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***CARY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 26***

CARY, ILLINOIS

ANNUAL FINANCIAL REPORT

JUNE 30, 2007

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26

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CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Cary Community Consolidated School District No. 26
Cary, Illinois

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

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26 Cary, Illinois

as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cary Community Consolidated School District No. 26 as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2007 on our consideration of Cary Community Consolidated School District No. 26's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 through 10 and 37 through 45, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cary Community Consolidated School District No. 26's basic financial statements. The supplemental financial information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Cary Community Consolidated School District No. 26. The supplemental financial information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charge, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 11, 2007



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

To the Board of Education
Cary Community Consolidated School District No. 26
Cary, Illinois

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

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26
Cary, Illinois

as of and for the year ended June 30, 2007, which collectively comprise Cary Community Consolidated School District No. 26's basic financial statements, and have issued our report thereon dated October 11, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cary Community Consolidated School District No. 26's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cary Community Consolidated School District No. 26's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cary Community Consolidated School District No. 26's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Cary Community Consolidated School District No. 26's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cary Community Consolidated School District No. 26's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Cary Community Consolidated School District No. 26 in a separate letter dated October 11, 2007.

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 11, 2007

REQUIRED SUPPLEMENTARY INFORMATION

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

As Management of Cary Community Consolidated School District No. 26 (District), we offer readers of the District's statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2007.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2007 by \$13,225,070 (net assets).
- The District's total net assets decreased by \$3,450,732 including a net assets adjustment of \$(804,820).
- At June 30, 2007, the District reported combined ending fund balances of \$2,753,938, a decrease of \$4,473,025 in comparison with the prior year, including a fund balance adjustment of \$(1,800,279). Approximately 80 percent of this total amount, \$2,192,379, is available for spending at the District's discretion (unreserved fund balance).
- At June 30, 2007, the unreserved fund balance for the Educational Fund was \$(1,897,165), or negative 7 percent of total Educational Fund expenditures.
- The District's total long-term debt decreased by \$1,681,551 (5 percent) during the year ended June 30, 2007. The key factor in this decrease was principal payments made on the debt.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operation and maintenance of plant, student transportation, food services, and certain other activities and expenses such as non-programmed charges, and interest and fees.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 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 Educational, Operations and Maintenance, Bond and Interest, Transportation, Illinois Municipal Retirement/Social Security, and Working Cash Funds, all of which the District considers to be major funds.

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

The basic fund financial statements can be found on pages 13 through 16 and the required supplementary information can be found on pages 37 through 45 of this report.

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

The basic fiduciary fund financial statements can be found on page 17 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 36 of this report.

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

Supplemental financial information can be found on pages 46 through 49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$13,225,070 at June 30, 2007.

The following table presents a summary of the District's net assets for the years ended June 30, 2007 and 2006:

Cary Community Consolidated School District No. 26's Net Assets

	Governmental Activities	
	2007	2006
Current and Other Assets	\$ 21,069,589	\$ 22,870,308
Capital Assets	42,051,777	42,551,449
Total Assets	\$ 63,121,366	\$ 65,421,757
Long-Term Liabilities Outstanding	\$ 32,018,359	\$ 32,938,366
Other Liabilities	17,877,937	15,807,589
Total Liabilities	\$ 49,896,296	\$ 48,745,955
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 10,553,896	\$ 9,699,262
Restricted	4,651,103	2,255,330
Unrestricted	(1,979,929)	4,721,210
Total Net Assets	\$ 13,225,070	\$ 16,675,802

By far the largest portion of the District's net assets (80 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide educational services and extracurricular activities for the students of the local community; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of changes in net assets for the years ended June 30, 2007 and 2006:

Cary Community Consolidated School District No. 26's Change in Net Assets

	Governmental Activities	
	2007	2006
Revenues		
Program Revenues		
Charges for Services	\$ 1,293,812	\$ 1,163,996
Operating Grants and Contributions	5,162,865	4,688,632
Capital Grants and Contributions	57,009	144,638
General Revenues		
Property Taxes	19,257,245	17,893,246
Other Taxes	319,894	-
Grants and Contributions not Restricted to Specific Activities	5,037,279	5,372,740
Unrestricted Investment Earnings	351,042	289,711
Other	86,733	367,674
Total Revenues	\$ 31,565,879	\$ 29,920,837
Expenses		
Instruction		
Regular Programs	\$ 13,658,814	\$ 19,185,695
Special Education Programs	3,216,987	-
Other Instructional Programs	1,060,347	-
Support Services		
Pupils	1,846,324	2,464,028
Instructional Staff	1,008,694	264,299
General Administration	1,041,750	3,041,642
School Administration	1,271,029	-
Business	361,923	-
Operations and Maintenance	2,684,299	2,533,199
Transportation	1,762,096	1,435,206
Food Services	721,320	766,562
Central	571,110	-
Other Support Services	31,564	-
Community Services	23,996	20,443
Non-Programmed Services	1,484,617	-
Interest and Fees on Long-Term Debt	1,854,496	1,511,316
On-Behalf Retirement Contributions	1,812,425	-
Total Expenses	\$ 34,211,791	\$ 31,222,390
Change in Net Assets	\$ (2,645,912)	\$ (1,301,553)
Net Assets - Beginning of Fiscal Year	16,675,802	17,977,355
Net Asset Adjustment	(804,820)	-
Net Assets - End of Fiscal Year	\$ 13,225,070	\$ 16,675,802

Comparisons to last year are limited to totals only because the presentation in the table above was different for several functions due to allocation differences between the current and prior year audits.

The District's total revenues increased \$1,645,042 (5 percent) compared to the prior year. The most significant factor of this increase was an increase in property tax revenue of \$1,363,999.

Overall expenditures increased \$2,989,401 (10 percent) above the prior year. This increase is primarily attributable to continually increasing costs of providing regular instructional and special education services.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2007, the District reported combined ending fund balances of \$2,753,938, a decrease of \$4,473,025 in comparison with the prior year. The decrease is primarily due to a fund balance adjustment of \$(1,800,279) as well as an excess of expenditures over revenues of \$2,559,248 in the Educational Fund.

The Educational Fund is the chief operating fund of the District. At June 30, 2007, unreserved fund balance was \$(1,897,165). As a measure of the Educational Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents negative 7 percent of total Educational Fund expenditures.

In the Educational Fund, expenditures exceeded revenues by \$1,533,051 in fiscal year 2006 and \$2,559,248 in fiscal year 2007, a decrease of \$1,026,197. This decrease is primarily attributable to continually increasing costs of providing regular instructional and special education services.

In the Operations and Maintenance Fund, expenditures exceeded revenues by \$820,389 in fiscal year 2006 and \$305,097 in fiscal year 2007, a decrease of \$515,292. The decrease is primarily attributable to a decrease in debt service payments (\$315,088) due to the District's Certificates of Participation being paid off in the prior year as well as an increase in the property tax revenue received in the fund (\$247,689).

In the Transportation Fund, revenues exceeded expenditures by \$409,200 in fiscal year 2006 and \$31,557 in fiscal year 2007, a decrease of \$377,643. The decrease is primarily due to the District trading in some of its older buses and entering into a new bus lease during the current year.

The other funds' revenues and expenditures remained relatively consistent with the prior year.

EDUCATIONAL FUND BUDGETARY HIGHLIGHTS

Actual revenues exceeded budgeted revenues by \$1,298,442. This was primarily attributable to revenue received from On-Behalf Payments (\$1,612,425) which had not been included in the budget, offset by lower than expected property tax revenue.

Actual expenditures exceeded budgeted expenditures by \$2,360,864. This was primarily attributable to expenditures of On-Behalf Payments (\$1,612,425) which had not been included in the budget, as well as higher than expected instructional salaries.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The District's investment in capital assets as of June 30, 2007 amounts to \$42,051,777 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment other than transportation/food service, and transportation equipment.

Major capital asset events during the year ended June 30, 2007 included the following:

- The capitalization threshold was increased from \$1,000 to \$5,000 significantly decreasing the number of recorded assets.
- Building additions including new emergency lighting systems and carpeting.

The following table presents a summary of capital assets for the years ended June 30, 2007 and 2006:

Cary Community Consolidated School District No. 26's Capital Assets
(net of depreciation)

	Governmental Activities	
	2007	2006
Land	\$ 3,546,438	\$ 3,546,438
Buildings	35,082,561	36,823,853
Improvements Other than Buildings	939,781	978,593
Equipment Other than Transportation/ Food Service	2,014,601	912,201
Transportation Equipment	468,396	290,364
Total	<u>\$ 42,051,777</u>	<u>\$ 42,551,449</u>

Further detail of the District's capital assets can be found in note 4 on pages 25 and 26 of this report.

Long-term debt – At June 30, 2007, the District had total debt outstanding of \$32,018,359.

The following table presents a summary of outstanding debt for the years ended June 30, 2007 and 2006:

Cary Community Consolidated School District No. 26's Outstanding Debt

	Governmental Activities	
	2007	2006
General Obligation Bonds	\$ 29,962,881	\$ 31,453,707
Alternative Revenue Source Bonds	1,535,000	1,685,000
Compensated Absences	81,596	86,179
Deferred Amounts for Issuance Premium	438,882	475,024
Total	<u>\$ 32,018,359</u>	<u>\$ 33,699,910</u>

Principal payments on all outstanding debt were \$1,955,000 for the year ending June 30, 2007.

Further detail of the District's debt obligations can be found in note 6 on pages 30 through 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District forecasts steady manageable student enrollment growth for the foreseeable future.

The District continues to evaluate its current business practices to actively lower expenses in areas that do not impact the classroom to bring the expenses in-line with revenue.

The unpredictable flow of state aid has significantly hampered accurate revenue projections and looks to impact District cash flow. This factor will require the District to be more conservative in its revenue projections for the upcoming fiscal year.

REQUESTS FOR INFORMATION

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

Cary Community Consolidated School District No. 26
400 Haber Road
Cary, IL 60013

BASIC FINANCIAL STATEMENTS

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET ASSETS
 JUNE 30, 2007

	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	\$ 8,667,308	\$ 8,667,308
Property Taxes Receivable, net of allowance of \$0	11,268,649	11,268,649
Due from Other Governments, net of allowance of \$0	219,682	219,682
Employee Insurance Receivables, net of allowance of \$0	306	306
Transportation Fees Receivable, net of allowance of \$0	8,096	8,096
Debt Issuance Costs, net of amortization	213,127	213,127
Defeasance Asset, net of amortization	692,421	692,421
Capital Assets (Note 4):		
Land	3,546,438	3,546,438
Depreciable Buildings, Property, and Equipment, net of depreciation	38,505,339	38,505,339
Total Assets	\$ 63,121,366	\$ 63,121,366
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 2,062,848	\$ 2,062,848
Payroll Liabilities	23,249	23,249
Student Deposits	16,241	16,241
Security Deposit	13,000	13,000
Employee Insurance Payable	15,222	15,222
Tax Anticipation Warrants	5,500,000	5,500,000
Deferred Revenue	10,247,377	10,247,377
Non-Current Liabilities		
Due Within One Year	2,184,263	2,184,263
Due in More Than One Year	29,834,096	29,834,096
Total Liabilities	\$ 49,896,296	\$ 49,896,296
NET ASSETS		
Invested in Capital Assets, net of related debt	\$ 10,553,896	\$ 10,553,896
Restricted for:		
Operations and Maintenance	284,169	284,169
Debt Service	2,006,212	2,006,212
Transportation	836,647	836,647
Retirement	147,049	147,049
Working Cash	1,377,026	1,377,026
Unrestricted/(Deficit)	(1,979,929)	(1,979,929)
Total Net Assets	\$ 13,225,070	\$ 13,225,070

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

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction				
Regular Programs	\$ 13,658,814	\$ 445,681	\$ 492,578	\$ 7,775
Special Education Programs	3,216,987	-	1,815,994	-
Other Instructional Programs	1,060,347	7,780	51,663	-
Support Services				
Pupils	1,846,324	-	33,163	-
Instructional Staff	1,008,694	-	-	-
General Administration	1,041,750	-	-	-
School Administration	1,271,029	-	-	-
Business	361,923	-	-	-
Operations and Maintenance	2,684,299	308,872	-	49,234
Transportation	1,762,096	20,978	917,002	-
Food Services	721,320	510,501	154,959	-
Central	571,110	-	-	-
Other Support Services	31,564	-	-	-
Community Services	23,996	-	-	-
Non-Programmed Services	1,484,617	-	85,081	-
Interest and Fees on Long-Term Debt	1,854,496	-	-	-
On-Behalf Retirement Contributions	1,612,425	-	1,612,425	-
Total Governmental Activities	\$ 34,211,791	\$ 1,293,812	\$ 5,162,865	\$ 57,009

General Revenues

Taxes

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Personal Property Replacement Taxes

Grants and Contributions not Restricted to Specific Activities

Unrestricted Investment Earnings

Bond Premium Amortization

Gain/(Loss) on Sale of Capital Assets

Total General Revenues

Change in Net Assets

Net Assets - July 1, 2006

Net Assets Adjustment (Note 15)

Net Assets - June 30, 2007

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

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Total
\$ (12,712,780)	\$ (12,712,780)
(1,400,993)	(1,400,993)
(1,000,904)	(1,000,904)
(1,813,161)	(1,813,161)
(1,008,694)	(1,008,694)
(1,041,750)	(1,041,750)
(1,271,029)	(1,271,029)
(361,923)	(361,923)
(2,326,193)	(2,326,193)
(824,116)	(824,116)
(55,860)	(55,860)
(571,110)	(571,110)
(31,564)	(31,564)
(23,996)	(23,996)
(1,399,536)	(1,399,536)
(1,854,496)	(1,854,496)
-	-
<u>\$ (27,698,105)</u>	<u>\$ (27,698,105)</u>

\$ 16,267,497	\$ 16,267,497
2,989,748	2,989,748
319,894	319,894
5,037,279	5,037,279
351,042	351,042
36,142	36,142
50,591	50,591
<u>\$ 25,052,193</u>	<u>\$ 25,052,193</u>

\$ (2,645,912)	\$ (2,645,912)
16,675,802	16,675,802
<u>(804,820)</u>	<u>(804,820)</u>
<u>\$ 13,225,070</u>	<u>\$ 13,225,070</u>

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2007

	Educational Fund	Operations and Maintenance Fund	Bond and Interest Fund
ASSETS			
Cash and Cash Equivalents	\$ 5,174,605	\$ 701,334	\$ 1,804,031
Property Taxes Receivable, net of allowance of \$0	7,454,366	1,429,136	1,741,761
Due from Other Governments, net of allowance of \$0	219,682	-	-
Employee Insurance Receivables, net of allowance of \$0	-	-	-
Transportation Fees Receivable, net of allowance of \$0	-	-	-
Interfund Loans	-	-	-
	<u>\$ 12,848,653</u>	<u>\$ 2,130,470</u>	<u>\$ 3,545,792</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 1,516,085	\$ 72,664	\$ -
Payroll Liabilities	18,713	-	-
Student Deposits	16,241	-	-
Security Deposit	-	13,000	-
Employee Insurance Payable	14,822	400	-
Interfund Loans	1,300,000	-	-
Tax Anticipation Warrants	5,000,000	500,000	-
Deferred Revenue	6,879,957	1,260,237	1,539,580
Total Liabilities	<u>\$ 14,745,818</u>	<u>\$ 1,846,301</u>	<u>\$ 1,539,580</u>
FUND BALANCES			
Reserved	\$ -	\$ 561,559	\$ -
Unreserved	(1,897,165)	(277,390)	2,006,212
Total Fund Balances	<u>\$ (1,897,165)</u>	<u>\$ 284,169</u>	<u>\$ 2,006,212</u>
	<u>\$ 12,848,653</u>	<u>\$ 2,130,470</u>	<u>\$ 3,545,792</u>

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

<u>Transportation Fund</u>	<u>Illinois Municipal Retirement/ Social Security Fund</u>	<u>Working Cash Fund</u>	<u>Total Governmental Funds</u>
\$ 798,961	\$ 111,351	\$ 77,026	\$ 8,667,308
328,802	314,584	-	11,268,649
-	-	-	219,682
306	-	-	306
8,096	-	-	8,096
-	-	1,300,000	1,300,000
<u>\$ 1,136,165</u>	<u>\$ 425,935</u>	<u>\$ 1,377,026</u>	<u>\$ 21,464,041</u>

\$ 6,265	\$ -	\$ -	\$ 1,595,014
4,536	-	-	23,249
-	-	-	16,241
-	-	-	13,000
-	-	-	15,222
-	-	-	1,300,000
-	-	-	5,500,000
288,717	278,886	-	10,247,377
<u>\$ 299,518</u>	<u>\$ 278,886</u>	<u>\$ -</u>	<u>\$ 18,710,103</u>

\$ -	\$ -	\$ -	\$ 561,559
836,647	147,049	1,377,026	2,192,379
<u>\$ 836,647</u>	<u>\$ 147,049</u>	<u>\$ 1,377,026</u>	<u>\$ 2,753,938</u>
<u>\$ 1,136,165</u>	<u>\$ 425,935</u>	<u>\$ 1,377,026</u>	<u>\$ 21,464,041</u>

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 26
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2007

Total Fund Balances - Governmental Funds \$ 2,753,938

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	\$ 58,306,664	
Accumulated Depreciation on Capital Assets	<u>(16,254,887)</u>	42,051,777

Deferred charges and credits for debt issue discounts or premiums and other debt issue costs are not financial resources and therefore are not reported in the funds.

Debt Issuance Costs, net of related amortization	\$ 213,128	
Defeasance Cost, net of related amortization	692,421	
Bond Premiums, net of related amortization	<u>(438,882)</u>	466,665

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds Payable	\$ (31,497,881)	
Accrued Interest on Long-Term Debt	(467,833)	
Compensated Absences	<u>(81,596)</u>	<u>(32,047,310)</u>

Net Assets of Governmental Activities		<u>\$ 13,225,070</u>
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The Notes to Financial Statements are an integral part of this statement.

