

***PARK RIDGE-NILES  
SCHOOL DISTRICT NO. 64***

**Audited Financial Statements**

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**For The Year Ended  
June 30, 2012**

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**

June 30, 2012

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Independent Auditors' Report

Board of Education  
Park Ridge-Niles School District No. 64  
Park Ridge, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Park Ridge-Niles School District No. 64 as of and for the year ended June 30, 2012, 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.

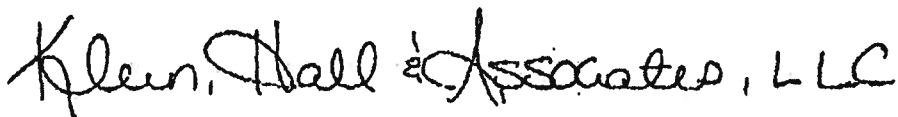
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan 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 Park Ridge-Niles School District No. 64 as of June 30, 2012, and the respective changes in financial position 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 September 7, 2012, on our consideration of the Park Ridge-Niles School District No. 64'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 results of our audit.

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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park Ridge-Niles School District No. 64's basic financial statements. The combining and individual nonmajor fund financial statements, and statistical tables 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 were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical tables have 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 assurance on it.

A handwritten signature in black ink that reads "Klein, Hall & Associates, LLC". The signature is written in a cursive, flowing style.

Klein, Hall & Associates, LLC  
Aurora, Illinois  
September 7, 2012

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

This section of Park Ridge-Niles School District No. 64's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2012. Please read it in conjunction with the District's financial statements, which immediately follow this section. All amounts are expressed in millions of dollars unless otherwise noted.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999. The MD&A is management's explanation of the District's financial position.

**Financial Highlights**

- In total, net assets increased by \$2.9. This represents a 4% increase from 2011.
- General revenues accounted for \$62.4 in revenue or 79% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$3.9 or 5% of total revenues of \$79.1.
- The District continued to pay down its long-term bonded debt retiring \$2.1 of principal in fiscal 2012.
- The District received a Recognition financial profile rating from the Illinois State Board of Education for 2012, which is the highest possible rating.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

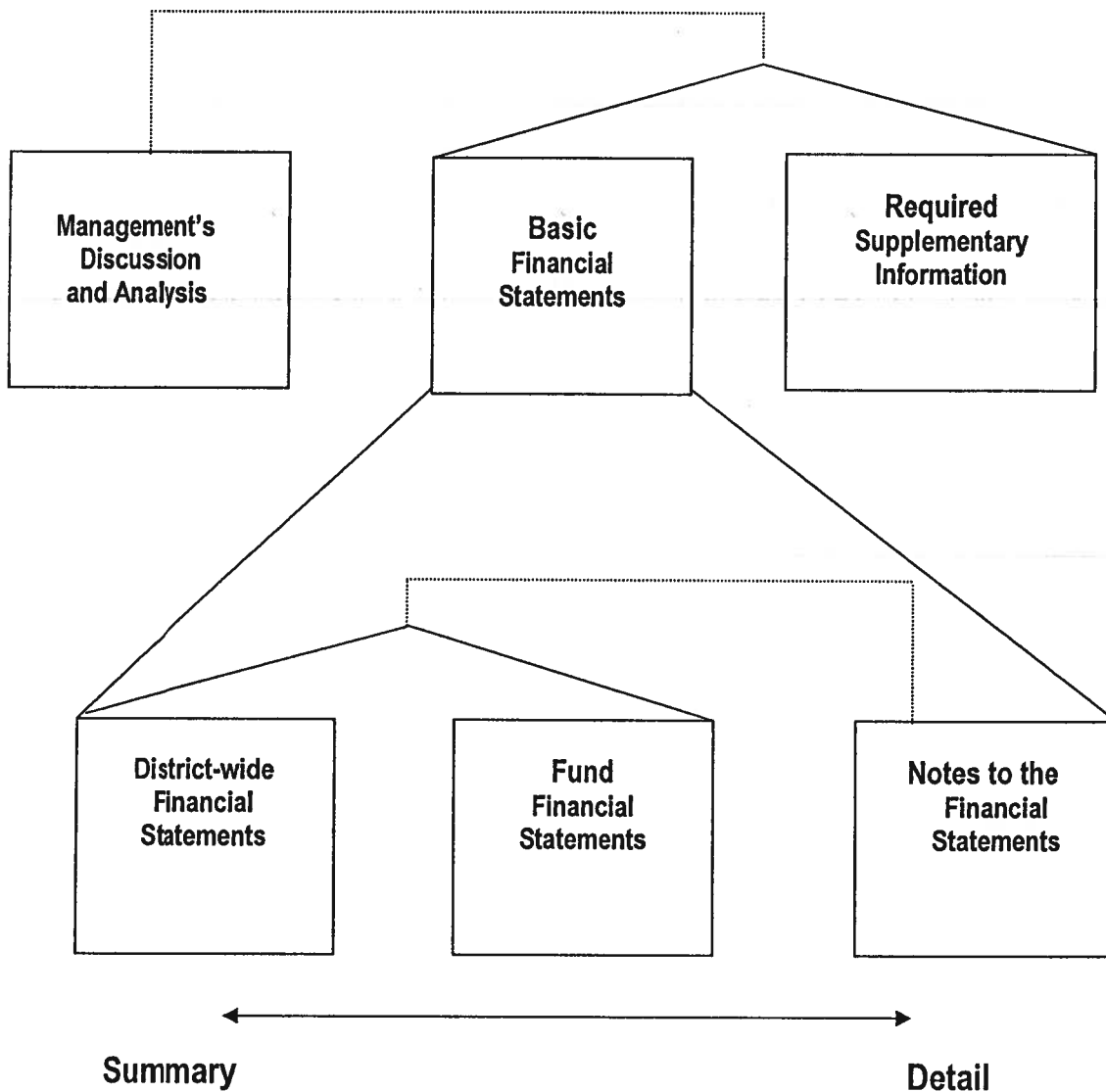
**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

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Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

***Figure A-1***

***Organization of Park Ridge-Niles School District No. 64 Annual Financial Report***





**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2**

***Major Features of the District-wide and Fund Financial Statements***

	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as Educational and Operations & Maintenance	Instances in which the District administers resources on behalf of someone else, such as student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

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***District-wide Statements***

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

The two district-wide statements report the District's *net assets* and how they have changed. Net assets – 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 assets 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 district-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 aid finance most of these activities.

***Fund Financial Statements***

The 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 federal grants).

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 balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps 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 District-wide statements, additional information after each 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 district-wide financial statements because it cannot use these assets to finance its operations.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

**Financial Analysis of the District as a Whole**

Net assets: The District's *combined* net assets increased 4% to \$68.9 million as of June 30, 2012 (See Figure A-3).

**Figure A-3**

***Condensed Statement of Net Assets (in millions of dollars)***

	<b><u>Governmental Activities</u></b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Assets:</b>		
Current and other assets	\$82.3	\$78.8
Capital assets	<u>37.8</u>	<u>38.7</u>
Total assets	<u>120.1</u>	<u>117.5</u>
<b>Liabilities:</b>		
Current liabilities	35.8	34.8
Long-term debt outstanding	<u>15.4</u>	<u>16.7</u>
Total liabilities	<u>51.2</u>	<u>51.5</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	24.6	22.1
Restricted	11.7	8.4
Unrestricted	<u>32.6</u>	<u>35.5</u>
Total net assets	<b><u>\$68.9</u></b>	<b><u>\$66.0</u></b>

The District continues to maintain a stable financial position.

The District's total revenues decreased 3% to \$79.1 million (See Figure A-4). Property taxes account for approximately 76% of the District's total revenues. An additional 18% of the District's revenue comes from general state aid and state and federal grants. Only 5% comes from direct charges for services in the form of student fees.

The total cost of all programs and services rose 11% to \$76.2 million (See Figure A-4). The District's expenses are predominantly related to instructing, caring for (pupil services), and transporting students (71%). The District's administrative and business activities accounted for 8% of total costs and another 11% was for maintenance and operation of the District's buildings.

Total revenues surpassed expenses, increasing net assets by \$2.9 million over last year.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**UNAUDITED**

**Figure A-4**

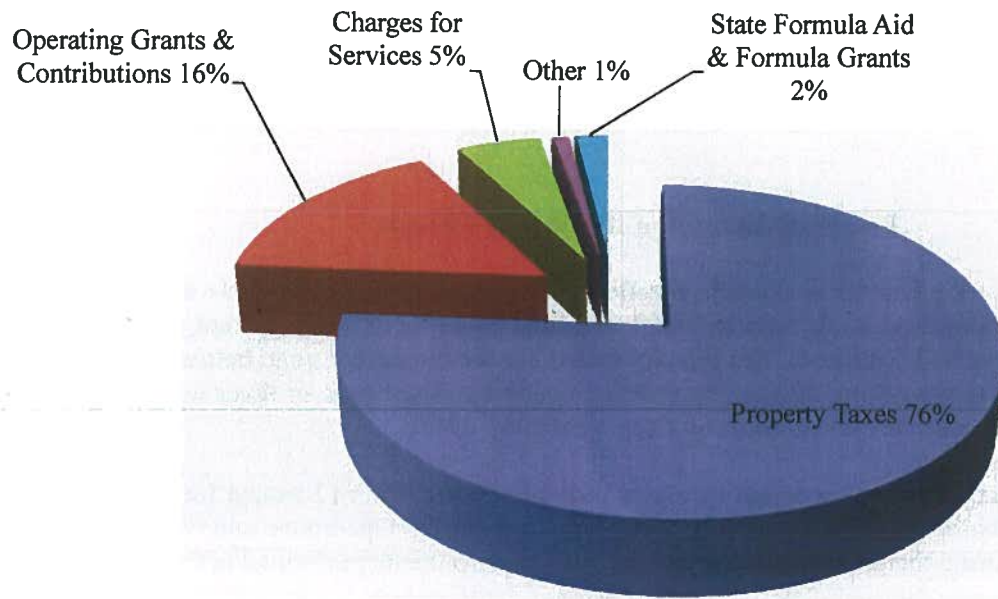
***Changes in Net Assets from Operating Results (in millions of dollars)***

	<b><u>Governmental</u></b>	
	<b><u>Activities</u></b>	
	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Revenues</b>		
<i>Program revenues</i>		
Charges for services	\$3.9	\$4.0
Operating Grants & Contributions	12.8	11.4
Capital Grants & Contributions	0.0	6.4
<i>General revenues</i>		
Taxes	60.1	58.1
General State Aid	1.5	1.6
Other	<u>0.8</u>	<u>0.1</u>
<b>Total revenues</b>	<b><u>\$79.1</u></b>	<b><u>\$81.6</u></b>
<b>Expenses</b>		
Instruction	\$46.7	\$43.8
Pupil & Instructional Services	5.7	4.4
Administration & Business	6.3	6.2
Transportation	1.6	1.8
Operations & Maintenance	8.7	5.8
Other	<u>7.2</u>	<u>6.9</u>
<b>Total expenses</b>	<b><u>\$76.2</u></b>	<b><u>\$68.9</u></b>
<b>Excess before extraordinary item</b>	<b>2.9</b>	<b>12.7</b>
Extraordinary item	<u>(0.0)</u>	<u>(8.8)</u>
<b>Increase in net assets</b>	<b><u>\$2.9</u></b>	<b><u>\$3.9</u></b>

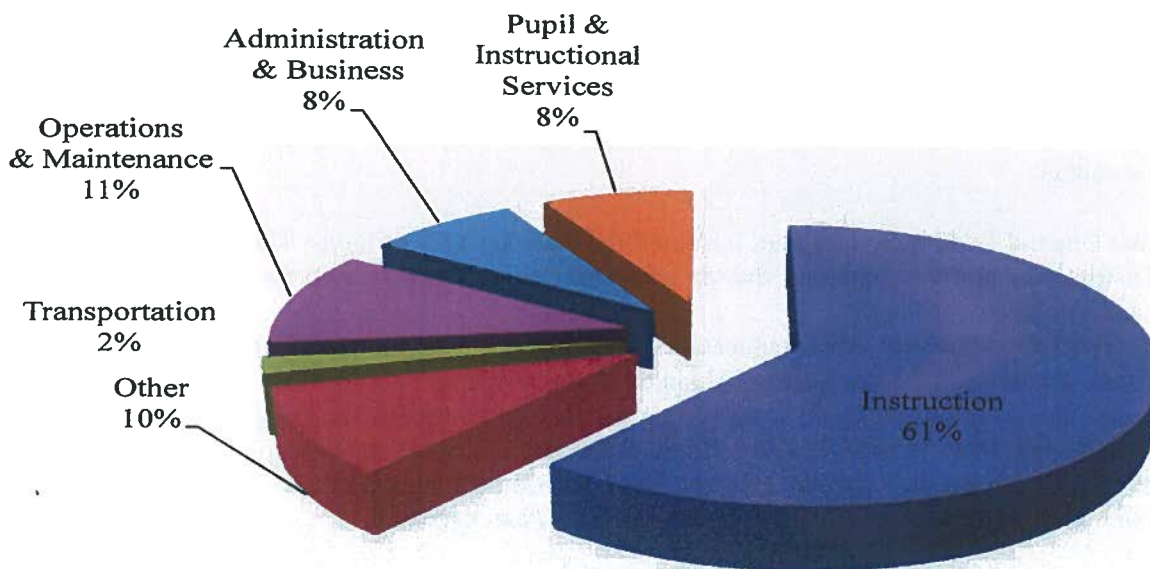
**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

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**Figure A-5 Sources of Revenues for Fiscal Year 2012**



**Figure A-6 Expenses for Fiscal Year 2012**



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

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***Governmental Activities***

The District's governmental activities reported a slight drop in revenues and an 11% increase in expenses as compared to the prior year. However, the District still reported a \$2.9 million increase in net assets for fiscal year 2011-2012.

The stable health of the District's finances can be credited to both a solid real estate tax base and a focused effort of controlled spending.

**Financial Analysis of the District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$46.4 million, as compared to last year's ending fund balances of \$43.9 million. The primary reason for the increase in fund balance was the timing of property tax bills in Cook County during 2012. The District received a larger bulk of taxes in June than the prior year resulting in \$2.1 million more tax revenue during fiscal year 2011-2012.

All of the District's governmental funds reported increases in fund balance in FY12 except for the Operations and Maintenance Fund. The Board authorized a transfer of \$3 million from the Operations and Maintenance Fund to the Capital Projects Fund during the year to fund the summer site improvements performed at Carpenter School.

The District continues to maintain fund balance at a level that complies with the Board's policy requiring operating fund balance of at least 33% of annual operating expenses. It is important to note that only \$34.7 million of the District's \$46.4 million total fund balance is considered unassigned. This means the remaining \$11.7 million of fund balance is restricted for specific purposes such as debt service, retirement benefits, transportation, tort liability or capital projects.

***General Fund Budgetary Highlights***

The District's General Fund consists of the following budgetary accounts: Educational, Operations and Maintenance, Working Cash, and Tort Immunity. The analysis below takes into the account the collective performance of these accounts.

- Revenues in the General Fund were less than budgeted revenues by \$1.5 million. The decrease occurred because the District's budget was based on the tax levy, but Cook County limited the levy in accordance with property tax cap laws.
- The District received five quarterly special education categorical grant payments during the fiscal year but the State of Illinois continues to be one quarter behind on its payments.
- Expenditures were less than budget by \$3.4 million as the District controlled its spending during another year of economic uncertainty. However, \$0.9 million of budgeted funds in the General Fund was actually expended from the newly-created Capital Projects Fund for Carpenter School site improvement work. Special education tuition expenditures finished \$0.4 million less than expected.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

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**Capital Asset and Debt Administration**

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***Capital Assets***

By the end of 2012, the District had invested \$37.8 million in a broad range of capital assets, including school buildings, computer equipment, audio-visual equipment and administrative offices (See Figure A-7). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was approximately \$1.5 million, while additions to buildings and equipment amounted to \$0.6 million.

***Figure A-7***

***Capital Assets (net of depreciation, in millions of dollars)***

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	<u><b>Governmental Activities</b></u>	
	<u><b>2012</b></u>	<u><b>2011</b></u>
Land	\$0.4	\$0.4
Construction in progress	0.6	9.2
Buildings & improvements	36.3	28.5
Equipment	<u>0.5</u>	<u>0.6</u>
<b>TOTAL</b>	<u><b>\$37.8</b></u>	<u><b>\$38.7</b></u>

***Long-Term Debt***

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At year-end, the District had \$15.4 million in general obligation bonds, retirement obligations, and other long-term debt outstanding – as shown in Figure A-8. (More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.)

***Figure A-8***

***Outstanding Long-Term Debt (in millions of dollars)***

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	<u><b>Total School District</b></u>	
	<u><b>2012</b></u>	<u><b>2011</b></u>
General obligation bonds	\$12.9	\$15.0
Other long-term debt	<u>2.5</u>	<u>1.7</u>
<b>TOTAL</b>	<u><b>\$15.4</b></u>	<u><b>\$16.7</b></u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012  
UNAUDITED**

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**Factors Bearing on the District's Future**

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

The District is affected by the downturn in local, state and national economy. The District's primary source of funding is property taxes. The Property Tax Extension Limitation Law defines and maintains a limit on the rate of increase for property tax revenues based on the National Consumer Price Index. The release of the 2010 CPI-U of 1.5% affected the District's ability to increase its operating fund revenues for fiscal year 2012 and beyond, although the passage of the 2007 referendum has positioned the District to survive the economic storm without dismantling its educational programs.

The District continues to monitor the State of Illinois' financial condition, budget discussions, and legislation closely. The State's budgetary decisions could impact the District's funding levels received in future years. State legislators continue to discuss reform measures for the TRS pension system, which potentially could lead to a shift of pension costs to local school districts.

The District's collective bargaining agreements expired at the end of the 2011-12 school year. The Board approved a new four year agreement with the Park Ridge Education Association in September 2012.

The Board continues to evaluate the most appropriate scenario for funding urgent capital improvement work identified at the District's various school buildings.

The Maine Township Special Education Program (MTSEP) cooperative dissolved as of June 30, 2012. Beginning in fiscal year 2012-2013 the District will bring many special education programs in house to continue providing quality services to students with special needs.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors 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:

Park Ridge-Niles School District 64  
164 South Prospect Avenue  
Park Ridge, Illinois 60068

(concluded)



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

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	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 51,719,432
Receivables:	
Property taxes	28,947,998
Due from other governments	1,172,641
Other receivables	163,649
Deferred charges	32,485
Other current assets	292,083
Capital assets:	
Land and construction in progress	909,173
Other capital assets, net of accumulated depreciation	<u>36,915,836</u>
 Total Assets	 <u>120,153,297</u>
 <b>Liabilities:</b>	
Accounts payable	809,648
Accrued salaries and related expenditures	5,428,551
Unearned revenue	29,618,909
Noncurrent liabilities:	
Due within one year	2,502,622
Due in more than one year	<u>12,855,755</u>
	<u>51,215,485</u>
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt	24,616,273
Restricted	11,710,060
Unrestricted	<u>32,611,479</u>
 Total net assets	 <u><u>\$ 68,937,812</u></u>

See accompanying notes to basic financial statements

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities:</b>					
Instructional services:					
Regular programs	\$ 35,829,137	\$ 439,506	\$ 8,754,272	\$ -	\$ (26,635,359)
Special programs	9,901,627	-	2,963,642	-	(6,937,985)
Other programs	941,420	1,468,948	329,687	-	857,215
Support services:					
Pupils	3,618,910	-	-	-	(3,618,910)
Instructional staff	2,101,081	-	-	-	(2,101,081)
General administration	1,519,008	-	-	-	(1,519,008)
School administration	2,981,018	-	-	-	(2,981,018)
Business	1,842,892	1,910,200	49,017	-	116,325
Operation and maintenance of facilities	8,690,310	38,878	16,871	-	(8,634,561)
Transportation	1,583,405	91,080	663,239	-	(829,086)
Central	1,071,698	-	-	-	(1,071,698)
Other	2,368,930	-	-	-	(2,368,930)
Community services	1,029,459	-	-	-	(1,029,459)
Payments to other districts	1,945,647	-	-	-	(1,945,647)
Interest on long-term liabilities	755,989	-	-	-	(755,989)
Total school district	<u>\$ 76,180,531</u>	<u>\$ 3,948,612</u>	<u>\$ 12,776,728</u>	<u>\$ -</u>	<u>(59,455,191)</u>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					52,265,626
Transportation					1,563,980
Retirement					2,011,220
Debt service					3,101,099
Personal property replacement taxes					1,105,124
Federal and state aid not restricted to specific purposes					1,503,055
Earnings on investments					583,154
Miscellaneous					229,485
Total general revenues					<u>62,362,743</u>
Change in net assets					2,907,552
Net assets - beginning					<u>66,030,260</u>
Net assets - ending					<u>\$ 68,937,812</u>

See accompanying notes to basic financial statements

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
<b>Assets:</b>			
Cash and investments	\$ 40,997,351	\$ 10,722,081	\$ 51,719,432
Receivables:			-
Property taxes	25,897,858	3,050,140	28,947,998
Due from other governments	999,508	173,133	1,172,641
Other receivables	158,004	5,645	163,649
Due from other funds	1,370,000	-	1,370,000
Other current assets	292,083	-	292,083
<b>TOTAL ASSETS</b>	<b>\$ 69,714,804</b>	<b>\$ 13,950,999</b>	<b>\$ 83,665,803</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 206,185	\$ 603,463	\$ 809,648
Due to other funds	1,370,000	-	1,370,000
Accrued salaries and related expenditures	5,428,551	-	5,428,551
Deferred revenue	26,398,031	3,220,878	29,618,909
<b>Total Liabilities</b>	<b>33,402,767</b>	<b>3,824,341</b>	<b>37,227,108</b>
<b>Fund Balances:</b>			
Restricted	1,583,402	-	1,583,402
Unassigned	34,728,635	-	34,728,635
Reported as:			
Restricted - Capital Projects Funds	-	2,068,725	2,068,725
Restricted - Special Revenues Funds	-	4,640,279	4,640,279
Restricted - Debt Service Funds	-	3,417,654	3,417,654
<b>Total Fund Balances</b>	<b>36,312,037</b>	<b>10,126,658</b>	<b>46,438,695</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 69,714,804</b>	<b>\$ 13,950,999</b>	<b>\$ 83,665,803</b>

See accompanying notes to basic financial statements.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

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<b>Total fund balances - governmental funds</b>	<b>\$ 46,438,695</b>
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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. The cost of the assets is \$68,313,610 and the accumulated depreciation is \$30,488,601.	37,825,009
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Deferred charges included in the Statement of Net Assets are not available to pay for current period expenditures and, therefore, are not included in the governmental funds balance sheet.	32,485
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General obligation bonds	(13,208,736)	
Other post employment benefits	(1,578,671)	
Compensated absences	(342,622)	
Net pension obligation - IMRF	(228,348)	<u>(15,358,377)</u>

<b>Net assets of governmental activities</b>	<b><u>\$ 68,937,812</u></b>
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See accompanying notes to basic financial statements

**PARK RIDGE-NILE SCHOOL DISTRICT NO. 64**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	General	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 57,987,733	\$ 6,909,735	\$ 64,897,468
State sources	12,451,906	663,239	13,115,145
Federal sources	1,075,470	-	1,075,470
<b>Total Revenues</b>	<b>71,515,109</b>	<b>7,572,974</b>	<b>79,088,083</b>
<b>EXPENDITURES</b>			
Current operating:			
Instruction	45,096,448	855,039	45,951,487
Support services	21,223,481	3,629,760	24,853,241
Community services	909,908	100,966	1,010,874
Payments to other districts	1,945,647	-	1,945,647
Debt service:			
Principal	-	2,055,000	2,055,000
Interest and other	-	742,879	742,879
<b>Total Expenditures</b>	<b>69,175,484</b>	<b>7,383,644</b>	<b>76,559,128</b>
Excess of revenues over expenditures	2,339,625	189,330	2,528,955
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	251,702	3,000,000	3,251,702
Transfers out	(3,240,091)	(11,611)	(3,251,702)
<b>Total other financing sources (uses)</b>	<b>(2,988,389)</b>	<b>2,988,389</b>	<b>-</b>
Net changes in fund balance	(648,764)	3,177,719	2,528,955
Fund Balances at beginning of year	36,960,801	6,948,939	43,909,740
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 36,312,037</b>	<b>\$ 10,126,658</b>	<b>\$ 46,438,695</b>

See accompanying notes to basic financial statements.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

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<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>2,528,955</b>
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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	576,844	
Depreciation expense	<u>(1,498,759)</u>	(921,915)

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 other post employment benefits	(398,977)	
Increase in compensated absences	(222,341)	
Increase in net pension obligation - IMRF	<u>(228,348)</u>	(849,666)

The governmental funds report bond and loan proceeds as an other financing source, 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:

Amortization of issuance costs on bond issuance	(13,110)	
Amortization of premium on bond issuances	108,288	
Repayment of bond and loan principal	<u>2,055,000</u>	<u>2,150,178</u>

<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>2,907,552</u></b>
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**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**AGENCY FUND - ACTIVITY FUND**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2012**

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**Assets:**

Cash	<u>\$ 214,771</u>
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**Liabilities:**

Due to organizations	<u>\$ 214,771</u>
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See accompanying notes to basic financial statements.

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements**

**June 30, 2012**

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#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Park Ridge-Niles School District 64 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. 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 following is a summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

##### **a. The Reporting Entity**

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by Government Accounting Standards Board Statements (GASB) has been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

##### **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:

Governmental funds include the following fund types:



## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

June 30, 2012

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**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.

**Tort Immunity Account** – This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

**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

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

June 30, 2012

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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** - 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**

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.

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

June 30, 2012

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#### **c. Basis of Presentation**

##### **Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, 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 expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students 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 instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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, as are the fiduciary fund financial statements. 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. Property taxes are recognized as revenues in the

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2012

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year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

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.

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 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. Accordingly, when such funds are received, they are recorded as deferred revenues until earned.

**d. Deposits and Investments**

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

**e. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,500 for furniture, equipment, and buildings and improvements and an estimated useful life of 1 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.

<u>Assets</u>	<u>Years</u>
Buildings	60-80 years
Land improvements	15-20 years
Vehicles	8-18 years
Equipment	1-20 years

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2012

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**f. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to a "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net assets. Receivables are expected to be collected within one year.

**g. Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unearned	Totals
Property taxes receivable for subsequent year	\$ 28,947,998	\$ 28,947,998
Intergovernmental aid receivable	670,911	670,911
Total	<u>\$ 29,618,909</u>	<u>\$ 29,618,909</u>

**h. Property Taxes**

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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.

The Cook County Assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property which is assessed directly by the State. The County is reassessed every three years by the Assessor.

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Cook County Collector who remits to the units their respective shares of the

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

**Notes to Financial Statements (continued)**

**June 30, 2012**

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collections. Taxes levied in one calendar year become due and payable in two installments on March 1 and September 1 during the following calendar year. The first installment is an estimated bill and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment, and equalization, and any changes from the prior year will be reflected in the second installment bill. Substantial collections are received by the District in March and September.

In the fund financial statements, the property tax levy receivable collected within the current year or expected to be collected within 60 days of year end (provided any 60 day collections do not include taxes from the second installment) to be used to pay liabilities of the current period is recognized as revenue. The tax receivable less the amount expected to be collected within 60 days of year end to be used to pay liabilities of the current period is reflected as deferred revenue in the fund financial statements. All property taxes receivable over one year old have been written off.

**i. Personal Property Replacement Taxes**

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

**j. Prepaid Items**

Certain payments to vendors that reflect cost applicable to future accounting periods are recorded as prepaid assets.

**k. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when in benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2012 are determined on the basis of current salary rates and include salary related payments.

The District's compensated absences consist of vacation time and sick days. Employees who work a twelve-month year entitled to be compensated for vacation time. Vacation time earned in the previous year is credited to each employee on July 1 of the new year.

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 Park Ridge

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

**June 30, 2012**

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Education Association. Unused sick leave days accumulate to a maximum of 340 days. The District does not reimburse employees for unused sick days upon termination of employment. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for TRS. He/she is reimbursed at the rate of \$55 per day for any remaining sick days to a maximum amount of 80 days.

Classified personnel receive a specified number of sick days per year depending on their years of service. Teacher assistants can accumulate unused sick days to a maximum of 275 days. Other classified personnel can accumulate unused sick days without limit. A classified employee may apply unused sick leave towards service credit for IMRF. However, in practice, the District pays this time out at retirement at the rate of \$55 per day. The District does not reimburse classified employees covered under this agreement for unused sick days remaining upon termination of employment.

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 future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

#### **l. Long-term Obligations**

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

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

#### **m. Comparative Data**

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2011, from which such summarized information was derived.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2012

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**n. 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.

**NOTE 2. DEPOSITS AND INVESTMENTS**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

**Cash and Investments Under the Custody of the Township Treasurer**

Under the Illinois Compiled Statutes, the Maine Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Maine Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.



# PARK RIDGE-NILES SCHOOL DISTRICT 64

## Notes to Financial Statements (continued)

June 30, 2012

The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2012, the fair value of all investments held by the Treasurer's office was \$364,315,427 and the fair value of the District's proportionate share of the pool was \$51,719,432.

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

### Deposits and Custodial Credit Risk

	Carrying Value	Bank Balance
Deposits with financial institutions – Fiduciary Funds	\$ 204,811	\$ 209,640

### Investments

At year end, the District had the following investments (Fiduciary Funds):

Investment Type	Fair Value	Maturity	% of Portfolio	Interest Rate
Illinois School District Liquid Asset Fund	\$ 9,960	On demand	100%	Variable

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to enable the District to meet all operating requirements that may be reasonably anticipated.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District has no investment policy that would further limit its investment choices.

The District's policy states that the Treasurer shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity. Maturities of investments of the various funds of the District shall be determined to enable the District to have available sufficient cash for all operation purposes.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2012

*Custodial Credit Risk – Deposits.* With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2012, the bank balance of the District's deposits with financial institutions totaled \$209,640; this amount was fully insured through FDIC.

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<i>Balance June 30, 2011</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2012</i>
Capital assets, not being depreciated:				
Land	\$ 353,013	\$ -	\$ -	\$ 353,013
Construction in progress	9,252,936	556,160	9,252,936	556,160
Total capital assets not being depreciated	9,605,949	556,160	9,252,936	909,173
Capital assets, being depreciated:				
Buildings	48,793,465	7,069,936	-	55,863,401
Improvements other than buildings	937,262	2,183,000	-	3,120,262
Equipment and Vehicles	8,614,907	20,684	214,817	8,420,774
Total capital assets being depreciated	58,345,634	9,273,620	214,817	67,404,437
Accumulated depreciation for:				
Buildings	20,594,418	1,266,465	-	21,860,883
Improvements other than buildings	586,378	96,124	-	682,502
Equipment and Vehicles	8,023,863	136,170	214,817	7,945,216
Total accumulation depreciation	29,204,659	1,498,759	214,817	30,488,601
Total capital assets being depreciated, net	29,140,975	7,774,861	-	36,915,836
<b>Total capital assets, net</b>	<b>\$ 38,746,924</b>	<b>\$ 8,331,021</b>	<b>\$ 9,252,936</b>	<b>\$ 37,825,009</b>

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

# PARK RIDGE-NILES SCHOOL DISTRICT 64

## Notes to Financial Statements (continued)

June 30, 2012

Instructional services:	
Regular programs	\$ 24,430
Special programs	32,523
Fiscal services	2,098
Internal services	1,349
Supporting services:	
Business	413,058
Operations and maintenance of facilities	990,230
Community services	18,585
Central	16,486
	<u>\$ 1,498,759</u>

### NOTE 4. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2012 was as follows:

	<i>Balance July 1, 2011</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2012</i>	<i>Amount due in one year</i>
<b>General Obligation Bonds Payable:</b>					
12/1/08 General Obligation Refunding School Bonds	\$ 2,075,000	\$ -	\$ 295,000	\$ 1,780,000	\$ 305,000
11/1/01 School Bonds, Series 2001	12,920,000	-	1,760,000	11,160,000	1,855,000
<b>Total Bonds Payable</b>	<b>14,995,000</b>	<b>-</b>	<b>2,055,000</b>	<b>12,940,000</b>	<b>2,160,000</b>
Net OPEB Obligation	1,179,694	398,977	-	1,578,671	-
Premium on bonds issued	377,024	-	108,288	268,736	-
Compensated absences	120,281	424,720	202,379	342,622	342,622
Net Pension Obligation - IMRF	-	228,348	-	228,348	-
<b>Total Long-Term Debt</b>	<b>\$16,671,999</b>	<b>\$ 1,052,045</b>	<b>\$ 2,365,667</b>	<b>\$15,358,377</b>	<b>\$ 2,502,622</b>

### **General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2012 are comprised of the following individual issues:

Series 2008 refunding bonds dated December 1, 2008 issued in the original principal amount of \$2,555,000 for the purpose of funding and refunding; principal payments from \$240,000 to \$405,000 due annually through 2016 at an interest rate of 4.00%.

Series 2001 refunding bond dated November 1, 2001, issued in the original principal amount of \$17,065,000 for the purpose of funding and refunding; principal payments from \$1,320,000 to

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2012

\$2,580,000 due annually from November 1, 2008 through 2016 at interest rates from 3.75% to 5.50%.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

As of June 30, 2012, \$13,055,000 of bonds outstanding is considered defeased.

At June 30, 2012 the annual cash flow requirements of all bonds payable to retirement were as follows:

<b>Fiscal Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 2,160,000	\$ 627,888	\$ 2,787,888
2014	2,275,000	510,575	2,785,575
2015	2,690,000	379,175	3,069,175
2016	2,830,000	233,037	3,063,037
2017	2,985,000	79,050	3,064,050
<b>Total</b>	<b>\$ 12,940,000</b>	<b>\$ 1,829,725</b>	<b>\$ 14,769,725</b>

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$3,417,654 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2012 the statutory debt limit for the District was \$127,174,966 providing a debt margin of \$117,652,620 after taking into account amounts available in the Debt Service Fund.

**NOTE 5. JOINT VENTURE - FEDERATION OF DISTRICTS FOR SPECIAL EDUCATION (FDSE)**

The District is a member of various joint agreements that provide special education services residents of many school districts. The District believes that because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

**NOTE 6. RISK MANAGEMENT**

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

June 30, 2012

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protect from such risks, the District participates in the following public entity risk pools: Suburban School Cooperative Insurance Pool (SSCIP) and School Employee Loss Fund (SELF). The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss, including health insurance. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

#### **NOTE 7. RETIREMENT FUND COMMITMENTS**

##### **Teacher Health Insurance Security (THIS)**

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but 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 (SILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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 be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the 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 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$300,380, and the district recognized revenue and expenditures of this amount during the year.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2012

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State contributions intended to match active member contributions during the years ended June 30, 2011 and 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of district employees were \$288,693, and \$265,626, respectively.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.66 percent during the years ended June 30, 2012, and 2011 and 0.63 percent during the year ended June 30, 2011. For the year ended June 30, 2012, the District paid \$225,285 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the District paid \$216,520 and \$199,220, 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 obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

**Retirees' Health Plan**

The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan"). The plan provides healthcare benefits for eligible retirees and, in some cases, their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements. Non-certified retirees and their dependents may continue coverage under the District group health insurance program until age 65 by contributing the monthly premium. Certified retirees are reimbursed for the full single monthly contribution required for the medical coverage sponsored by the Illinois Teachers' Retirement System. Coverage for certified retirees terminates when the retiree becomes eligible for Medicare benefits or reaches age 65. The Retirees' Health Plan does not issue a publicly available financial report.

The District's annual other postemployment benefit (OPEB) cost (expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 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 the District's annual OPEB cost for the year, the amount actually contributed to the Retirees' Health Plan, and changes in the District's net OPEB obligation to the Retirees' Health Plan:

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

## Notes to Financial Statements (continued)

June 30, 2012

	<u>June 30, 2011</u>	<u>June 30, 2012</u>
Annual Required Contribution	\$ 565,126	\$ 565,126
Interest on net OPEB obligations	38,159	58,985
Adjustment to annual required contribution	<u>(47,282)</u>	<u>(73,086)</u>
Total Annual OPEB Cost	556,003	551,025
Contributions made by the District	<u>(139,494)</u>	<u>(152,048)</u>
Increase in net OPEB obligation	416,509	398,977
Net OPEB obligation - Beginning of Year	763,185	1,179,694
Net OPEB obligation - End of Year	<u>\$ 1,179,694</u>	<u>\$ 1,578,671</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2012 and the proceeding year are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2011	\$ 556,003	25.1%	\$ 1,179,694
June 30, 2012	\$ 551,025	27.6%	\$ 1,578,671

The funded status of the Retirees' Health Plan as of June 30, 2012, the most recent actuarial valuation date, is as follows:

	<u>2012</u>
Actuarial accrued liability (AAL)	5,171,355
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>5,171,355</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	28,860,195
UAAL as a percentage of covered payroll	<u>17.9%</u>

Actuarial valuations of an ongoing plan involve estimates for 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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2012

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new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2012 actuarial valuation, the entry age actuarial cost method was used. Under this method a normal cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay. To the extent that current assets and future normal costs do not support participants' expected future benefit, an Unfunded Actuarial Accrued Liability develops and is amortized over a defined period of time. The actuarial assumptions include a 5 percent investment rate of return and a 3.5% per year salary progression.

#### **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, 2012, 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



## PARK RIDGE-NILES SCHOOL DISTRICT 64

### Notes to Financial Statements (continued)

June 30, 2012

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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, 2011 and 2010.

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

**On-behalf contributions.** The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2012, state of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$8,467,342 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2011, and June 30, 2010, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$7,515,185) and 23.38 percent (\$7,327,226), respectively.

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

**2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$197,978. Contributions for the years ending June 30, 2011, and June 30, 2010, were \$190,275 and \$183,409, 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, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2011 and 2010 the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$142,312 were paid from federal and special trust funds that required employer contributions of \$35,450. For the years ended June 30, 2011 and June 30, 2010, required district contributions were \$63,004 and \$66,043, 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 is 117.5 percent and applies when the member is age 55 at retirement.

## PARK RIDGE-NILES SCHOOL DISTRICT 64

### Notes to Financial Statements (continued)

June 30, 2012

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For the year ended June 30, 2012, the district paid \$79,866 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the district made \$289,616 and \$0, to TRS for 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, 2012, the District paid \$18,601 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2011 and 2010, the District made payments of \$40,896 and \$0 in 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 (18.03 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the District paid \$6,923 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2011 and 2010, the District made payments of \$9,419 and \$0, respectively in employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012. 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>.

#### **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), and 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

## PARK RIDGE-NILES SCHOOL DISTRICT 64

### Notes to Financial Statements (continued)

June 30, 2012

report may be obtained online at [www.imrf.org](http://www.imrf.org).

**Funding Policy.** As set by statute, your district Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires districts to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The district contribution rate for calendar year 2011 used by the district was 11.84 percent of annual covered payroll. The district annual required contribution rate for calendar year 2011 was 13.20 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.** For calendar year ending December 31, 2011, the districts actual contributions for pension cost for the Regular were \$912,011. Its required contribution for calendar year 2011 was \$1,016,769.

#### Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$1,016,769	90%	\$104,758
12/31/2010	894,250	86%	123,590
12/31/2009	671,085	100%	0

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, 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 your district 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 Regular plan's unfunded actuarial accrued at December 31, 2009 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, 2011, the most recent actuarial valuation date, the Regular plan was 62.34 percent funded. The actuarial accrued liability for benefits was \$18,481,649 and the actuarial value of assets was \$11,520,892, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,960,757. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$7,702,793 and the ratio of the UAAL to the covered payroll was 90 percent.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2012

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 8. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)**

The District is a member of CLIC, which has been formed to provide casualty, workman's compensation, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of CLIC to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC. Complete financial statements for CLIC can be obtained from its administrator, 1441 Lake Street, Libertyville, IL 60048.

**NOTE 9. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL FUNDS**

Expenditures exceeded the budgeted amount in the following Funds:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Capital Projects Fund	\$ -	\$ 932,493	\$ 932,493

The expenditure variance was sufficiently absorbed by surpluses that existed at the beginning of the fiscal year and were approved by the Board of Education. Under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

**NOTE 10. INTERFUND TRANSFERS**

The following interfund transfers were made during the year ended June 30, 2012:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund - Working Cash Account	General Fund - Education Account	\$ 240,091
General Fund - Operations & Maintenance Account	Capital Projects	3,000,000
Debt Service Fund	General Fund - Education Account	11,611
	Total Transfers	<u>\$ 3,251,702</u>

Transfers to the General Fund were for transfers of investment income. Transfers from the General Fund to the Capital Projects Fund were to provide funds for capital expenditures.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

**Notes to Financial Statements (continued)**

**June 30, 2012**

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**NOTE 11. 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. Tort Immunity Account**

Expenditures disbursed and the related revenues received are accounted for in the Tort Immunity Account. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$1,583,402.

**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, 2012, 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

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2012

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this purpose, resulting in a restricted fund balance \$724,418. 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 Fund. All equity within this fund is restricted for the associated capital expenditures within this fund.

**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, 2012.

**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, 2012.

**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.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2012

**F. Reconciliation of Fund Balance Reporting**

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational	\$ -	\$ -	\$ -	\$ -	\$ 22,329,417
Operations & Maintenance	-	-	-	-	(1,204,073)
Debt Service	-	3,417,654	-	-	-
Transportation	-	2,829,234	-	-	-
Municipal Retirement	-	1,811,045	-	-	-
Capital Projects	-	2,068,725	-	-	-
Working Cash	-	-	-	-	13,603,291
Tort Liability	-	1,583,402	-	-	-
	\$ -	\$ 11,710,060	\$ -	\$ -	\$ 34,728,635

**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 12. DEFICIT FUND BALANCES**

At June 30, 2012 the General Fund's Operations and Maintenance Account had a deficit fund balance of \$1,204,073.

**NOTE 13. 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 14. STATE OF ILLINOIS FUNDING**

The District receives approximately 15% of its' annual revenue from the State of Illinois ('the state'). Published reports have indicated that the state is experiencing financial difficulties which have led to delays in the state's funding of certain grant programs to Illinois school districts. Included in District receivables at June 30, 2012 is \$968,679 of amounts the state has acknowledged as due the District in past due grants funds. Of this amount, \$709 was received by August 31, 2012. The remaining uncollected amount has not been recognized as current year revenue in the fund financial statements since it does not meet the District's criteria of availability used for revenue recognition.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (concluded)

June 30, 2012

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It is believed that the state will continue to delay payment of certain grants during subsequent fiscal years. At June 30, 2012, the District feels it has adequate fund balance reserves to sustain the revenue shortfall; however, continued delays into subsequent years, or a change in the method of state funding, could have an adverse effect on future District financial results.

**NOTE 15. COMMITMENTS**

As of June 30, 2012, the District was committed to approximately \$1,097,000 in ongoing construction contracts.

**NOTE 16. INTERFUND LOANS**

As of June 30, 2012, the General Fund's Working Cash Account was due \$1,370,000 from the General Fund's Operation & Maintenance Account. This amount is expected to be repaid in fiscal year 2013.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Schedule of Funding Progress  
Illinois Municipal Retirement Fund  
June 30, 2012

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
12/31/2011	\$11,520,892	\$18,481,649	\$6,960,757	62.34%	\$7,702,793	90.37%
12/31/2010	12,074,169	18,043,050	5,968,881	66.92%	7,102,856	84.03%
12/31/2009	10,670,179	16,095,348	5,425,169	66.29%	6,744,579	80.44%

On the market value basis, the actuarial value of assets as of December 31, 2011 is \$10,793,808.  
On a market basis, the funded ratio would be 58.40%.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Schedule of Funding Progress (Unaudited)**  
**Other Postemployment Benefits**  
**June 30, 2012**

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>
June 30, 2009	\$ 0.00	\$4,424,147	\$4,424,147	0.00%
June 30, 2010	0.00	4,761,869	4,761,869	0.00%
June 30, 2011	0.00	4,802,303	4,802,303	0.00%
June 30, 2012	0.00	5,171,355	5,171,355	0.00%

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL**  
**YEAR ENDED JUNE 30, 2012**

	General		
	Original and Final Budget	Actual	Variance Over/ (Under)
<b>REVENUES</b>			
Local sources	\$ 58,396,785	\$ 57,987,733	\$ (409,052)
State sources	12,872,911	12,451,906	(421,005)
Federal sources	1,743,824	1,075,470	(668,354)
 Total Revenues	 73,013,520	 71,515,109	 (1,498,411)
 <b>EXPENDITURES</b>			
Current operating:			
Instruction	46,354,423	45,096,448	1,257,975
Support services	22,830,719	21,223,481	1,607,238
Community services	1,068,271	909,908	158,363
Payments to other districts	2,305,102	1,945,647	359,455
 Total Expenditures	 72,558,515	 69,175,484	 3,383,031
 Excess of revenues over expenditures	 455,005	 2,339,625	 1,884,620
 <b>OTHER FINANCING USES</b>			
Transfers Out	(167,739)	(2,988,389)	(2,820,650)
 Total other financing uses	 (167,739)	 (2,988,389)	 (2,820,650)
 Net changes in fund balance	 \$ 287,266	 (648,764)	 \$ (936,030)
 Fund balances at beginning of year		36,960,801	
 FUND BALANCES AT END OF YEAR		 \$ 36,312,037	

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Required Supplementary Information  
Budgetary Comparison Schedules  
June 30, 2012

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**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, which was not amended, was adopted on September 26, 2011.
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.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**GENERAL FUND**  
**BALANCE SHEET BY ACCOUNT**  
**JUNE 30, 2012**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Tort and Immunity</u>	<u>Total General</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$ 27,380,000	\$ 7,076	\$ 12,028,902	\$ 1,581,373	\$ 40,997,351
Receivables:					
Property taxes	21,324,177	3,977,833	248,268	347,580	25,897,858
Due from other governments	702,842	296,666	-	-	999,508
Other receivables	85,400	-	70,575	2,029	158,004
Due from other funds	-	-	1,370,000	-	1,370,000
Other current assets	158,269	-	133,814	-	292,083
<b>TOTAL ASSETS</b>	<b><u>\$ 49,650,688</u></b>	<b><u>\$ 4,281,575</u></b>	<b><u>\$ 13,851,559</u></b>	<b><u>\$ 1,930,982</u></b>	<b><u>\$ 69,714,804</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
<b>Liabilities:</b>					
Accounts payable	\$ 68,370	\$ 137,815	\$ -	\$ -	\$ 206,185
Due to other funds	-	1,370,000	-	-	1,370,000
Accrued salaries and related expenditures	5,428,551	-	-	-	5,428,551
Deferred revenue	21,824,350	3,977,833	248,268	347,580	26,398,031
<b>Total Liabilities</b>	<b><u>27,321,271</u></b>	<b><u>5,485,648</u></b>	<b><u>248,268</u></b>	<b><u>347,580</u></b>	<b><u>33,402,767</u></b>
<b>Fund Balances:</b>					
Restricted	-	-	-	1,583,402	1,583,402
Unassigned	22,329,417	(1,204,073)	13,603,291	-	34,728,635
<b>Total Fund Balances</b>	<b><u>22,329,417</u></b>	<b><u>(1,204,073)</u></b>	<b><u>13,603,291</u></b>	<b><u>1,583,402</u></b>	<b><u>36,312,037</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 49,650,688</u></b>	<b><u>\$ 4,281,575</u></b>	<b><u>\$ 13,851,559</u></b>	<b><u>\$ 1,930,982</u></b>	<b><u>\$ 69,714,804</u></b>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES BY ACCOUNT**  
**YEAR ENDED JUNE 30, 2012**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Tort and Immunity</u>	<u>Total General</u>
<b>REVENUES</b>					
Local sources	\$ 48,459,600	\$ 8,288,373	\$ 513,579	\$ 726,181	\$ 57,987,733
State sources	12,451,906	-	-	-	12,451,906
Federal sources (refunds)	1,132,766	(57,296)	-	-	1,075,470
<b>Total Revenues</b>	<u>62,044,272</u>	<u>8,231,077</u>	<u>513,579</u>	<u>726,181</u>	<u>71,515,109</u>
<b>EXPENDITURES</b>					
Current operating:					
Instruction	45,096,448	-	-	-	45,096,448
Support services	13,454,110	7,187,158	-	582,213	21,223,481
Community services	909,908	-	-	-	909,908
Payments to other districts	1,945,647	-	-	-	1,945,647
<b>Total Expenditures</b>	<u>61,406,113</u>	<u>7,187,158</u>	<u>-</u>	<u>582,213</u>	<u>69,175,484</u>
Excess of revenues over expenditures	638,159	1,043,919	513,579	143,968	2,339,625
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	251,702	-	-	-	251,702
Transfers out	-	(3,000,000)	(240,091)	-	(3,240,091)
<b>Total other financing sources (uses)</b>	<u>251,702</u>	<u>(3,000,000)</u>	<u>(240,091)</u>	<u>-</u>	<u>(2,988,389)</u>
Net changes in fund balance	889,861	(1,956,081)	273,488	143,968	(648,764)
Fund balances at beginning of year	21,439,556	752,008	13,329,803	1,439,434	36,960,801
<b>FUND BALANCES (DEFICITS) AT END OF YEAR</b>	<u>\$ 22,329,417</u>	<u>\$ (1,204,073)</u>	<u>\$ 13,603,291</u>	<u>\$ 1,583,402</u>	<u>\$ 36,312,037</u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			
	Final Budget	Actual	Variance over/under	2011 Actual
REVENUES				
Local Sources:				
General tax levy	\$ 44,390,000	\$ 42,850,413	\$ (1,539,587)	\$ 41,350,543
Special education levy	430,500	499,279	68,779	450,839
Corporate replacement taxes	1,081,683	996,402	(85,281)	1,099,663
Tuition	204,730	223,028	18,298	309,608
Earnings on investments	199,000	296,252	97,252	52,660
Food services	419,980	978,353	558,373	419,422
Pupil activities	52,011	60,081	8,070	51,500
Textbooks	999,835	931,847	(67,988)	1,164,802
Contributions and donations	-	450	450	-
Payments of surplus monies from TIF districts	553,972	650,640	96,668	395,137
Payment from other LEA's	181,618	156,397	(25,221)	464,200
Other (refunds)	1,294,200	816,458	(477,742)	1,436,007
Total Local Sources	49,807,529	48,459,600	(1,347,929)	47,194,381
State Sources:				
General state aid	1,503,080	1,503,055	(25)	1,610,098
Bilingual education	5,649	2,651	(2,998)	3,112
Vocational education	-	-	-	8,177
Special education	2,612,432	2,172,707	(439,725)	2,146,922
School lunch aid	1,750	1,908	158	1,645
Reading improvement	-	-	-	149,473
On behalf payments to TRS from the state	8,750,000	8,767,722	17,722	7,803,878
Other grants-in-aid	-	3,863	3,863	50,046
Total State Sources	12,872,911	12,451,906	(421,005)	11,773,351
Federal Sources:				
National school lunch program	49,639	47,109	(2,530)	46,396
IDEA	1,038,565	788,731	(249,834)	898,147
Medicaid matching	83,100	226,585	143,485	83,098
Title II - teacher quality	91,621	83,674	(7,947)	81,624
ARRA funding	166,001	2,204	(163,797)	423,814
Other	1,361	(15,537)	(16,898)	18,232
Total Federal Sources	1,430,287	1,132,766	(297,521)	1,551,311
Total Revenues	\$ 64,110,727	\$ 62,044,272	\$ (2,066,455)	\$ 60,519,043

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs:				
Salaries	\$ 23,570,913	\$ 22,079,058	\$ 1,491,855	\$ 20,679,278
Employee benefits	2,508,426	2,626,778	(118,352)	1,875,301
On-behalf payments to TRS from the state	8,750,000	8,767,722	(17,722)	7,803,878
Purchased services	43,140	42,198	942	76,296
Supplies and materials	1,368,733	1,221,027	147,706	963,777
Capital outlay	81,400	79,999	1,401	141,147
Other	1,500	590	910	1,165
Total	36,324,112	34,817,372	1,506,740	31,540,842
Special programs:				
Salaries	4,955,600	5,650,122	(694,522)	7,233,073
Employee benefits	1,001,808	871,260	130,548	713,013
Purchased services	76,700	45,700	31,000	34,502
Supplies and materials	112,300	117,946	(5,646)	133,359
Capital outlay	11,000	1,082	9,918	10,091
Other	-	-	-	(226,349)
Total	6,157,408	6,686,110	(528,702)	7,897,689
Special programs pre-k:				
Salaries	656,043	530,944	125,099	540,592
Employee benefits	57,938	52,200	5,738	122,724
Supplies and materials	11,390	8,281	3,109	120,376
Capital outlay	-	-	-	26,141
	725,371	591,425	133,946	809,833
Remedial and supplemental programs K-12				
Employee benefits	-	-	-	116,257
Total	\$ -	\$ -	\$ -	\$ 116,257

(Continued)



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Interscholastic programs:				
Salaries	\$ 130,000	\$ 110,578	\$ 19,422	\$ -
Employee benefits	3,361	1,494	1,867	1,365
Purchased services	14,540	6,978	7,562	11,999
Supplies and materials	14,500	4,215	10,285	9,703
Capital outlay	500	-	500	869
Other	2,400	1,550	850	1,525
Total	165,301	124,815	40,486	25,461
Summer school:				
Salaries	162,900	180,137	(17,237)	220,865
Employee benefits	-	1,705	(1,705)	3,812
Purchased services	7,417	7,307	110	2,100
Supplies and materials	11,500	9,593	1,907	957
Total	181,817	198,742	(16,925)	227,734
Gifted programs:				
Salaries	1,080,535	1,115,561	(35,026)	1,051,703
Employee benefits	159,001	137,139	21,862	105,251
Purchased services	14,100	1,904	12,196	500
Supplies and materials	8,478	6,760	1,718	6,428
Total	1,262,114	1,261,364	750	1,163,882
Bilingual:				
Salaries	334,712	425,753	(91,041)	377,096
Employee benefits	59,788	50,426	9,362	38,060
Purchased services	800	882	(82)	1,695
Supplies and materials	3,000	1,586	1,414	3,105
Total	398,300	478,647	(80,347)	419,956
Special education programs K-12- private tuition				
Other objects	1,140,000	937,973	202,027	723,889
Total	1,140,000	937,973	202,027	723,889
Total Instruction	\$ 46,354,423	\$ 45,096,448	\$ 1,257,975	\$ 42,925,543

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Support Services:				
Pupils:				
Attendance and social work:				
Salaries	\$ 920,963	\$ 918,902	\$ 2,061	\$ 873,517
Employee benefits	101,814	118,198	(16,384)	121,723
Supplies and materials	1,045	314	731	728
Total	1,023,822	1,037,414	(13,592)	995,968
Guidance services:				
Salaries	132,061	132,061	-	1,206
Employee benefits	13,081	9,202	3,879	30,826
Supplies and materials	3,600	2,118	1,482	563
Total	148,742	143,381	5,361	32,595
Health services:				
Salaries	456,730	460,512	(3,782)	391,860
Employee benefits	44,019	57,588	(13,569)	39,487
Purchased services	46,240	8,068	38,172	5,725
Supplies and materials	15,825	7,651	8,174	9,034
Capital outlay	2,395	-	2,395	899
Total	565,209	533,819	31,390	447,005
Psychological services:				
Salaries	394,862	381,296	13,566	377,242
Employee benefits	2,588	14,502	(11,914)	54,995
Purchased services	21,269	10,339	10,930	12,990
Supplies and materials	10,000	6,942	3,058	5,815
Other	525	525	-	-
Total	429,244	413,604	15,640	451,042
Speech pathology and audiology services:				
Salaries	1,257,053	1,252,657	4,396	24,721
Employee benefits	145,883	141,236	4,647	82,930
Purchased services	69,000	1,800	67,200	3,965
Supplies and materials	2,520	1,626	894	2,142
Total	\$ 1,474,456	\$ 1,397,319	\$ 77,137	\$ 113,758

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Instructional staff:				
Improvement of instruction services:				
Salaries	\$ 744,798	\$ 543,302	\$ 201,496	\$ 800,904
Employee benefits	40,061	61,994	(21,933)	51,982
Purchased services	290,034	190,399	99,635	48,514
Supplies and materials	80,268	32,014	48,254	21,239
Capital outlay	-	-	-	75,000
Other	800	1,100	(300)	300
Total	1,155,961	828,809	327,152	997,939
Education media:				
Salaries	776,443	919,710	(143,267)	886,181
Employee benefits	71,466	126,188	(54,722)	176,502
Purchased services	-	-	-	-
Supplies and materials	144,444	144,925	(481)	134,365
Total	992,353	1,190,823	(198,470)	1,197,048
Assessment and Testing:				
Purchased services	-	-	-	17,280
Total	-	-	-	17,280
General administration:				
Board of education:				
Salaries	55,000	3,403	51,597	43,688
Employee Benefits	786,101	642,744	143,357	590,454
Purchased services	338,022	214,264	123,758	195,084
Supplies and materials	5,500	1,328	4,172	2,599
Other	16,000	11,404	4,596	4,191
Total	1,200,623	873,143	327,480	836,016
Executive administration:				
Salaries	267,291	270,898	(3,607)	273,530
Employee benefits	54,053	34,022	20,031	36,064
Purchased services	13,820	6,027	7,793	8,818
Supplies and materials	1,000	441	559	557
Capital outlay	5,000	2,692	2,308	2,527
Other	3,000	2,796	204	960
Total	\$ 344,164	\$ 316,876	\$ 27,288	\$ 322,456

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Special area administrative services:				
Salaries	\$ 251,787	\$ 234,676	\$ 17,111	\$ 372,524
Employee benefits	100,997	51,204	49,793	20,272
Purchased services	5,281	5,475	(194)	3,449
Total	358,065	291,355	66,710	396,245
School administration:				
Office of the principal:				
Salaries	2,154,347	2,311,718	(157,371)	2,376,764
Employee benefits	454,199	447,999	6,200	365,090
Purchased services	66,255	39,832	26,423	32,935
Supplies and materials	27,492	15,188	12,304	57,361
Total	2,702,293	2,814,737	(112,444)	2,832,150
Fiscal services:				
Salaries	618,065	619,302	(1,237)	493,686
Employee benefits	144,503	54,233	90,270	35,744
Purchased services	81,884	99,899	(18,015)	16,731
Supplies and materials	16,800	7,119	9,681	2,104
Capital outlay	16,000	3,643	12,357	3,821
Other	60,000	80,522	(20,522)	35,270
Total	937,252	864,718	72,534	587,356
Operation and maintenance of plant services:				
Capital outlay	-	-	-	297,200
Total	-	-	-	297,200
Pupil transportation services:				
Purchased services	1,000	385	615	476
Total	1,000	385	615	476
Food services:				
Purchased services	503,019	541,390	(38,371)	484,766
Supplies and materials	2,000	-	2,000	-
Capital outlay	-	-	-	14,585
Total	\$ 505,019	\$ 541,390	\$ (36,371)	\$ 499,351

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Internal services:				
Salaries	\$ -	\$ 3,602	\$ (3,602)	\$ 94,212
Employee benefits	-	4,638	(4,638)	965
Purchased services	247,023	275,920	(28,897)	103,774
Supplies and materials	97,052	65,603	31,449	79,027
Total	344,075	349,763	(5,688)	277,978
Information services:				
Salaries	98,153	98,329	(176)	95,568
Employee benefits	8,203	272	7,931	154
Purchased services	27,703	4,258	23,445	4,401
Total	134,059	102,859	31,200	100,123
Staff services:				
Salaries	363,450	412,689	(49,239)	354,508
Employee benefits	63,970	46,340	17,630	28,466
Purchased services	97,820	41,037	56,783	46,078
Supplies and materials	11,000	353	10,647	16,634
Capital outlay	5,000	-	5,000	762
Total	541,240	500,419	40,821	446,448
Data processing services:				
Salaries	943,298	890,233	53,065	598,607
Employee benefits	93,723	84,685	9,038	52,749
Purchased services	191,721	131,442	60,279	108,185
Supplies and materials	76,950	59,265	17,685	43,443
Capital outlay	90,000	87,671	2,329	173,348
Total	1,395,692	1,253,296	142,396	976,332
Total Support Services	14,253,269	13,454,110	799,159	11,824,766
Community services:				
Salaries	986,852	842,474	144,378	993,484
Employee benefits	8,611	8,659	(48)	2,353
Purchased services	25,239	21,033	4,206	18,935
Supplies and materials	44,569	37,742	6,827	32,611
Capital outlay	3,000	-	3,000	-
Total Community Services	\$ 1,068,271	\$ 909,908	\$ 158,363	\$ 1,047,383

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Payments to other districts and governmental units:				
Payments for special education programs	\$ 2,305,102	\$ 1,945,647	\$ 359,455	\$ 2,218,056
Total	2,305,102	1,945,647	359,455	2,218,056
Total Expenditures	63,981,065	61,406,113	2,574,952	58,015,748
Excess of revenues over expenditures	129,662	638,159	508,497	2,503,295
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	177,265	251,702	74,437	183,283
Transfers out	(177,265)	-	177,265	(79,460)
Total other financing sources (uses)	-	251,702	251,702	103,823
Net changes in fund balance	<u>\$ 129,662</u>	889,861	<u>\$ 760,199</u>	2,607,118
Fund balance at beginning of year		21,439,556		18,832,438
<b>FUND BALANCE AT END OF YEAR</b>		<u><u>\$ 22,329,417</u></u>		<u><u>\$ 21,439,556</u></u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 7,237,500	\$ 7,930,995	\$ 693,495	\$ 7,011,170
Earnings on investments	1,000	1,747	747	709
Rentals	62,038	72,029	9,991	72,750
Other	361,752	283,602	(78,150)	1,626,631
Total Local Sources	7,662,290	8,288,373	626,083	8,711,260
Federal Sources:				
Other federal aid (refund)	313,537	(57,296)	(370,833)	6,699,501
Total Federal Sources	313,537	(57,296)	(370,833)	6,699,501
Total Revenues	7,975,827	8,231,077	255,250	15,410,761
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Facilities acquisition services:				
Purchased services	200,000	195,590	4,410	659,065
Capital outlay	-	-	-	5,505,619
Total Facilities acquisition services	200,000	195,590	4,410	6,164,684
Operations and maintenance of				
Plant Services:				
Salaries	2,530,092	2,467,577	62,515	2,507,700
Employee benefits	389,757	375,134	14,623	376,090
Purchased services	848,330	894,375	(46,045)	896,229
Supplies and materials	1,122,350	1,001,738	120,612	1,023,113
Capital outlay	2,778,009	2,231,970	546,039	901,792
Non-capitalized equipment	2,000	60	1,940	61
Total Operation and Maintenance of Plant Services	\$ 7,670,538	\$ 6,970,854	\$ 699,684	\$ 5,704,985

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Other support services:				
Purchased services	\$ 20,000	\$ 20,714	\$ (714)	\$ 20,714
Total Other support services	20,000	20,714	(714)	20,714
Total Support Services	7,890,538	7,187,158	703,380	11,890,383
Total Expenditures	7,890,538	7,187,158	703,380	11,890,383
Excess of revenues over expenditures	85,289	1,043,919	958,630	3,520,378
<b>OTHER FINANCING USES</b>				
Transfers out	-	(3,000,000)	(3,000,000)	-
Total other financing uses	-	(3,000,000)	(3,000,000)	-
Net changes in fund balance	<u>\$ 85,289</u>	<u>(1,956,081)</u>	<u>\$ (2,041,370)</u>	11,890,383
Fund balance (deficit) at beginning of year		752,008		(2,768,370)
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ (1,204,073)</u>		<u>\$ 752,008</u>

(Concluded)



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**WORKING CASH ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
General tax levy (refund)	\$ 104,500	\$ 268,433	\$ 163,933	\$ 486,657
Earnings on investments	167,739	245,146	77,407	(27,164)
Total Local Sources	272,239	513,579	241,340	459,493
Total Revenues	272,239	513,579	241,340	459,493
Excess of revenues over expenditures	272,239	513,579	241,340	459,493
<b>OTHER FINANCING USES</b>				
Transfers out	(167,739)	(240,091)	(72,352)	(174,690)
Net changes in fund balance	<u>\$ 104,500</u>	273,488	<u>\$ 168,988</u>	284,803
Fund balance at beginning of year		13,329,803		13,045,000
FUND BALANCE AT END OF YEAR		<u>\$ 13,603,291</u>		<u>\$ 13,329,803</u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**TORT IMMUNITY AND JUDGMENT ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
Tort immunity levy	\$ 651,000	\$ 716,506	\$ 65,506	\$ 988,230
Earnings on investments	3,727	6,775	3,048	4,090
Other	-	2,900	2,900	-
Total Local Sources	654,727	726,181	71,454	992,320
<b>EXPENDITURES</b>				
Support services:				
Workers' compensation or workers' occupational disease act payment:				
Purchased services	450,000	358,399	91,601	33,518
Total	450,000	358,399	91,601	33,518
Unemployment insurance payment:				
Employee benefits	40,000	33,825	6,175	-
Total	40,000	33,825	6,175	-
Insurance payment:				
Purchased services	191,912	168,664	23,248	-
Total	191,912	168,664	23,248	-
Risk management and claims services payments:				
Employee benefits	-	-	-	40,367
Purchased services	-	7,215	(7,215)	452,968
Supplies and materials	5,000	1,871	3,129	257
Capital outlay	-	2,900	(2,900)	2,333
Total	\$ 5,000	\$ 11,986	\$ (6,986)	\$ 495,925

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**TORT IMMUNITY AND JUDGMENT ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
Educational, inspectional, supervisory services related to loss prevention of reduction:				
Supplies and materials	\$ -	\$ 9,339	\$ (9,339)	\$ -
Total	-	9,339	(9,339)	-
Total support	686,912	582,213	104,699	529,443
Total Expenditures	686,912	582,213	104,699	529,443
Excess (deficiency) of revenues over expenditures	\$ (32,185)	143,968	\$ 176,153	462,877
Fund balance at beginning of year		1,439,434		976,557
FUND BALANCE AT END OF YEAR		\$ 1,583,402		\$ 1,439,434

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>					
<b>Assets:</b>					
Cash and investments	\$ 2,853,706	\$ 1,808,650	\$ 3,417,654	\$ 2,642,071	\$ 10,722,081
<b>Receivables:</b>					
Property taxes	709,496	912,208	1,428,436	-	3,050,140
Due from other governments	170,738	2,395	-	-	173,133
Other receivables	5,645	-	-	-	5,645
<b>TOTAL ASSETS</b>	<u><u>\$ 3,739,585</u></u>	<u><u>\$ 2,723,253</u></u>	<u><u>\$ 4,846,090</u></u>	<u><u>\$ 2,642,071</u></u>	<u><u>\$ 13,950,999</u></u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
<b>Liabilities:</b>					
Accounts payable	\$ 30,117	\$ -	\$ -	\$ 573,346	\$ 603,463
Deferred revenue	880,234	912,208	1,428,436	-	3,220,878
<b>Total Liabilities</b>	<u>910,351</u>	<u>912,208</u>	<u>1,428,436</u>	<u>573,346</u>	<u>3,824,341</u>
<b>Fund Balance:</b>					
Restricted	<u>2,829,234</u>	<u>1,811,045</u>	<u>3,417,654</u>	<u>2,068,725</u>	<u>10,126,658</u>
<b>Total Fund Balance</b>	<u>2,829,234</u>	<u>1,811,045</u>	<u>3,417,654</u>	<u>2,068,725</u>	<u>10,126,658</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 3,739,585</u></u>	<u><u>\$ 2,723,253</u></u>	<u><u>\$ 4,846,090</u></u>	<u><u>\$ 2,642,071</u></u>	<u><u>\$ 13,950,999</u></u>

**PARK RIDGE-NILES SCHOOL SCHOOL DISTRICT NO. 64**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>					
Local sources	\$ 1,669,344	\$ 2,128,813	\$ 3,110,360	\$ 1,218	\$ 6,909,735
State sources	663,239	-	-	-	663,239
Total Revenues	<u>2,332,583</u>	<u>2,128,813</u>	<u>3,110,360</u>	<u>1,218</u>	<u>7,572,974</u>
<b>EXPENDITURES</b>					
Current operating:					
Instruction	-	855,039	-	-	855,039
Support services	1,583,020	1,114,247	-	932,493	3,629,760
Community services	-	100,966	-	-	100,966
Debt service:					
Principal	-	-	2,055,000	-	2,055,000
Interest and other	-	-	742,879	-	742,879
Total Expenditures	<u>1,583,020</u>	<u>2,070,252</u>	<u>2,797,879</u>	<u>932,493</u>	<u>7,383,644</u>
Excess (deficiency) of revenues over expenditures	<u>749,563</u>	<u>58,561</u>	<u>312,481</u>	<u>(931,275)</u>	<u>189,330</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	3,000,000	3,000,000
Transfers Out	-	-	(11,611)	-	(11,611)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,611)</u>	<u>3,000,000</u>	<u>2,988,389</u>
Net changes in fund balance	749,563	58,561	300,870	2,068,725	3,177,719
Fund balances at beginning of year	<u>2,079,671</u>	<u>1,752,484</u>	<u>3,116,784</u>	<u>-</u>	<u>6,948,939</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,829,234</u>	<u>\$ 1,811,045</u>	<u>\$ 3,417,654</u>	<u>\$ 2,068,725</u>	<u>\$ 10,126,658</u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 1,379,000	\$ 1,563,980	\$ 184,980	\$ 1,790,964
Regular transportation fees	57,745	84,450	26,705	76,701
Summer transportation fees	1,000	6,630	5,630	1,020
Earnings on investments	5,884	13,884	8,000	6,005
Other	400	400	-	-
Total Local Sources	1,444,029	1,669,344	225,315	1,874,690
State Sources:				
Transportation aid	674,091	663,239	(10,852)	770,069
Total State Sources	674,091	663,239	(10,852)	770,069
Total Revenues	2,118,120	2,332,583	214,463	2,644,759
<b>EXPENDITURES</b>				
Current operating:				
Support Services:				
Pupil Transportation Services:				
Salaries	30,628	30,628	-	30,628
Purchased services	1,555,031	1,552,392	2,639	1,735,734
Total Support Services	1,585,659	1,583,020	2,639	1,766,362
Total Expenditures	1,585,659	1,583,020	2,639	1,766,362
Excess of revenues over expenditures	\$ 532,461	749,563	\$ 217,102	878,397
Fund balance at beginning of year		2,079,671		1,201,274
FUND BALANCE AT END OF YEAR		\$ 2,829,234		\$ 2,079,671

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 1,074,000	\$ 1,005,721	\$ (68,279)	\$ 1,470,203
Social security/medicare only levy	1,074,000	1,005,499	(68,501)	732,436
Corporate replacement taxes	110,441	108,722	(1,719)	101,649
Earnings on investments	5,455	8,871	3,416	6,996
Total Local Sources	2,263,896	2,128,813	(135,083)	2,311,284
Total Revenues	2,263,896	2,128,813	(135,083)	2,311,284
<b>EXPENDITURES</b>				
Current operating:				
Instruction				
Regular programs	505,839	325,956	179,883	421,435
Special education programs	282,940	497,140	(214,200)	260,874
Interscholastic programs	1,580	2,605	(1,025)	1,278
Summer school programs	25,056	7,282	17,774	21,100
Gifted programs	18,355	15,986	2,369	14,838
Bilingual programs	5,949	6,070	(121)	4,809
Total Instruction	839,719	855,039	(15,320)	724,334
Support Services				
Pupils	96,989	93,373	3,616	91,846
Instructional staff	143,387	81,449	61,938	123,841
General administration	94,356	40,326	54,030	88,606
School administration	93,610	166,281	(72,671)	78,713
Business	647,127	568,759	78,368	622,423
Central	122,761	164,059	(41,298)	111,155
Total support services	1,198,230	1,114,247	83,983	1,116,584
Community services				
Community services - employee benefits	71,426	100,966	(29,540)	68,437
Total Expenditures	2,109,375	2,070,252	39,123	1,909,355
Excess (deficiency) of revenues over expenditure	\$ 154,521	58,561	\$ (95,960)	401,929
Fund balance at beginning of year		1,752,484		1,350,555
FUND BALANCE AT END OF YEAR		\$ 1,811,045		\$ 1,752,484

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 2,969,000	\$ 3,101,099	\$ 132,099	\$ 2,587,194
Earnings on investments	9,526	9,261	(265)	9,526
Total Local Sources	2,978,526	3,110,360	131,834	2,596,720
Total Revenues	2,978,526	3,110,360	131,834	2,596,720
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	2,055,000	2,055,000	-	1,754,998
Interest on bonds	739,300	739,300	-	842,462
Other	9,800	3,579	6,221	3,378
Total Expenditures	2,804,100	2,797,879	6,221	2,600,838
Excess (deficiency) of revenues over expenditures	174,426	312,481	138,055	(4,118)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	79,460
Transfers out	(9,526)	(11,611)	(2,085)	(8,593)
Total other financing sources (uses)	(9,526)	(11,611)	(2,085)	70,867
Net changes in fund balance	\$ 164,900	300,870	\$ 135,970	66,749
Fund balance at beginning of year		3,116,784		3,050,035
FUND BALANCE AT END OF YEAR		\$ 3,417,654		\$ 3,116,784



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL TOTALS FOR 2011**

	2012			2011 Actual
	Final Budget	Actual	Variance over/under	
<b>REVENUES</b>				
Local Sources:				
Earnings on investments	\$ -	\$ 1,218	\$ 1,218	\$ -
Total Local Sources	-	1,218	1,218	-
Total Revenues	-	1,218	1,218	-
<b>EXPENDITURES</b>				
Facilities acquisition:				
Purchased services	-	376,333	(376,333)	-
Capital outlay	-	556,160	(556,160)	-
Total support services	-	932,493	(932,493)	-
Deficiency of revenues over expenditures	-	(931,275)	(931,275)	-
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	3,000,000	3,000,000	-
Net changes in fund balance	\$ -	2,068,725	\$ 2,068,725	-
Fund balance at beginning of year		-		-
<b>FUND BALANCE AT END OF YEAR</b>		<b>\$ 2,068,725</b>		<b>\$ -</b>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**AGENCY FUND - ACTIVITY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2012**

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	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>Assets:</b>				
Cash	<u>\$ 79,841</u>	<u>\$ 563,400</u>	<u>\$ 428,470</u>	<u>\$ 214,771</u>
<b>Liabilities:</b>				
Due to organizations	<u>\$ 79,841</u>	<u>\$ 563,400</u>	<u>\$ 428,470</u>	<u>\$ 214,771</u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**LAST FIVE TAX LEVY YEARS**

	2011	2010	2009	2008	2007
Assessed Valuation	<u>\$1,843,115,448</u>	<u>\$2,016,342,297</u>	<u>\$2,137,881,366</u>	<u>\$2,121,453,047</u>	<u>\$1,968,799,003</u>
Rates extended:					
Educational	2.3906	2.1686	1.8996	1.9570	2.0262
Tort immunity	0.0394	0.0360	0.0635	0.0595	0.0586
Special education	0.0284	0.0240	0.0212	0.0158	0.0156
Operations and maintenance	0.4513	0.3815	0.3177	0.2917	0.2874
Transportation	0.0805	0.0841	0.0953	0.0893	0.0880
Illinois municipal retirement/ Social security	0.1036	0.1080	0.1122	0.1012	0.0997
Debt service	0.1621	0.1483	0.1258	0.1271	0.2319
Working cash	0.0282	0.0000	0.0500	0.0428	0.0422
Total rates extended	<u>3.2841</u>	<u>2.9505</u>	<u>2.6853</u>	<u>2.6844</u>	<u>2.8496</u>
Property tax extensions:					
Educational	\$ 44,061,698	\$ 43,726,428	\$ 40,611,477	\$ 41,516,066	\$ 39,871,166
Tort immunity	726,892	726,337	1,358,238	1,262,871	1,154,451
Special education	523,689	484,225	452,746	335,209	306,431
Operations and maintenance	8,318,803	7,691,912	6,791,191	6,189,180	5,657,829
Transportation	1,483,786	1,694,787	2,037,358	1,894,305	1,731,876
Illinois municipal retirement/ Social security	1,907,724	2,179,012	2,399,554	2,146,881	1,962,567
Debt service	2,987,250	2,991,030	2,690,520	2,697,385	4,565,816
Working cash	519,209	-	1,068,457	908,869	830,841
Total levies extended	<u>\$ 60,529,051</u>	<u>\$ 59,493,731</u>	<u>\$ 57,409,541</u>	<u>\$ 56,950,766</u>	<u>\$ 56,080,977</u>
Total collections	<u>\$ 31,581,053</u>	<u>\$ 57,596,129</u>	<u>\$ 56,434,406</u>	<u>\$ 55,601,702</u>	<u>\$ 54,949,046</u>
Percentage of extensions collected	<u>52.18%</u>	<u>96.81%</u>	<u>98.30%</u>	<u>97.63%</u>	<u>97.98%</u>

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

Source of information: Cook County Levy, Rate and Extension Reports for 2007-2011.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**OPERATING COST AND TUITION CHARGE**  
**YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011**

	<u>2012</u>	<u>2011</u>
Expenditures:		
Educational Fund	\$ 52,638,391	\$ 50,211,870
Operations and Maintenance Fund	7,187,158	11,890,383
Debt Service Fund	2,797,879	2,600,838
Transportation Fund	1,583,020	1,766,362
Municipal Retirement/Social Security Fund	2,070,252	1,909,355
Tort Immunity Fund	<u>582,213</u>	<u>529,443</u>
Total expenditures	<u>66,858,913</u>	<u>68,908,251</u>
Less revenues/expenditures not applicable to operating expense of regular program:		
Summer school	212,654	249,854
Tuition paid	937,973	723,889
Community services	1,010,874	1,115,820
Capital outlay	2,407,057	7,153,801
Bond and other principal retired	2,055,000	1,754,998
Payments to other districts and governmental units	<u>2,614,548</u>	<u>3,126,120</u>
	<u>9,238,106</u>	<u>14,124,482</u>
Regular operating expenditures	57,620,807	54,783,769
Offsetting revenues	<u>7,022,106</u>	<u>14,368,766</u>
Net operating expenditures	50,598,701	40,415,003
Depreciation allowance	<u>1,498,759</u>	<u>1,454,282</u>
Total allowance for tuition computation	<u>\$ 52,097,460</u>	<u>\$ 41,869,285</u>
Average daily attendance	<u>3,908</u>	<u>3,962</u>
Per capita tuition charge	<u>\$ 13,332</u>	<u>\$ 10,566</u>

Source of information: 2012 & 2011 annual financial reports