and York Township Assessors' Offices

2003 Equalized Assessed Valuation	Rank	Percentage of total 2003 Equalized Assessed Valuation
-	-	-
5,141,773	3	0.30%
-	-	-
-	-	-
-	-	-
-	-	-
2,832,520	6	0.16%
2,332,410	8	0.13%
1,994,430	10	0.11%
-	-	-
13,459,660	1	0.78%
10,576,460	2	0.61%
3,623,920	4	0.21%
3,124,590	5	0.18%
2,651,370	7	0.15%
2,227,180	9	0.13%
$ 47,964,313		2.76%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS
LAST TEN TAX LEVY YEARS

	2012	2011	2010	2009
Rates extended:				
Educational	2.0674	1.7872	1.6078	1.4443
Tort immunity	0.0000	0.0000	0.0000	0.0000
Special education	0.0000	0.0000	0.0000	0.0000
Operations and maintenance	0.2277	0.2245	0.1958	0.1921
Transportation	0.0225	0.0609	0.0527	0.0355
Illinois municipal retirement/social security	0.0712	0.0654	0.0566	0.0458
Working cash	0.0000	0.0000	0.0000	0.0000
Bond and interest	0.3099	0.2273	0.2050	0.1846
Total rates extended	2.6987	2.3653	2.1179	1.9023
DuPage & Cook Counties				
Property tax extensions:				
Taxes extended for the levy year	$ 60,830,441	$ 57,883,340	$ 56,225,486	$ 53,795,796
Total levies extended	$ 60,830,441	$ 57,883,340	$ 56,225,486	$ 53,795,796
Current year collections	$ 27,055,217	$ 28,411,854	$ 27,730,712	$ 25,440,978
Subsequent collections	-	28,857,510	29,036,572	28,523,981
Total collections	$ 27,055,217	$ 57,269,364	$ 56,767,284	$ 53,964,959
Percentage of extensions collected	44.48%	98.94%	100.96%	100.31%

Note > Percentage of extensions collected can exceed 100% due to prior years information not being available.

Tax rates are expressed in dollars per one hundred of assessed valuation.

Source of information: DuPage & Cook County Levy, Rate and Extension Reports for 2003-2012.

2008	2007	2006	2005	2004	2003
1.4629	1.4335	1.4530	1.5287	1.8233	1.6451
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0127	0.0182	0.0200	0.0000
0.2050	0.1929	0.1941	0.2116	0.2350	0.2265
0.0229	0.0368	0.0593	0.0000	0.1200	0.1155
0.0468	0.0432	0.0466	0.0580	0.0641	0.0540
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.1752	0.1772	0.1834	0.1983	0.2196	0.1993
1.9128	1.8836	1.9491	2.0148	2.4820	2.2404
$ 52,085,033	$ 49,216,186	$ 46,554,974	$ 43,829,256	$ 45,925,229	$ 38,599,949
$ 52,085,033	$ 49,216,186	$ 46,554,974	$ 43,829,256	$ 45,925,229	$ 38,599,949
$ 23,921,398	$ 22,566,587	$ 21,437,808	$ 20,876,308	$ 21,266,278	$ 17,766,348
28,138,193	27,264,977	24,846,170	20,975,080	24,554,564	20,978,382
$ 52,059,591	$ 49,831,564	$ 46,283,978	$ 41,851,388	$ 45,820,842	$ 38,744,730
99.95%	101.25%	99.42%	95.49%	99.77%	100.38%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Levy Year	General Obligation Bonds	Percentage of Actual Property Value	Other Governmental Activities Debt		Total Debt	Percentage of Personal Income
				Debt Certificates	Capital Leases		
2013	2012	$ 73,297,440	1.08%	$ 5,615,000	$ 105,306	$ 79,017,746	2.58%
2012	2011	75,337,440	1.08%	5,895,000	860,372	82,092,812	2.46%
2011	2010	77,292,290	1.04%	6,175,000	1,188,006	84,655,296	2.40%
2010	2009	79,086,549	1.07%	6,405,000	778,633	86,270,182	2.23%
2009	2008	80,325,414	1.16%	6,640,000	1,425,859	88,391,273	1.85%
2008	2007	81,328,688	1.31%	2,145,000	195,436	83,669,124	1.68%
2007	2006	82,066,568	1.45%	2,355,000	275,832	84,697,400	2.73%
2006	2005	81,054,054	0.38%	2,565,000	342,787	83,961,841	2.53%
2005	2004	81,051,146	0.47%	2,770,000	-	83,821,146	2.27%
2004	2003	81,412,844	0.54%	2,970,000	-	84,382,844	2.05%

Source of information: Annual Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
RATIO OF GENERAL BONDED DEBT TO EQUALIZED ASSESSED VALUATION
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Levy Year	Net General Bonded Debt	Equalized Assessed Valuation	Percentage of Net General Bonded Debt to Assessed Valuation	Estimated population	Net Bonded Debt Per Capita
2013	2012	$ 68,160,333	$ 2,254,064,576	3.02%	27,002	$ 2,524
2012	2011	71,128,391	2,447,188,105	2.91%	26,693	2,665
2011	2010	73,372,565	2,654,775,301	2.76%	25,449	2,883
2010	2009	75,081,512	2,785,614,954	2.70%	25,640	2,928
2009	2008	76,638,578	2,778,115,065	2.76%	25,640	2,989
2008	2007	77,882,451	2,308,596,177	3.37%	25,640	3,038
2007	2006	79,378,932	2,314,819,266	3.43%	25,640	3,096
2006	2005	78,214,322	2,122,076,200	3.69%	25,640	3,050
2005	2004	77,783,290	1,906,680,268	4.08%	25,640	3,034
2004	2003	77,648,813	1,732,834,397	4.48%	25,640	3,028

Source of information: Annual Financial Statements

Note: Population estimates were based on official U.S. Census, Local, City, Village and School data.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2013

Jurisdiction overlapping	Bonded indebtedness		Portion applicable to school District Percent	Amount
Majors				
DuPage County	$ 46,510,000	(1)(2)	5.772%	$ 2,684,557
DuPage County Forest Preserve	187,300,103	(2)(3)	5.772%	10,810,962
Cook County	3,706,435,000		0.175%	6,486,261
Cook County Forest Preserve	131,500,000	(2)	0.175%	230,125
Metropolitan Water Reclamation District	2,492,761,543	(5)	0.179%	4,462,043
Municipalities:				
Village of Burr Ridge	1,915,000		20.126%	385,413
Village of Clarendon Hills	-	(1)(2)	85.389%	-
Clarendon Hills SSA #13	35,000		100.000%	35,000
Clarendon Hills SSA #15	-	(2)	100.000%	-
Village of Hinsdale	2,020,000	(2)	99.809%	2,016,142
Village of Willowbrook	-	(2)	3.027%	-
Park Districts:				
Burr Ridge	4,135,000		29.778%	1,231,320
Clarendon Hills	1,593,000		85.506%	1,362,111
Oak Brook	2,534,733	(3)	2.946%	74,673
Miscellaneous Districts:				
Indian Prairie Public Library	455,000		0.661%	3,008
School Districts:				
Hinsdale High School #86	20,795,000	(1)	44.857%	9,328,013
College of DuPage, CC #502	238,105,000	(2)	5.777%	13,755,326
Total Overlapping Debt				52,864,954
Hinsdale Community Consolidated School District Number 181	73,297,440	(1)	100.000%	73,297,440
Total Direct and Overlapping General Obligation Bonded Debt				$ 126,162,394

(1) Excludes notes, installment contracts, purchase agreements and debt certificates.
(2) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
(3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
(4) Excludes self-suporting bonds for which abatements are filed annually.
(5) Includes IEPA Revolving Loan Fund Bonds

Source of information: DuPage & Cook County Clerk's offices, Cook County Comptroller & Metropolitan Water Reclamation District Treasurer

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2013	2012	2011	2010
Debt limit	$ 155,530,456	$ 168,855,979	$ 183,179,496	$ 192,207,433
Total net debt applicable to limit	68,160,333	71,128,391	73,372,565	75,081,512
Legal debt margin	87,370,123	97,727,588	109,806,931	117,125,921
Total net debt applicable to the limit as a percentage of debt limit	44%	42%	40%	39%

Legal Debt Margin calculation for fiscal year June 30, 2013

Assessed valuation of taxable properties for the tax year 2012	$ 2,254,064,576
Rate	6.9%
Bonded debt limit	155,530,456
Debt subject to limitation:	73,297,440
Less Debt Service Fund balance	(5,137,107)
Net debt outstanding subject to limitation	68,160,333
Legal bonded debt margin at June 30, 2013	$ 87,370,123

Source of information: Annual Financial Statements

2009	2008	2007	2006	2005	2004
$ 191,689,939	$ 175,908,666	$ 159,293,136	$ 146,423,258	$130,924,749	$119,466,759
76,638,578	77,882,451	85,888,980	85,246,854	85,076,566	85,621,255
115,051,361	98,026,215	73,404,156	61,176,404	45,848,183	33,845,504
40%	44%	54%	58%	65%	72%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
DEMOGRAPHIC AND MISCELLANEOUS STATISTICS
LAST TEN CALENDAR YEARS

Fiscal year ended June 30,	Estimated Population	Personal Income* (*thousands of dollars*)	Per Capita Personal Income*	Unemployment rate**	Actual Equalized Assessed Valuation
2013	27,002	$ 2,041,243	$ 75,596	5.8%	$ 2,254,064,576
2012	26,693	2,017,884	75,596	6.4%	2,447,188,105
2011	25,449	2,033,604	79,909	6.7%	2,654,775,301
2010	25,640	1,920,949	74,920	6.7%	2,785,614,954
2009	25,640	1,634,934	63,765	4.0%	2,778,115,065
2008	25,640	1,402,867	54,714	3.0%	2,308,596,177
2007	25,640	2,308,600	90,039	3.1%	2,314,819,266
2006	25,640	2,122,069	82,764	2.7%	2,122,076,200
2005	25,640	1,906,693	74,364	3.8%	1,906,680,268
2004	25,640	1,732,828	67,583	4.0%	1,732,834,397

*U.S. Census Bureau American Community Survey 50Year Estimates for the Village of Hinsdale

**Calendar year information for the Village of Hinsdale, Illinois--DuPage County only.

Sources of information: +2010 Census, 2000 Census, Illinois Department of Employment Security, DuPage and Cook county Clerk's Offices

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COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2013		
Employer	Employees	Rank	Percentage of Total Village Population*
Adventist Hindsdale Hospital	1,960	1	11.44%
CNH	701	2	4.09%
Hinsdale Township High School District #86	602	3	3.52%
McGraw Hill Higher Education	602	4	3.52%
RML Specialty Hospital	461	5	2.69%
TCF National Bank of Illinois	300	6	1.75%
Affirmative Insurance Services	300	7	1.75%
AMS Mechanical	300	8	1.75%
Life Spa	300	9	1.75%
Manor Care Health Servies	300	10	1.75%
Village of Hinsdale**	275	11	1.61%
Johnson Service Group	250	12	1.46%
PNC Bank	200	13	1.17%
Jewel Osco	200	14	1.17%
Hinsdale Hospital	-	-	-
Mars Snack Food U.S	-	-	-
Harris Bank	-	-	-
K&R Express Systems, Inc.	-	-	-
Professional Benefit Administrators	-	-	-
Sungard Investment Systems	-	-	-
Transport Service Co.	-	-	-
Melrose Transport Systems	-	-	-
Total	6,751		39.42%

* The 2012 U.S. Census reports the population of the Village of Hinsdale to be 17,126..
The 2004 estimated population of the Village of Hinsdale is 17,632.

** Includes summer and part-time employees

Source of information: 2013 Illinois Manufacturers Directory, 2013 Illinois Services Directory and 2013 Harris Illinois Industrial Directory, Phone canvass, Hinsdale Chamber of Commerce

2004		
Employees	Rank	Percentage of Total Village Population*
-	-	-
350	3	1.99%
510	2	2.89%
275	4	1.56%
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
263	6	1.49%
-	-	-
-	-	-
-	-	-
2600	1	14.75%
250	5	1.42%
110	9	0.62%
100	10	0.57%
150	7	0.85%
161	8	0.91%
50	12	0.28%
50-60	11	0.34%
4,819		0.28

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
NUMBER OF EMPLOYEES
LAST TEN FISCAL YEARS

	2013	2012	2011	2010
Administration:				
Superintendent	1.00	1.00	1.00	1.00
Associate Superintendent	1.00	1.00	1.00	1.00
Assistant Superintendent	3.00	3.00	3.00	3.00
District administrators	10.50	13.00	8.00	8.00
Principals and assistants	12.00	11.00	11.00	11.00
Total administration	27.50	29.00	24.00	24.00
Teachers				
Elementary	152.70	156.03	165.07	159.67
Middle School	80.20	73.12	78.00	80.50
Instrumental Music	8.30	8.30	7.20	7.20
Special education and bilingual	48.90	49.25	45.50	37.00
Social workers and counselors	14.90	14.00	13.90	13.10
Speech/Language	14.10	14.10	14.10	12.50
Learning Center	9.00	9.00	9.00	9.00
Total teachers	328.10	323.80	332.77	318.97
Support staff:				
Learning center assistants	9.00	9.00	9.00	9.00
Clerical '10/12 Month	29.50	28.00	27.00	27.00
Teacher assistants	74.50	97.00	96.00	95.00
Reading tutors	23.00	23.00	23.00	25.00
Maintenance, custodians, and warehouse	48.50	50.00	48.00	45.00
Nurses-O.T/P.T.	17.40	14.00	11.00	10.00
Help Desk, Tech Asst, Tech	10.00	10.00	0.00	0.00
Total support staff	211.90	231.00	214.00	211.00
Total staff	567.50	583.80	570.77	553.97

Source of information: District records.

2009	2008	2007	2006	2005	2004
1.00	1.00	1.00	1.00	1.00	1.00
1.00	-	-	-	-	-
2.00	2.00	2.00	3.00	3.00	3.00
9.00	10.00	9.00	8.00	8.00	4.00
11.00	12.00	11.00	11.00	11.00	11.00
24.00	25.00	23.00	23.00	23.00	19.00
158.46	150.28	149.39	152.24	147.42	146.07
81.95	83.45	81.63	75.02	74.38	74.31
6.70	7.00	5.57	4.70	4.00	4.00
45.50	39.50	39.82	38.66	32.50	25.90
12.70	11.40	10.70	8.70	9.70	8.60
11.50	9.30	6.00	7.50	6.00	6.00
9.00	9.00	9.00	9.00	9.00	9.00
325.81	309.93	302.11	295.82	283.00	273.88
9.00	9.00	9.00	9.00	10.00	9.00
31.00	30.00	15.00	25.00	25.00	23.00
97.00	89.00	83.00	71.00	70.50	68.00
15.00	30.00	28.00	28.00	28.00	28.00
37.00	37.00	37.00	35.00	28.00	29.00
11.00	9.00	9.00	8.00	8.00	6.50
0.00	0.00	0.00	0.00	0.00	0.00
200.00	204.00	181.00	176.00	169.50	163.50
549.81	538.93	506.11	494.82	475.50	456.38

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
OPERATING INDICATORS BY PROGRAM
LAST TEN FISCAL YEARS

	2013	2012	2011	2010
Total enrollment	3,752	3,878	3,652	3,735
Operating Expenditures	56,792,214	57,239,733	55,124,409	52,299,647
Cost per Pupil	15,137	14,759	15,094	14,003
Teaching Staff	328	324	340	330
Pupil-Teacher Ratio	11.4	12.2	11.6	12.2

Source of information: District records.

2009	2008	2007	2006	2005	2004
3,712	3,673	3,651	3,833	3,789	3,649
52,106,576	48,902,470	47,189,286	44,900,869	42,851,169	38,143,809
14,039	13,315	12,923	11,716	11,309	10,453
326	310	302	296	297	286
12.2	11.8	12.1	12.9	12.8	12.8

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2013	2012	2011	2010
Elm Elementary				
Square feet	46,539	46,539	46,539	46,539
Capacity (students)	450	450	450	450
Enrollment	291	260	242	262
The Lane Elementary				
Square feet	42,167	42,167	42,167	42,167
Capacity (students)	500	500	500	500
Enrollment	356	374	374	399
Madison Elementary				
Square feet	52,923	52,923	52,923	52,923
Capacity (students)	525	525	525	525
Enrollment	378	407	443	432
Monroe Elementary				
Square feet	57,703	57,703	57,703	57,703
Capacity (students)	600	600	600	600
Enrollment	428	413	441	441
Oak Elementary				
Square feet	52,579	52,579	52,579	52,579
Capacity (students)	450	450	450	450
Enrollment	273	292	293	281
Prospect School				
Square feet	55,000	55,000	55,000	55,000
Capacity (students)	600	600	600	600
Enrollment	424	401	428	456
Walker School				
Square feet	45,000	45,000	45,000	45,000
Capacity (students)	450	450	450	450
Enrollment	291	284	308	304
Hinsdale Middle School				
Square feet	103,400	103,400	103,400	103,400
Capacity (students)	666	666	666	666
Enrollment	825	784	778	736
Clarendon Hills Middle School				
Square feet	88,268	88,268	88,268	88,268
Capacity (students)	800	800	800	800
Enrollment	665	648	630	709

Source of information: District records.

2009	2008	2007	2006	2005	2004
46,539	46,539	46,539	46,539	41,123	41,123
450	450	450	450	440	440
240	263	291	311	323	323
42,167	42,167	42,167	42,167	42,167	42,167
500	500	500	500	500	500
391	390	376	372	360	360
52,923	52,923	52,923	52,923	37,534	37,534
525	525	525	525	291	291
428	436	425	419	396	396
57,703	57,703	57,703	57,703	57,703	41,703
600	600	600	600	600	441
436	424	416	423	430	466
52,579	52,579	52,579	52,579	42,098	42,098
450	450	450	450	441	441
280	321	330	347	349	349
55,000	55,000	55,000	55,000	55,000	55,000
600	600	600	600	600	600
450	439	434	439	449	449
45,000	45,000	45,000	45,000	45,000	36,811
450	450	450	450	450	301
305	302	314	323	307	307
103,400	103,400	103,400	103,400	103,400	103,400
666	666	666	666	666	666
744	590	584	609	637	648
88,268	88,268	88,268	88,268	88,268	88,268
800	800	800	800	800	800
703	818	795	772	767	728

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Net (1) operating Expenditures	Average Daily Attendance	Net operating expenditures per pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Percentage
2013	$ 56,792,214	$ 3,752	$ 15,137	2.56%	328	11.40	96.3%
2012	57,239,733	3,878	14,759	-2.22%	324	12.16	96.3%
2011	55,124,409	3,652	15,094	7.80%	340	11.60	96.1%
2010	52,299,647	3,735	14,003	-0.26%	330	12.18	93.0%
2009	52,106,576	3,712	14,039	5.43%	326	12.20	96.0%
2008	48,902,470	3,673	13,315	3.02%	310	11.80	96.2%
2007	47,189,286	3,651	12,925	10.34%	302	12.10	91.4%
2006	44,900,869	3,833	11,714	3.58%	296	12.90	97.4%
2005	42,851,169	3,789	11,309	8.19%	297	12.80	92.7%
2004	38,143,809	3,649	10,453	8.76%	286	12.80	93.0%

(1) Operating expenditures include all governmental fund type expenditures, other than capital outlay, tuition payments, certain special education costs, on-behalf payments to Teachers Retirement System from the State and bond principal retirements.

Source of information: Form ISBE 50-35 Annual Financial Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 181
DEMOGRAPHIC AND MISCELLANEOUS STATISTICS
June 30, 2013

Location:	20 Southwest of Chicago
Date of Organization	1947
Number of Schools	Seven K-5 Elementary Schools Two 6-8 Middle Schools
Communities Served	Hinsdale, parts of Clarendon Hills Oak Brook, Burr Ridge, and Willowbrook
Median Home Value	$792,800
Student Enrollment	3,752
Certified Teaching Staff	328
Average Class Size	24
Pupil/Teacher Ratio	11.44