

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

Audited Financial Statements

**For The Year Ended
June 30, 2011**

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64

June 30, 2011 (Continued)

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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, 2011, 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, 2011, 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 30, 2011, 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 as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the 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 introductory section and statistical sections 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.



Klein, Hall & Associates, LLC
Aurora, Illinois
September 30, 2011

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011
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, 2011. 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 new 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 \$3.9. This represents a 6% increase from 2010.
- General revenues accounted for \$59.8 in revenue or 73% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$4.0 or 4.9% of total revenues of \$81.6.
- The District had \$68.9 in expenses related to government activities. However, only \$21.8 of these expenses were offset by program specific charges and grants.
- The District continued to pay down its long-term bonded debt retiring \$1.8 of principal in fiscal 2011.
- The District received a Recognition financial profile rating from the Illinois State Board of Education for 2011, 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:

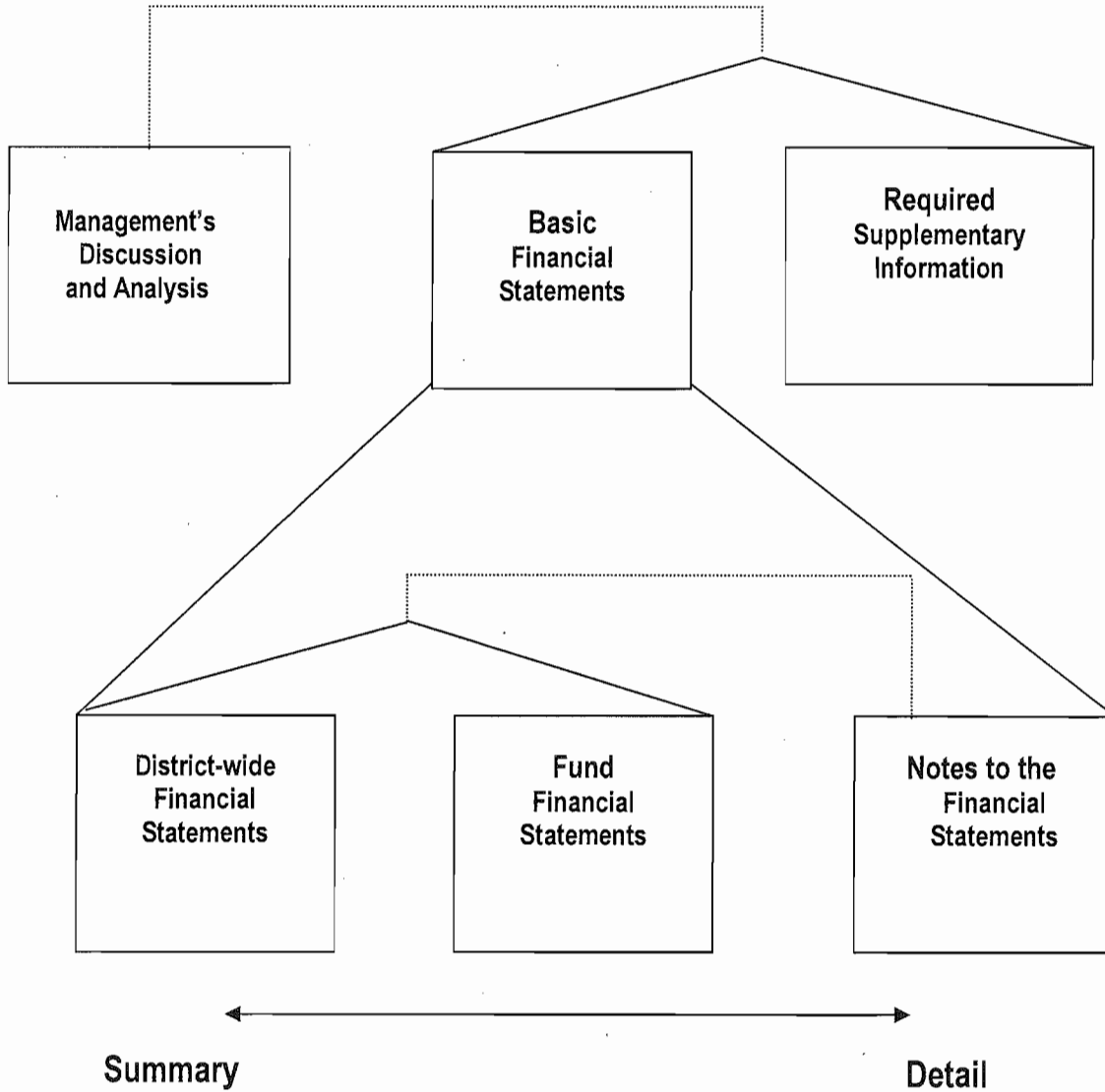
- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's 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, 2011
UNAUDITED**

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, 2011
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"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
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, 2011
UNAUDITED**

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 – is 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, 2011
UNAUDITED**

Financial Analysis of the District as a Whole

Net assets: The District's *combined* net assets decreased increased 6% to \$66.0 million as of June 30, 2011 (See Figure A-3).

Figure A-3

Condensed Statement of Net Assets (in millions of dollars)

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Assets:		
Current and other assets	\$78.8	\$74.0
Deferred charges	0.0	0.1
Capital assets	<u>38.7</u>	<u>41.2</u>
Total assets	<u>117.5</u>	<u>115.3</u>
Liabilities:		
Current liabilities	34.8	35.1
Long-term debt outstanding	<u>16.7</u>	<u>18.1</u>
Total liabilities	<u>51.5</u>	<u>53.2</u>
Net assets:		
Invested in capital assets, net of related debt	22.1	24.1
Restricted	8.4	4.3
Unrestricted	<u>35.5</u>	<u>33.7</u>
Total net assets	<u>\$66.0</u>	<u>\$62.1</u>

The District continues to maintain a stable financial position.

The District's total revenues decreased less than 1% to \$81.6 million (See Figure A-4). Property taxes account for approximately 71% of the District's total revenues. An additional 24% of the District's revenue comes from general state aid and state and federal grants. Less than 5% comes from direct charges for services in the form of student fees.

The total cost of all programs and services rose 0.3% to \$68.9 million (See Figure A-4). The District's expenses are predominantly related to instructing, caring for (pupil services), and transporting students (73%). The District's administrative and business activities accounted for 9% of total costs and another 8% was for maintenance and operation of the District's buildings.

Total revenues surpassed expenses, increasing net assets by \$3.9 million over last year.

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

Figure A-4

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

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Revenues		
<i>Program revenues</i>		
Charges for services	\$4.0	\$4.2
Operating Grants & Contributions	11.4	12.9
Capital Grants & Contributions	6.4	2.6
<i>General revenues</i>		
Taxes	58.1	59.5
General State Aid	1.6	1.4
Other	<u>0.1</u>	<u>1.7</u>
Total revenues	<u>\$81.6</u>	<u>\$82.3</u>
Expenses		
Instruction	\$43.8	\$47.0
Pupil & Instructional Services	4.4	4.6
Administration & Business	6.2	5.3
Transportation	1.8	1.9
Operations & Maintenance	5.8	6.4
Other	<u>6.9</u>	<u>3.5</u>
Total expenses	<u>\$68.9</u>	<u>\$68.7</u>
Excess before extraordinary item	12.7	13.6
Extraordinary item	<u>(8.8)</u>	<u>0.0</u>
Increase in net assets	<u>\$3.9</u>	<u>\$13.6</u>

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

Figure A-5 Sources of Revenues for Fiscal Year 2011

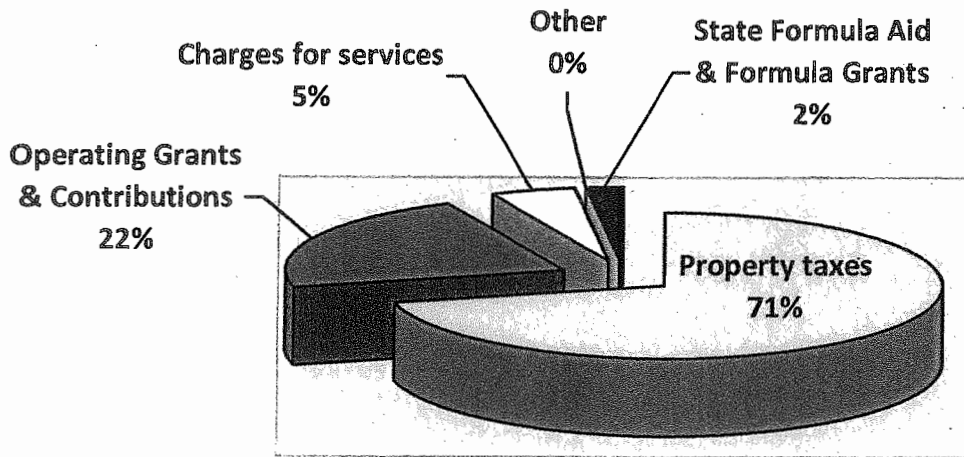
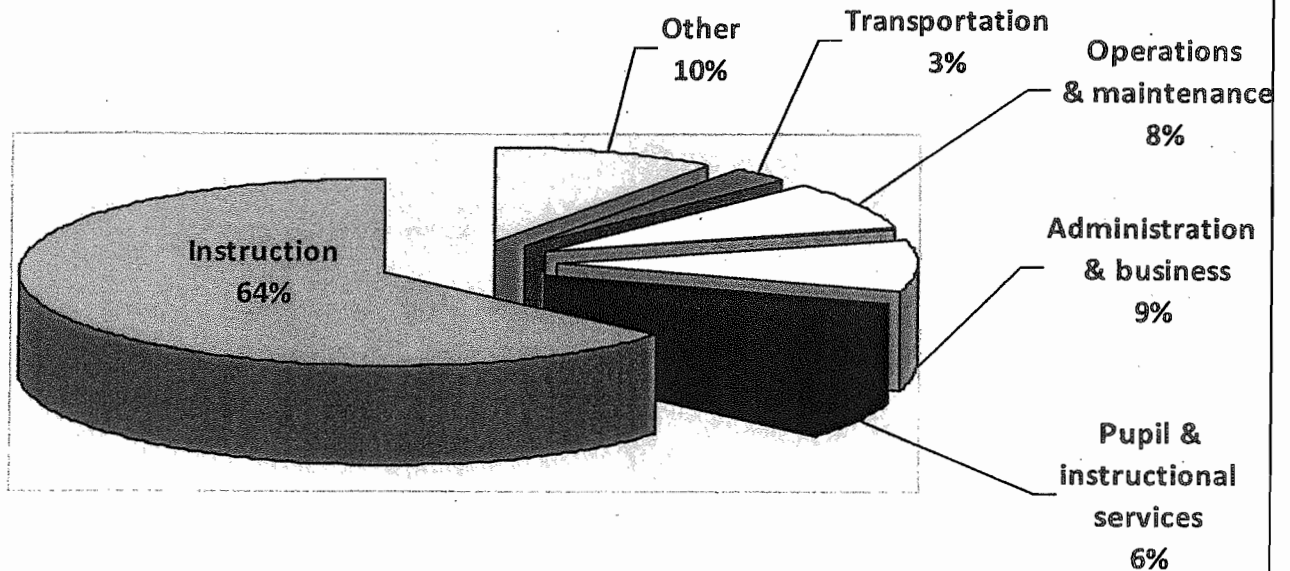


Figure A-6 Expenses for Fiscal Year 2011



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED**

Governmental Activities

Revenues and expenses for the District's governmental activities were comparable to the prior year as each changed less than 1%. The District conducted a full appraisal of its capital assets during the fiscal year. The District reduced the value of its buildings and equipment as a result of the appraisal and reported this loss as an extraordinary item on the Statement of Activities. However, the District still reported a \$3.9 million increase in net assets for the year.

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 \$43.9 million, as compared to last year's ending fund balances of \$35.7 million.

All of the District's governmental funds reported increases in fund balance in 2011. 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 operating expenses.

General Fund Budgetary Highlights

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

- Revenues in the General Fund were less than budgeted revenues by \$1.9 million. The decrease mainly occurred because the District's tax levy was limited by tax cap laws. The State of Illinois continues to be two quarters behind on several special education categorical grant payments. The late collection of tax and grant revenues along with the poor economic conditions also resulted in less interest income than expected.
- Expenditures were less than budget by \$6.7 million as the District controlled its spending during a year of economic uncertainty.

Capital Asset and Debt Administration

Capital Assets

By the end of 2011, the District had invested \$38.7 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 \$1.4 million, while additions to buildings and equipment amounted to \$7.7 million.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED**

Figure A-7
Capital Assets (net of depreciation, in millions of dollars)

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$0.4	\$0.4
Construction in progress	9.2	3.4
Buildings & improvements	28.5	37.2
Equipment	<u>0.6</u>	<u>0.2</u>
TOTAL	<u>\$38.7</u>	<u>\$41.2</u>

Long-Term Debt

At year-end, the District had \$16.7 million in general obligation bonds, installment contracts 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)

	<u>Total School District</u>	
	<u>2011</u>	<u>2010</u>
General obligation bonds	\$15.0	\$17.2
Capital Leases and other	<u>1.7</u>	<u>1.9</u>
TOTAL	<u>\$16.7</u>	<u>\$18.1</u>

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 2009 CPI-U of 2.7% affected the District's ability to increase its operating fund revenues for fiscal year 2011 and beyond, although the passage of the 2007 referendum has positioned the District to survive the economic storm without dismantling its educational programs.

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

The District continues to monitor the State of Illinois' financial condition and budget discussions closely. The State's budgetary decisions could impact the District's funding levels received in future years.

The District's collective bargaining agreements expire at the end of the 2011-12 school year. The District is in the process of negotiating new contracts.

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, 2011

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 46,492,458
Receivables:	
Property taxes	29,401,523
Due from other governments	2,098,124
Other receivables	255,821
Prepaid	44,040
Other current assets	424,219
Deferred charges	45,595
Capital assets:	
Land and construction in progress	9,605,949
Other capital assets, net of accumulated depreciation	<u>29,140,975</u>
 Total Assets	 <u>117,508,704</u>
Liabilities:	
Accounts payable	635,777
Accrued salaries and related expenditures	4,651,045
Unearned revenue	29,519,623
Noncurrent liabilities:	
Due within one year	2,175,281
Due in more than one year	<u>14,496,718</u>
	<u>51,478,444</u>
Net Assets:	
Invested in capital assets, net of related debt	22,074,925
Restricted	8,439,387
Unrestricted	<u>35,515,948</u>
 Total net assets	 <u><u>\$ 66,030,260</u></u>

See accompanying notes to basic financial statements

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Assets
					<u>Total Governmental Activities</u>
Governmental Activities:					
Instructional services:					
Regular programs	\$ 32,138,767	\$ 825,308	\$ 7,833,048	\$ -	\$ (23,480,411)
Special programs	10,958,168	-	2,794,632	-	(8,163,536)
Other programs	745,267	1,415,518	109,653	-	779,904
Support services:					
Pupils	2,131,315	-	-	-	(2,131,315)
Instructional staff	2,261,108	-	-	-	(2,261,108)
General administration	1,640,796	-	-	-	(1,640,796)
School administration	2,910,863	-	-	-	(2,910,863)
Business	1,622,173	1,584,224	47,801	-	9,852
Operation and maintenance of facilities	5,852,132	72,750	-	6,406,974	627,592
Transportation	1,766,838	77,721	638,006	-	(1,051,111)
Central	874,481	-	-	-	(874,481)
Other	1,898,950	-	-	-	(1,898,950)
Community services	1,115,820	-	-	-	(1,115,820)
Payments to other districts	2,218,056	-	-	-	(2,218,056)
Interest on long-term liabilities	772,307	-	-	-	(772,307)
Total school district	\$ 68,907,041	\$ 3,975,521	\$ 11,423,140	\$ 6,406,974	(47,101,406)

General revenues:

Property taxes levied for:		
General purposes		50,287,440
Transportation		1,790,964
Retirement		2,202,639
Debt service		2,587,194
Personal property replacement taxes		1,201,312
Federal and state aid not restricted to specific purposes		1,610,098
Earnings on investments		52,822
Miscellaneous		83,098
Total general revenues		<u>59,815,567</u>
Extraordinary item-loss on adjustment of capital assets		<u>(8,770,054)</u>
Change in net assets		3,944,107
Net assets - beginning		<u>62,086,153</u>
Net assets - ending		<u>\$ 66,030,260</u>

See accompanying notes to basic financial statements

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2011

<u>ASSETS</u>	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 39,828,688	\$ 6,663,770	\$ 46,492,458
Receivables:			
Property taxes	25,817,287	3,584,236	29,401,523
Due from other governments	1,647,022	451,102	2,098,124
Other receivables	254,738	1,083	255,821
Prepaid	44,040	-	44,040
Other current assets	424,219	-	424,219
TOTAL ASSETS	<u>\$ 68,015,994</u>	<u>\$ 10,700,191</u>	<u>\$ 78,716,185</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 620,367	\$ 15,410	\$ 635,777
Accrued salaries and related expenditures	4,651,045	-	4,651,045
Deferred revenue	25,783,781	3,735,842	29,519,623
Total Liabilities	<u>31,055,193</u>	<u>3,751,252</u>	<u>34,806,445</u>
Fund Balances:			
Non-spendable	44,040	-	44,040
Restricted	1,439,434	6,948,939	8,388,373
Unassigned	35,477,327	-	35,477,327
Total Fund Balances	<u>36,960,801</u>	<u>6,948,939</u>	<u>43,909,740</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 68,015,994</u>	<u>\$ 10,700,191</u>	<u>\$ 78,716,185</u>

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, 2011

Total fund balances - governmental funds \$ 43,909,740

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 \$67,951,583 and the accumulated depreciation is \$29,204,659. 38,746,924

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. 45,595

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	(15,372,024)	
Other post employment benefits	(1,179,694)	
Compensated absences	(120,281)	<u>(16,671,999)</u>

Net assets of governmental activities \$ 66,030,260

PARK RIDGE-NILE SCHOOL DISTRICT NO. 64
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	General	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Local sources	\$ 57,353,364	\$ 6,782,694	\$ 64,136,058
State sources	11,777,441	770,069	12,547,510
Federal sources	8,250,812	-	8,250,812
Total Revenues	<u>77,381,617</u>	<u>7,552,763</u>	<u>84,934,380</u>
EXPENDITURES			
Current operating:			
Instruction	42,925,543	724,334	43,649,877
Support services	24,244,592	2,882,946	27,127,538
Community services	1,047,383	68,437	1,115,820
Payments to other districts	2,218,056	-	2,218,056
Debt service:			
Principal	-	1,754,998	1,754,998
Interest and other	-	845,840	845,840
Total Expenditures	<u>70,435,574</u>	<u>6,276,555</u>	<u>76,712,129</u>
Excess of revenues over expenditures	<u>6,946,043</u>	<u>1,276,208</u>	<u>8,222,251</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	70,867	70,867
Transfers out	(70,867)	-	(70,867)
Total other financing sources (uses)	<u>(70,867)</u>	<u>70,867</u>	<u>-</u>
Net changes in fund balance	<u>6,875,176</u>	<u>1,347,075</u>	<u>8,222,251</u>
Fund Balances at beginning of year	<u>30,085,625</u>	<u>5,601,864</u>	<u>35,687,489</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 36,960,801</u></u>	<u><u>\$ 6,948,939</u></u>	<u><u>\$ 43,909,740</u></u>

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, 2011

Net change in fund balances - total governmental funds \$ 8,222,251

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	7,725,171	
Depreciation expense	<u>(1,454,282)</u>	6,270,889

The costs from the acquisition of capital assets are reported as expenses in the governmental funds. However, the cost of the capital assets are removed from the capital asset account in the statement of net assets and offset against the proceeds from the sale of capital assets resulting in a gain/loss on the sale of capital assets in the statement of activities. Also any adjustment of the capital assets are not reflected in the governmental funds.

Loss on sale of equipment		(8,770,054)
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Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are deferred in the fund statements.

Grant revenue	(3,313,178)	
Deferred interest	<u>73,534</u>	(3,239,644)

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	(416,509)	
Decrease in compensated absences	<u>14,750</u>	(401,759)

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:

Capital lease payments	74,998	
Amortization of premium on bond issuances	122,278	
Amortization of issuance costs on bond issuances	(14,852)	
Repayment of bond and loan principal	<u>1,680,000</u>	1,862,424

Change in net assets of governmental activities \$ 3,944,107

See accompanying notes to basic financial statements

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
AGENCY FUND - ACTIVITY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2011

Assets:

Cash	<u>\$ 79,841</u>
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Liabilities:

Due to organizations	<u>\$ 79,841</u>
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See accompanying notes to basic financial statements.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

Governmental funds include the following fund types:

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

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

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

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

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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

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

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

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

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

June 30, 2011

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

and so has been recognized as a revenue of the current period. 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. 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

June 30, 2011

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	\$28,768,080	\$28,768,080
Intergovernmental aid receivable	751,543	751,543
Total	\$29,519,623	\$29,519,623

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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 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 to be used to pay liabilities of the current period less the taxes collected within 60 days after the end of the previous fiscal year 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, 2011 are determined on the basis of current salary rates and include salary related payments.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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 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.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net 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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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, 2010, from which such summarized information was derived.

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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.

The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2011, the fair value of all investments held by the Treasurer’s office was \$345,414,587 and the fair value of the District’s proportionate share of the pool was \$46,492,458.

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

	<i>Carrying Value</i>	<i>Bank Balance</i>
Deposits with financial institutions – Fiduciary Funds	\$ 69,884	\$ 86,548
Total	\$ 69,884	\$ 86,548

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

Investments

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

<i>Investment Type</i>	<i>Fair Value</i>	<i>Maturity</i>	<i>% of Portfolio</i>	<i>Interest Rate</i>
Illinois School District Liquid Asset Fund	\$ 9,957	On demand	100.00 %	Variable
Total	\$ 9,957		100.00 %	

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.

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, 2011, the bank balance of the District's deposits with financial institutions totaled \$86,548; this amount was fully insured through FDIC.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<i>Balance June 30, 2010</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2011</i>
Capital assets, not being depreciated:				
Land	\$ 353,013	\$ -	\$ -	\$ 353,013
Construction in progress	3,414,562	6,407,411	569,037	9,252,936
Total capital assets not being depreciated	<u>3,767,575</u>	<u>6,407,411</u>	<u>569,037</u>	<u>9,605,949</u>
Capital assets, being depreciated:				
Buildings	48,524,428	269,037	-	48,793,465
Improvements other than buildings	637,262	300,000	-	937,262
Equipment and Vehicles	8,304,905	748,723	438,721	8,614,907
Total capital assets being depreciated	<u>57,466,595</u>	<u>1,317,760</u>	<u>438,721</u>	<u>58,345,634</u>
Accumulated depreciation for:				
Buildings	11,305,497	1,256,838	(8,032,083)	20,594,418
Improvements other than buildings	637,262	41,546	92,430	586,378
Equipment and Vehicles	8,045,322	155,898	177,357	8,023,863
Total accumulation depreciation	<u>19,988,081</u>	<u>1,454,282</u>	<u>(7,762,296)</u>	<u>29,204,659</u>
Total capital assets being depreciated, net	<u>37,478,514</u>	<u>(136,522)</u>	<u>8,201,017</u>	<u>29,140,975</u>
Total capital assets, net	<u>\$41,246,089</u>	<u>\$ 6,270,889</u>	<u>\$ 8,770,054</u>	<u>\$ 38,746,924</u>

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

Instructional services:	
Regular programs	\$ 23,705
Special programs	31,558
Fiscal services	2,036
Internal services	1,309
Supporting services:	
Business	400,800
Operations and maintenance of facilities	960,844
Community services	18,033
Central	15,997
	<u>\$1,454,282</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

NOTE 4. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2011 was as follows:

	<i>Balance</i>			<i>Balance</i>	
	<i>July 1,</i>			<i>June 30,</i>	<i>Amount due</i>
	<i>2010</i>	<i>Additions</i>	<i>Reductions</i>	<i>2011</i>	<i>in one year</i>
General Obligation Bonds Payable:					
12/1/08 General Obligation Refunding School Bonds	\$ 2,315,000	\$ -	\$ 240,000	\$ 2,075,000	\$ 295,000
11/1/01 School Bonds, Series 2001	14,360,000	-	1,440,000	12,920,000	1,760,000
Total Bonds Payable	16,675,000	-	1,680,000	14,995,000	2,055,000
Capital Lease	74,998	-	74,998	-	-
Net OPEB Obligation	763,185	416,509	-	1,179,694	-
Premium on bonds issued	499,302	-	122,278	377,024	-
Compensated absences	135,031	425,427	440,177	120,281	120,281
Total Long-Term Debt	\$18,147,516	\$841,936	\$2,317,453	\$16,671,999	\$ 2,175,281

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2011 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 \$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, 2011, \$15,110,000 of bonds outstanding are considered defeased.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

At June 30, 2011 the annual cash flow requirements of all bonds payable to retirement were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2012	\$ 2,055,000	\$ 739,300	\$ 2,794,300
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
Total	\$14,995,000	\$2,569,025	\$17,564,025

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$3,116,784 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, 2011 the statutory debt limit for the District was \$139,127,618 providing a debt margin of \$127,249,402 after taking into account amounts available in the Debt Service Fund.

Capital Leases. The District has entered into a lease agreement as lessee for financing the acquisition of copier equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. During the year ended June 30, 2011, the lease was paid in full.

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 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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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 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 (5ILCS 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. The director of HFS determines the rates and premiums from annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 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, 2011. State of Illinois contributions were \$288,693, and the district recognized revenue and expenditures of this amount during the year.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

State contributions intended to match active member contributions during the years ended June 30, 2010 and 2009 were 0.84 percent. State contributions on behalf of district employees were \$265,626, and \$249,221 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, 2011, and 0.63 percent during the years ended June 30, 2010 and June 30, 2009. For the year ended June 30, 2011, the District paid \$216,520 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$199,220 and \$186,915, 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

June 30, 2011

	<u>2010</u>	<u>2011</u>
Annual Required Contribution	\$ 554,503	\$ 565,126
Interest on net OPEB obligations	19,564	38,159
Adjustment to annual required contribution	<u>(24,241)</u>	<u>(47,282)</u>
Total Annual OPEB cost	\$ 549,826	\$ 556,003
Contributions made by District	<u>(177,917)</u>	<u>(139,494)</u>
Increase in OPEB obligation	\$ 371,909	\$ 416,509
 Net OPEB obligation – Beginning of Year	 <u>91,276</u>	 <u>763,185</u>
 Net OPEB obligation – End of Year	 <u>\$ 763,185</u>	 <u>\$ 1,179,694</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, 2011 and the proceeding year are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2011	\$ 556,003	25.1%	\$ 1,179,694
June 30, 2010	549,826	32.4%	763,185

The funded status of the Retirees' Health Plan as of June 30, 2011, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	<u>2011</u> 4,802,303
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>4,802,303</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	27,884,246
UAAL as a percentage of covered payroll	<u>17.22%</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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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 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, 2011 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 the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

contribution rate for the year ended June 30, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and 2009.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees. The District's total payroll reported to TRS for the year ended June 30, 2011 was \$32,806,015.

On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$7,515,185 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010, and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$7,327,226) and 17.08 percent (\$5,040,540), 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, 2011 were \$190,275. Contributions for the years ending June 30, 2010, and June 30, 2009, were \$183,409 and \$172,081, 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 in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2010 and 2009 the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$272,749 were paid from federal and special trust funds that required employer contributions of \$63,004. For the years ended June 30, 2010 and June 30, 2009, required district contributions were \$66,043 and \$26,943, respectively.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

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 contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2011, the district paid \$289,616 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the district made \$0 and \$0, in payments in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave.

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

For the year ended June 30, 2011, the District paid \$40,896 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2010 and 2009, the District made payments of \$0 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 used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011 as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the District paid \$9,419 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2010 and 2009, the District made no payments 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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2010. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.illinois.gov.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

Illinois Municipal Retirement Fund:

Plan Description. The district 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 statement and required supplementary information. That report may be obtained online at 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 2010 used by the district was 10.85 percent of annual covered payroll. The district annual required contribution rate for calendar year 2010 was 12.59 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, 2010, the districts actual contributions for pension cost for the Regular were \$770,660. Its required contribution for calendar year 2010 was \$894,250.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$894,250	86%	\$123,590
12/31/2009	671,085	100%	0
12/31/2008	644,583	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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, 2008 is being amortized as a level percentage of projected payroll

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 66.92 percent funded. The actuarial accrued liability for benefits was \$18,043,050 and the actuarial value of assets was \$12,074,169, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,968,881. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$7,102,856 and the ratio of the UAAL to the covered payroll was 84 percent.

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

NOTE 8. 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>
Debt Service	\$ 2,528,000	\$ 2,600,838	\$ 72,838

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 9. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2011:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund-Working Cash Account	General Fund-Education Account	\$ 174,690
General Fund-Working Cash Account	Debt Service Fund	79,460
Debt Service Fund	General Fund- Education Account	<u>8,593</u>
	Total Transfers	<u>\$ 262,743</u>

Transfers from the General Fund to the Debt Service Fund were made to provide funds for the debt service payments. Transfers to the General Fund were for transfers of investment income.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

NOTE 10. 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 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 \$1,439,434.

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, 2011, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

4. Social Security

Expenditures and the related revenues of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenues received exceeded expenditures for this purpose, resulting in a restricted fund balance \$700,994. The remaining balance is restricted for Municipal Retirement purposes.

5. Capital Projects Funds

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

C. Committed Fund Balance

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

No committed balances existed as of June 30, 2011.

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, 2011.

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

June 30, 2011

F. Reconciliation of Fund Balance Reporting

Fund	Non-spendable	Restricted	Committed	Assigned	Unassigned
Educational	\$44,040	-	-	-	\$21,395,516
Operations & Maintenance	-	-	-	-	752,008
Debt Service	-	3,116,784	-	-	-
Transportation	-	2,079,671	-	-	-
Municipal Retirement	-	1,752,484	-	-	-
Working Cash	-	-	-	-	13,329,803
Tort Liability	-	1,439,434	-	-	-

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 11. STATE AND FEDERAL AID CONTINGENCIES

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

NOTE 12. 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, 2011 is \$1,540,671 of amounts the state has acknowledged as due the District in past due grants funds. Of this amount, \$789,128 was received by August 31, 2011. 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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2011

used for revenue recognition.

It is believed that the state will continue to delay payment of certain grants during subsequent fiscal years. At June 30, 2011, 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 13. RESATEMENT OF FUND BALANCES

Due to the new GASB Pronouncements, the Tort Immunity, Working Cash and Operations and Maintenance Accounts were restated from Individual Special Revenue Funds into the General Fund.

This restatement was effective July 1, 2010.

NOTE 14. LOSS ON ADJUSTMENT OF CAPITAL ASSET

During the year, the District adjusted the balances of its capital assets to agree with the updated appraisal. This adjustment resulted in a loss of \$8,770,054.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Funding Progress
Illinois Municipal Retirement Fund
June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2010	\$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%
12/31/2008	11,246,621	15,539,745	4,293,124	72.37%	6,375,693	67.34%

On the market value basis, the actuarial value of assets as of December 31, 2010 is \$13,051,313.

On a market basis, the funded ratio would be 72.33%.

PARK RIDGE-NILES SCHOOL DISTRICT 64
 Schedule of Funding Progress (Unaudited)
 Other Postemployment Benefits
 June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
July 1, 2008	\$ 0.00	\$4,761,869	\$4,761,869	0.00%
July 1, 2009	0.00	4,424,147	4,424,147	0.00%
July 1, 2010	0.00	4,802,303	4,802,303	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, 2011

	General		
	Original and Final Budget	Actual	Variance Over/ (Under)
REVENUES			
Local sources	\$ 59,147,760	\$ 57,357,454	\$ (1,790,306)
State sources	12,541,095	11,773,351	(767,744)
Federal sources	7,582,527	8,250,812	668,285
Total Revenues	79,271,382	77,381,617	(1,889,765)
EXPENDITURES			
Current operating:			
Instruction	44,047,376	42,925,543	1,121,833
Support services	29,558,628	24,244,592	5,314,036
Community services	1,028,686	1,047,383	(18,697)
Payments to other districts	2,521,102	2,218,056	303,046
Total Expenditures	77,155,792	70,435,574	6,720,218
Excess (deficiency) of revenues over expenditures	2,115,590	6,946,043	4,830,453
OTHER FINANCING SOURCES (USES)			
Transfers	590,400	(70,867)	(661,267)
Total other financing sources (uses)	590,400	(70,867)	(661,267)
Net changes in fund balance	<u>\$ 2,705,990</u>	6,875,176	<u>\$ 4,169,186</u>
Fund balances at beginning of year		<u>30,085,625</u>	
FUND BALANCES AT END OF YEAR		<u><u>\$ 36,960,801</u></u>	

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Required Supplementary Information

Budgetary Comparison Schedules

June 30, 2011

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 27, 2010.
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, 2011

ASSETS	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Tort and Immunity</u>	<u>Total General</u>
Cash and investments	\$ 24,688,519	\$ 647,853	\$ 13,027,254	\$ 1,465,062	\$ 39,828,688
Receivables:					
Property taxes	21,601,806	3,851,755	-	363,726	25,817,287
Due from other governments	1,276,189	370,833	-	-	1,647,022
Other receivables	176,088	-	78,494	156	254,738
Prepaid	44,040	-	-	-	44,040
Other current assets	200,164	-	224,055	-	424,219
TOTAL ASSETS	<u>\$ 47,986,806</u>	<u>\$ 4,870,441</u>	<u>\$ 13,329,803</u>	<u>\$ 1,828,944</u>	<u>\$ 68,015,994</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 252,480	\$ 334,369	\$ -	\$ 33,518	\$ 620,367
Accrued salaries and related expenditures	4,636,839	14,206	-	-	4,651,045
Deferred revenue	21,657,931	3,769,858	-	355,992	25,783,781
Total Liabilities	<u>26,547,250</u>	<u>4,118,433</u>	<u>-</u>	<u>389,510</u>	<u>31,055,193</u>
Fund Balances:					
Non-spendable	44,040	-	-	-	44,040
Restricted	-	-	-	1,439,434	1,439,434
Unassigned	21,395,516	752,008	13,329,803	-	35,477,327
Total Fund Balances	<u>21,439,556</u>	<u>752,008</u>	<u>13,329,803</u>	<u>1,439,434</u>	<u>36,960,801</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 47,986,806</u>	<u>\$ 4,870,441</u>	<u>\$ 13,329,803</u>	<u>\$ 1,828,944</u>	<u>\$ 68,015,994</u>

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BY ACCOUNT
YEAR ENDED JUNE 30, 2011

	Educational	Operations and Maintenance	Working Cash	Tort and Immunity	Total General
REVENUES					
Local sources	\$ 47,194,381	\$ 8,711,260	\$ 459,493	\$ 988,230	\$ 57,353,364
State sources	11,773,351	-	-	4,090	11,777,441
Federal sources	1,551,311	6,699,501	-	-	8,250,812
Total Revenues	60,519,043	15,410,761	459,493	992,320	77,381,617
EXPENDITURES					
Current operating:					
Instruction	42,925,543	-	-	-	42,925,543
Support services	11,824,766	11,890,383	-	529,443	24,244,592
Community services	1,047,383	-	-	-	1,047,383
Payments to other districts	2,218,056	-	-	-	2,218,056
Total Expenditures	58,015,748	11,890,383	-	529,443	70,435,574
Excess of revenues over expenditures	2,503,295	3,520,378	459,493	462,877	6,946,043
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	103,823	-	(174,690)	-	(70,867)
Total other financing sources	103,823	-	(174,690)	-	(70,867)
Net changes in fund balance	2,607,118	3,520,378	284,803	462,877	6,875,176
Fund balances (deficits) at beginning of year	18,832,438	(2,768,370)	13,045,000	976,557	30,085,625
FUND BALANCES AT END OF YEAR	\$ 21,439,556	\$ 752,008	\$ 13,329,803	\$ 1,439,434	\$ 36,960,801

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
REVENUES				
Local Sources:				
General tax levy	\$ 43,011,458	\$ 41,350,543	\$ (1,660,915)	\$ 42,029,230
Tort immunity levy	-	-	-	
Special education levy	435,290	450,839	15,549	405,738
Corporate replacement taxes	826,375	1,099,663	273,288	794,624
Tuition	186,000	309,608	123,608	248,882
Earnings on investments	297,300	52,660	(244,640)	700,091
Food services	452,495	419,422	(33,073)	371,038
Pupil activities	31,800	51,500	19,700	49,730
Textbooks	954,864	1,164,802	209,938	834,726
Contributions and donations	1,000	-	(1,000)	250,000
Payments of surplus monies from TIF districts	436,817	395,137	(41,680)	279,733
Payment from other LEA's	398,048	464,200	66,152	483,674
Other (refunds)	1,292,550	1,436,007	143,457	1,454,348
Total Local Sources	48,323,997	47,194,381	(1,129,616)	47,901,814
State Sources:				
General state aid	1,610,189	1,610,098	(91)	1,295,444
Bilingual education	5,298	3,112	(2,186)	5,525
Vocational education	-	8,177	8,177	-
Special education	2,473,176	2,146,922	(326,254)	2,630,080
School lunch aid	1,750	1,645	(105)	1,625
Reading improvement	149,473	149,473	-	-
On behalf payments to TRS from the state	8,276,209	7,803,878	(472,331)	7,592,852
Other grants-in-aid	25,000	50,046	25,046	57,798
Total State Sources	12,541,095	11,773,351	(767,744)	11,583,324
Federal Sources:				
Title V	4,099	-	(4,099)	-
National school lunch program	31,500	46,396	14,896	40,005
Safe and drug free schools	-	-	-	10,305
IDEA	952,675	898,147	(54,528)	812,497
Medicaid matching	50,000	83,098	33,098	80,357
Title II - teacher quality	91,621	81,624	(9,997)	90,435
ARRA funding	516,599	423,814	(92,785)	1,087,770
Other	-	18,232	18,232	-
Total Federal Sources	1,646,494	1,551,311	(95,183)	2,121,369
Total Revenues	\$ 62,511,586	\$ 60,519,043	\$ (1,992,543)	\$ 61,606,507

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
EXPENDITURES				
Current operating:				
Instruction:				
Regular programs:				
Salaries	\$ 19,735,684	\$ 20,679,278	\$ (943,594)	\$ 19,834,233
Employee benefits	2,360,611	1,875,301	485,310	2,374,414
On-behalf payments to TRS from the state	8,276,209	7,803,878	472,331	7,592,852
Purchased services	165,495	76,296	89,199	166,053
Supplies and materials	1,163,202	963,777	199,425	1,476,951
Capital outlay	148,950	141,147	7,803	99,704
Other	1,500	1,165	335	1,720
Total	31,851,651	31,540,842	310,809	31,545,927
Special programs:				
Salaries	5,551,624	7,233,073	(1,681,449)	7,519,634
Employee benefits	933,195	713,013	220,182	1,180,816
Purchased services	74,733	34,502	40,231	220,297
Supplies and materials	273,512	133,359	140,153	217,705
Capital outlay	39,911	10,091	29,820	132,678
Other	-	(226,349)	226,349	-
Non-capitalized equipment	-	-	-	53,100
Total	6,872,975	7,897,689	(1,024,714)	9,324,230
Special programs pre-k:				
Salaries	921,483	540,592	380,891	-
Employee benefits	2,931	122,724	(119,793)	-
Supplies and materials	100,561	120,376	(19,815)	-
Capital outlay	26,142	26,141	1	-
	1,051,117	809,833	241,284	-
Remedial and supplemental programs K-12				
Salaries	1,327,029	-	1,327,029	-
Employee benefits	3,065	116,257	(113,192)	-
Supplies and materials	-	-	-	7,306
Total	\$ 1,330,094	\$ 116,257	\$ 1,213,837	\$ 7,306

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Interscholastic programs:				
Salaries	\$ 104,100	\$ -	\$ 104,100	\$ 1,210
Employee benefits	6,130	1,365	4,765	120
Purchased services	9,040	11,999	(2,959)	4,550
Supplies and materials	20,500	9,703	10,797	4,234
Capital outlay	500	869	(369)	-
Other	2,400	1,525	875	710
Total	142,670	25,461	117,209	10,824
Summer school:				
Salaries	173,253	220,865	(47,612)	296,966
Employee benefits	7,006	3,812	3,194	3,036
Purchased services	2,300	2,100	200	1,815
Supplies and materials	11,000	957	10,043	15,676
Other	-	-	-	45
Total	193,559	227,734	(34,175)	317,538
Gifted programs:				
Salaries	993,452	1,051,703	(58,251)	939,135
Employee benefits	63,324	105,251	(41,927)	87,220
	14,100	500	13,600	-
Supplies and materials	7,700	6,428	1,272	6,973
Total	1,078,576	1,163,882	(85,306)	1,033,328
Bilingual:				
Salaries	357,497	377,096	(19,599)	316,960
Employee benefits	25,437	38,060	(12,623)	32,249
Purchased services	800	1,695	(895)	400
Supplies and materials	3,000	3,105	(105)	2,465
Total	386,734	419,956	(33,222)	352,074
Special education programs K-12- private tuition				
Other objects	1,140,000	723,889	416,111	1,010,706
Total	1,140,000	723,889	416,111	1,010,706
Total Instruction	\$ 44,047,376	\$ 42,925,543	\$ 1,121,833	\$ 43,601,933

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Support Services:				
Pupils:				
Attendance and social work:				
Salaries	\$ 667,692	\$ 873,517	\$ (205,825)	\$ 823,601
Employee benefits	107,649	121,723	(14,074)	76,403
Purchased services	-	-	-	3,900
Supplies and materials	1,045	728	317	756
Total	<u>776,386</u>	<u>995,968</u>	<u>(219,582)</u>	<u>904,660</u>
Guidance services:				
Salaries	141,981	1,206	140,775	178,149
Employee benefits	1,540	30,826	(29,286)	17,392
Supplies and materials	600	563	37	481
Total	<u>144,121</u>	<u>32,595</u>	<u>111,526</u>	<u>196,022</u>
Health services:				
Salaries	347,160	391,860	(44,700)	419,208
Employee benefits	28,841	39,487	(10,646)	35,975
Purchased services	7,930	5,725	2,205	5,741
Supplies and materials	15,365	9,034	6,331	2,445
Capital outlay	2,395	899	1,496	-
Total	<u>401,691</u>	<u>447,005</u>	<u>(45,314)</u>	<u>463,369</u>
Psychological services:				
Salaries	321,849	377,242	(55,393)	390,272
Employee benefits	48,434	54,995	(6,561)	63,814
Purchased services	27,183	12,990	14,193	7,517
Supplies and materials	10,000	5,815	4,185	12,104
Other	525	-	525	525
Total	<u>407,991</u>	<u>451,042</u>	<u>(43,051)</u>	<u>474,232</u>
Speech pathology and audiology services:				
Salaries	969,407	24,721	944,686	-
Employee benefits	5,444	82,930	(77,486)	-
Purchased services	69,000	3,965	65,035	-
Supplies and materials	2,520	2,142	378	-
Total	<u>\$ 1,046,371</u>	<u>\$ 113,758</u>	<u>\$ 932,613</u>	<u>\$ -</u>

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Other supporting services:				
Salaries	\$ -	\$ -	\$ -	\$ 1,008
Employee benefits	-	-	-	77
Purchased services	-	-	-	757
Supplies and materials	-	-	-	2,334
Total	-	-	-	4,176
Instructional staff:				
Improvement of instruction services:				
Salaries	1,499,500	800,904	698,596	190,425
Employee benefits	69,150	51,982	17,168	41,989
Purchased services	307,722	48,514	259,208	205,690
Supplies and materials	66,750	21,239	45,511	8,465
Capital outlay	75,000	75,000	-	-
Other	975	300	675	475
Total	2,019,097	997,939	1,021,158	447,044
Education media:				
Salaries	828,797	886,181	(57,384)	1,032,263
Employee benefits	173,756	176,502	(2,746)	127,261
Purchased services	-	-	-	740
Supplies and materials	173,739	134,365	39,374	160,491
Total	1,176,292	1,197,048	(20,756)	1,320,755
Assessment and Testing:				
Salaries	-	-	-	425,123
Employee benefits	-	-	-	118,113
Purchased services	17,288	17,280	8	15,700
Supplies and materials	4,500	-	4,500	5,922
Total	21,788	17,280	4,508	564,858
General administration:				
Board of education:				
Salaries	23,737	43,688	(19,951)	-
Employee Benefits	629,668	590,454	39,214	35,186
Purchased services	357,022	195,084	161,938	275,352
Supplies and materials	226	2,599	(2,373)	972
Other	16,000	4,191	11,809	7,214
Total	\$ 1,026,653	\$ 836,016	\$ 190,637	\$ 318,724

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Executive administration:				
Salaries	\$ 271,006	\$ 273,530	\$ (2,524)	\$ 263,664
Employee benefits	13,055	36,064	(23,009)	44,615
Purchased services	31,320	8,818	22,502	2,828
Supplies and materials	1,000	557	443	-
Capital outlay	-	2,527	(2,527)	-
Other	2,500	960	1,540	1,992
Total	318,881	322,456	(3,575)	313,099
Special area administrative services:				
Salaries	379,278	372,524	6,754	94,941
Employee benefits	24,215	20,272	3,943	1,425
Purchased services	5,281	3,449	1,832	7,684
Total	408,774	396,245	12,529	104,050
School administration:				
Office of the principal:				
Salaries	2,373,211	2,376,764	(3,553)	1,966,829
Employee benefits	393,188	365,090	28,098	402,509
Purchased services	66,255	32,935	33,320	28,642
Supplies and materials	65,292	57,361	7,931	44,838
Other	-	-	-	10,758
Total	2,897,946	2,832,150	65,796	2,453,576
Other support services - school administration				
Salaries	-	-	-	200,804
Employee benefits	-	-	-	11,901
Purchased services	-	-	-	1,148
Total	-	-	-	213,853
Business:				
Direction of business support services:				
Salaries	-	-	-	214,292
Employee benefits	-	-	-	59,538
Purchased services	-	-	-	13,548
Total	\$ -	\$ -	\$ -	\$ 287,378

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Fiscal services:				
Salaries	\$ 465,065	\$ 493,686	\$ (28,621)	\$ 169,685
Employee benefits	75,862	35,744	40,118	15,653
Purchased services	49,563	16,731	32,832	68,069
Supplies and materials	91,184	2,104	89,080	2,104
Capital outlay	18,500	3,821	14,679	8,681
Other	38,500	35,270	3,230	-
Total	738,674	587,356	151,318	264,192
Operation and maintenance of plant services:				
Capital outlay	297,200	297,200	-	89,187
Total	297,200	297,200	-	89,187
Pupil transportation services:				
Purchased services	1,000	476	524	-
Total	1,000	476	524	-
Food services:				
Purchased services	487,919	484,766	3,153	492,967
Capital outlay	-	14,585	(14,585)	-
Total	487,919	499,351	(11,432)	492,967
Internal services:				
Salaries	68,959	94,212	(25,253)	98,167
Employee benefits	14,629	965	13,664	13,190
Purchased services	98,724	103,774	(5,050)	140,534
Supplies and materials	72,829	79,027	(6,198)	98,488
Capital outlay	1,000	-	1,000	5,773
Total	256,141	277,978	(21,837)	356,152
Central:				
Direction of central support services:				
Salaries	-	-	-	192,220
Employee benefits	-	-	-	32,408
Purchased services	-	-	-	4,395
Total	\$ -	\$ -	\$ -	\$ 229,023

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Information services:				
Salaries	\$ 78,782	\$ 95,568	\$ (16,786)	\$ -
Employee benefits	1,000	154	846	213
Purchased services	42,003	4,401	37,602	483
Total	121,785	100,123	21,662	696
Staff services:				
Salaries	330,637	354,508	(23,871)	113,002
Employee benefits	60,490	28,466	32,024	164,379
Purchased services	68,008	46,078	21,930	66,701
Supplies and materials	13,823	16,634	(2,811)	7,292
Capital outlay	-	762	(762)	-
Total	472,958	446,448	26,510	351,374
Data processing services:				
Salaries	579,966	598,607	(18,641)	270,500
Employee benefits	61,838	52,749	9,089	46,187
Purchased services	174,001	108,185	65,816	100,432
Supplies and materials	83,000	43,443	39,557	185,464
Capital outlay	318,000	173,348	144,652	67,311
Total	1,216,805	976,332	240,473	669,894
Total Support Services	14,238,473	11,824,766	2,413,707	10,519,281
Community services:				
Salaries	898,245	993,484	(95,239)	976,144
Employee benefits	38,731	2,353	36,378	45,557
Purchased services	44,977	18,935	26,042	56,359
Supplies and materials	43,733	32,611	11,122	57,669
Capital outlay	3,000	-	3,000	75,810
Other	-	-	-	7,500
Non-capitalized equipment	-	-	-	24,726
Total Community Services	1,028,686	1,047,383	(18,697)	1,243,765
Payments to other districts and governmental units:				
Payments for special education programs	2,521,102	2,218,056	303,046	2,530,400
Total	\$ 2,521,102	\$ 2,218,056	\$ 303,046	\$ 2,530,400

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Total Expenditures	61,835,637	58,015,748	3,819,889	57,895,379
Excess (deficiency) of revenues over expenditures	675,949	2,503,295	1,827,346	3,711,128
OTHER FINANCING SOURCES (USES)				
Transfers in	295,200	183,283	(111,917)	340,079
Transfers out	(295,200)	(79,460)	215,740	-
Total other financing sources (uses)	-	103,823	103,823	340,079
Net changes in fund balance	<u>\$ 675,949</u>	2,607,118	<u>\$ 1,931,169</u>	4,051,207
Fund balance at beginning of year		<u>18,832,438</u>		<u>14,781,231</u>
FUND BALANCE AT END OF YEAR		<u>\$ 21,439,556</u>		<u>\$ 18,832,438</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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
REVENUES				
Local Sources:				
General tax levy	\$ 6,811,852	\$ 7,011,170	\$ 199,318	\$ 6,659,293
Earnings on investments	2,000	709	(1,291)	1,373
Rentals	31,500	72,750	41,250	32,724
Other	1,917,777	1,626,631	(291,146)	232,285
Total Local Sources	<u>8,763,129</u>	<u>8,711,260</u>	<u>(51,869)</u>	<u>6,925,675</u>
Federal Sources:				
Other federal aid	5,936,033	6,699,501	763,468	833,550
Total Federal Sources	<u>5,936,033</u>	<u>6,699,501</u>	<u>763,468</u>	<u>833,550</u>
Total Revenues	<u>14,699,162</u>	<u>15,410,761</u>	<u>711,599</u>	<u>7,759,225</u>
EXPENDITURES				
Current operating:				
Support services:				
Facilities acquisition services:				
Purchased services	546,828	659,065	(112,237)	59,312
Capital outlay	8,529,085	5,505,619	3,023,466	1,688,160
Non-capitalized equipment	-	-	-	239,541
Total Facilities acquisition services	<u>9,075,913</u>	<u>6,164,684</u>	<u>2,911,229</u>	<u>1,987,013</u>
Operations and maintenance of				
Plant Services:				
Salaries	2,468,904	2,507,700	(38,796)	2,230,577
Employee benefits	356,469	376,090	(19,621)	311,793
Purchased services	831,697	896,229	(64,532)	738,564
Supplies and materials	1,410,869	1,023,113	387,756	1,106,222
Capital outlay	450,000	901,792	(451,792)	3,891,694
Non-capitalized equipment	2,000	61	1,939	-
Total Operation and Maintenance of Plant Services	<u>\$ 5,519,939</u>	<u>\$ 5,704,985</u>	<u>\$ (185,046)</u>	<u>\$ 8,278,850</u>

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Community services:				
Purchased services	\$ -	\$ -	\$ -	\$ 31,365
Total Community services	-	-	-	31,365
Other support services:				
Purchased services	20,000	20,714	(714)	-
Total Other support services	20,000	20,714	(714)	-
Total Support Services	14,615,852	11,890,383	2,725,469	10,297,228
Total Expenditures	14,615,852	11,890,383	2,725,469	10,297,228
Excess of revenues over expenditures	<u>\$ 83,310</u>	3,520,378	<u>\$ 3,437,068</u>	(2,538,003)
Fund balance (deficit) at beginning of year		<u>(2,768,370)</u>		<u>(230,367)</u>
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ 752,008</u>		<u>\$ (2,768,370)</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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
REVENUES				
Local Sources:				
General tax levy (refund)	\$ 521,519	\$ 486,657	\$ (34,862)	\$ 1,010,278
Earnings on investments	234,300	(27,164)	(261,464)	669,253
Total Local Sources	<u>755,819</u>	<u>459,493</u>	<u>(296,326)</u>	<u>1,679,531</u>
Total Revenues	<u>755,819</u>	<u>459,493</u>	<u>(296,326)</u>	<u>1,679,531</u>
Excess of revenues over expenditures	<u>755,819</u>	<u>459,493</u>	<u>(296,326)</u>	<u>1,679,531</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(174,690)	(174,690)	(318,266)
Net changes in fund balance	<u>\$ 755,819</u>	284,803	<u>\$ (471,016)</u>	1,361,265
Fund balance at beginning of year		<u>13,045,000</u>		<u>11,683,735</u>
FUND BALANCE AT END OF YEAR		<u>\$ 13,329,803</u>		<u>\$ 13,045,000</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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
REVENUES				
Local Sources:				
Tort immunity levy	\$ 1,291,815	\$ 988,230	\$ (303,585)	\$ 1,343,640
Earnings on investments	3,000	4,090	1,090	1,176
Other	10,000	-	(10,000)	-
Total Local Sources	1,304,815	992,320	(312,495)	1,344,816
EXPENDITURES				
Support services:				
Workers' compensation or workers' occupational disease act payment:				
Purchased services	460,000	33,518	426,482	99,343
Non-capitalized equipment	-	-	-	8,194
Total	460,000	33,518	426,482	107,537
Unemployment insurance payment				
Employee benefits	30,000	-	30,000	948
Purchased services	-	-	-	40
Total	30,000	-	30,000	988
Insurance payment				
Purchased services	128,303	-	128,303	68,896
Total	128,303	-	128,303	68,896
Risk management and claims services payments				
Employee benefits	-	40,367	(40,367)	-
Purchased services	82,000	452,968	(370,968)	-
Supplies and materials	2,000	257	1,743	12,590
Capital outlay	2,000	2,333	(333)	-
Total	\$ 86,000	\$ 495,925	\$ (409,925)	\$ 12,590

(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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
Educational, inspectional, supervisory services related to loss prevention of reduction Supplies and materials	\$ -	\$ -	\$ -	\$ 6,526
Total	-	-	-	6,526
Total support	704,303	529,443	174,860	196,537
Total Expenditures	704,303	529,443	174,860	196,537
Excess of revenues over expenditures	<u>\$ 600,512</u>	462,877	<u>\$ (137,635)</u>	1,148,279
Fund balance (deficit) at beginning of year		<u>976,557</u>		<u>(171,722)</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,439,434</u>		<u>\$ 976,557</u>

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Assets:				
Cash and investments	\$ 1,851,256	\$ 1,727,576	\$ 3,084,938	\$ 6,663,770
Receivables:				
Property taxes	848,684	1,091,178	1,644,374	3,584,236
Due from other governments	449,394	1,708	-	451,102
Other receivables	1,083	-	-	1,083
TOTAL ASSETS	<u>\$ 3,150,417</u>	<u>\$ 2,820,462</u>	<u>\$ 4,729,312</u>	<u>\$ 10,700,191</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 15,410	\$ -	\$ -	\$ 15,410
Deferred revenue	1,055,336	1,067,978	1,612,528	3,735,842
Total Liabilities	<u>1,070,746</u>	<u>1,067,978</u>	<u>1,612,528</u>	<u>3,751,252</u>
Fund Balance:				
Restricted	<u>2,079,671</u>	<u>1,752,484</u>	<u>3,116,784</u>	<u>6,948,939</u>
Total Fund Balance	<u>2,079,671</u>	<u>1,752,484</u>	<u>3,116,784</u>	<u>6,948,939</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,150,417</u>	<u>\$ 2,820,462</u>	<u>\$ 4,729,312</u>	<u>\$ 10,700,191</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, 2011

	Transportation	Municipal Retirement/ Social Security	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Local sources	\$ 1,874,690	\$ 2,311,284	\$ 2,596,720	\$ 6,782,694
State sources	770,069	-	-	770,069
Total Revenues	2,644,759	2,311,284	2,596,720	7,552,763
EXPENDITURES				
Current operating:				
Instruction	-	724,334	-	724,334
Support services	1,766,362	1,116,584	-	2,882,946
Community services	-	68,437	-	68,437
Debt service:				
Principal	-	-	1,754,998	1,754,998
Interest and other	-	-	845,840	845,840
Total Expenditures	1,766,362	1,909,355	2,600,838	6,276,555
Excess of revenues over expenditures	878,397	401,929	(4,118)	1,276,208
OTHER FINANCING SOURCES				
Transfers In	-	-	70,867	70,867
Total other financing sources	-	-	70,867	70,867
Net changes in fund balance	878,397	401,929	66,749	1,347,075
Fund balances at beginning of year	1,201,274	1,350,555	3,050,035	5,601,864
FUND BALANCES AT END OF YEAR	\$ 2,079,671	\$ 1,752,484	\$ 3,116,784	\$ 6,948,939

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
REVENUES				
Local Sources:				
General tax levy	\$ 1,960,056	\$ 1,790,964	\$ (169,092)	\$ 2,016,552
Regular transportation fees	61,200	76,701	15,501	73,428
Summer transportation fees	5,000	1,020	(3,980)	-
Earnings on investments	2,500	6,005	3,505	3,838
Other	1,000	-	(1,000)	-
Total Local Sources	<u>2,029,756</u>	<u>1,874,690</u>	<u>(155,066)</u>	<u>2,093,818</u>
State Sources:				
Transportation aid	532,828	770,069	237,241	561,572
Total State Sources	<u>532,828</u>	<u>770,069</u>	<u>237,241</u>	<u>561,572</u>
Total Revenues	<u>2,562,584</u>	<u>2,644,759</u>	<u>82,175</u>	<u>2,655,390</u>
EXPENDITURES				
Current operating:				
Support Services:				
Pupil Transportation Services:				
Salaries	21,091	30,628	(9,537)	61,924
Employee benefits	-	-	-	3,005
Purchased services	2,023,308	1,735,734	287,574	1,820,093
Supplies and materials	-	-	-	7,870
Non-capitalized equipment	-	-	-	610
Total Support Services	<u>2,044,399</u>	<u>1,766,362</u>	<u>278,037</u>	<u>1,893,502</u>
Debt Services:				
Other objects	-	-	-	353
Total Debt services	<u>-</u>	<u>-</u>	<u>-</u>	<u>353</u>
Total Expenditures	<u>2,044,399</u>	<u>1,766,362</u>	<u>278,037</u>	<u>1,893,855</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 518,185</u>	878,397	<u>\$ 360,212</u>	761,535
Fund balance (deficit) at beginning of year		<u>1,201,274</u>		<u>439,739</u>
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ 2,079,671</u>		<u>\$ 1,201,274</u>

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
REVENUES				
Local Sources:				
General tax levy	\$ 1,091,976	\$ 1,470,203	\$ 378,227	\$ 1,066,979
Social security/medicare only levy	1,222,428	732,436	(489,992)	1,265,686
Corporate replacement taxes	140,000	101,649	(38,351)	131,730
Earnings on investments	5,500	6,996	1,496	8,963
Total Local Sources	2,459,904	2,311,284	(148,620)	2,473,358
Total Revenues	2,459,904	2,311,284	(148,620)	2,473,358
EXPENDITURES				
Current operating:				
Instruction				
Regular programs	451,835	421,435	30,400	320,103
Special education programs	319,997	260,874	59,123	406,237
Interscholastic programs	10,000	1,278	8,722	17
Summer school programs	55,370	21,100	34,270	19,439
Gifted programs	17,617	14,838	2,779	13,914
Bilingual programs	5,710	4,809	901	4,550
Total Instruction	860,529	724,334	136,195	764,260
Support Services				
Pupils	104,204	91,846	12,358	80,517
Instructional staff	148,038	123,841	24,197	107,565
General administration	96,792	88,606	8,186	31,204
School administration	96,005	78,713	17,292	119,970
Business	511,461	622,423	(110,962)	454,037
Central	148,095	111,155	36,940	72,744
Total support services	1,104,595	1,116,584	(11,989)	866,037
Community services				
Community services - employee benefits	78,249	68,437	9,812	100,937
Total Expenditures	2,043,373	1,909,355	134,018	1,731,234
Excess of revenues over expenditures	<u>\$ 416,531</u>	401,929	<u>\$ (14,602)</u>	742,124
Fund balance at beginning of year		<u>1,350,555</u>		<u>608,431</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 1,752,484</u></u>		<u><u>\$ 1,350,555</u></u>

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, 2011 WITH COMPARATIVE ACTUAL TOTALS FOR 2010

	2011			2010 Actual
	Final Budget	Actual	Variance over/under	
REVENUES				
Local Sources:				
General tax levy	\$ 2,528,144	\$ 2,587,194	\$ 59,050	\$ 2,758,703
Earnings on investments	60,900	9,526	(51,374)	42,412
Total Local Sources	<u>2,589,044</u>	<u>2,596,720</u>	<u>7,676</u>	<u>2,801,115</u>
State Sources:				
General state aid	-	-	-	79,460
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,460</u>
Total Revenues	<u>2,589,044</u>	<u>2,596,720</u>	<u>7,676</u>	<u>2,880,575</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,680,000	1,754,998	(74,998)	1,699,998
Interest on bonds	838,000	842,462	(4,462)	917,631
Other	10,000	3,378	6,622	2,836
Total Expenditures	<u>2,528,000</u>	<u>2,600,838</u>	<u>(72,838)</u>	<u>2,620,465</u>
Excess (deficiency) of revenues over expenditures	<u>61,044</u>	<u>(4,118)</u>	<u>(65,162)</u>	<u>260,110</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	79,460	79,460	-
Transfers out	(60,900)	(8,593)	52,307	(21,813)
Total other financing sources (uses)	<u>(60,900)</u>	<u>70,867</u>	<u>131,767</u>	<u>(21,813)</u>
Net changes in fund balance	<u>\$ 144</u>	<u>66,749</u>	<u>\$ 66,605</u>	<u>238,297</u>
Fund balance at beginning of year		<u>3,050,035</u>		<u>2,811,738</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,116,784</u>		<u>\$ 3,050,035</u>

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
AGENCY FUND - ACTIVITY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets:				
Cash	\$ 267,593	\$ 407,505	\$ 595,257	\$ 79,841
Liabilities:				
Due to organizations	\$ 267,593	\$ 407,505	\$ 595,257	\$ 79,841

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

	2010	2009	2008	2007	2006
Assessed Valuation	<u>\$ 2,016,342,297</u>	<u>\$ 2,137,881,366</u>	<u>\$ 2,121,453,047</u>	<u>\$ 1,968,799,003</u>	<u>\$ 1,625,641,143</u>
Rates extended:					
Educational	2.1686	1.8996	1.9570	2.0262	2.1750
Tort immunity	0.0360	0.0635	0.0595	0.0586	0.0615
Special education	0.0240	0.0212	0.0158	0.0156	0.0154
Operations and maintenance	0.3815	0.3177	0.2917	0.2874	0.3015
Transportation	0.0841	0.0953	0.0893	0.0880	0.0923
Illinois municipal retirement/ Social security	0.1080	0.1122	0.1012	0.0997	0.1045
Debt service	0.1483	0.1258	0.1271	0.2319	0.2654
Working cash	0.0000	0.0500	0.0428	0.0422	0.0000
Total rates extended	<u>2.9505</u>	<u>2.6853</u>	<u>2.6844</u>	<u>2.8496</u>	<u>3.0156</u>
Property tax extensions:					
Educational	\$ 43,726,428	\$ 40,611,477	\$ 41,516,066	\$ 39,871,166	\$ 35,357,218
Tort immunity	726,337	1,358,238	1,262,871	1,154,451	1,000,000
Special education	484,225	452,746	335,209	306,431	250,000
Operations and maintenance	7,691,912	6,791,191	6,189,180	5,657,829	4,900,884
Transportation	1,694,787	2,037,358	1,894,305	1,731,876	1,500,000
Illinois municipal retirement/ Social security	2,179,012	2,399,554	2,146,881	1,962,567	1,700,000
Debt service	2,991,030	2,690,520	2,697,385	4,565,816	4,314,550
Working cash	-	1,068,457	908,869	830,841	-
Total levies extended	<u>\$ 59,493,731</u>	<u>\$ 57,409,541</u>	<u>\$ 56,950,766</u>	<u>\$ 56,080,977</u>	<u>\$ 49,022,652</u>
Total collections	<u>\$ 30,092,208</u>	<u>\$ 56,434,406</u>	<u>\$ 55,601,702</u>	<u>\$ 54,949,046</u>	<u>\$ 48,341,345</u>
Percentage of extensions collected	<u>50.58%</u>	<u>98.30%</u>	<u>97.63%</u>	<u>97.98%</u>	<u>98.61%</u>

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

Source of information: Cook County Levy, Rate and Extension Reports for 2006-2010.

PARK RIDGE-NILES SCHOOL DISTRICT NO. 64
OPERATING COST AND TUITION CHARGE
YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010

	<u>2011</u>	<u>2010</u>
Expenditures:		
Educational Fund	\$ 50,211,870	\$ 50,302,527
Operations and Maintenance Fund	11,890,383	10,297,228
Debt Service Fund	2,600,838	2,620,465
Transportation Fund	1,766,362	1,893,855
Municipal Retirement/Social Security Fund	1,909,355	1,731,234
Tort Immunity Fund	<u>529,443</u>	<u>196,537</u>
Total expenditures	<u>68,908,251</u>	<u>67,041,846</u>
Less revenues/expenditures not applicable to operating expense of regular program:		
Summer school	249,854	336,977
Tuition paid	723,889	1,010,706
Community services	1,115,820	1,275,531
Capital outlay	7,153,801	6,376,975
Bond and other principal retired	1,754,998	1,699,998
Payments to other districts and governmental units	<u>3,126,120</u>	<u>2,530,400</u>
	<u>14,124,482</u>	<u>13,230,587</u>
Regular operating expenditures	54,783,769	53,811,259
Offsetting revenues	<u>14,368,766</u>	<u>8,394,386</u>
Net operating expenditures	40,415,003	45,416,873
Depreciation allowance	<u>1,454,282</u>	<u>1,314,901</u>
Total allowance for tuition computation	<u>\$ 41,869,285</u>	<u>\$ 46,731,774</u>
Average daily attendance	<u>3,962</u>	<u>4,001</u>
Per capita tuition charge	<u>\$ 10,566</u>	<u>\$ 11,680</u>

Source of information: 2011 & 2010 annual financial reports