

**PARK RIDGE-NILES SCHOOL
DISTRICT 64**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2010
AND
INDEPENDENT AUDITOR'S REPORT**

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PARK RIDGE-NILES SCHOOL DISTRICT 64

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PARK RIDGE-NILES SCHOOL DISTRICT 64

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Park Ridge-Niles School District 64
164 South Prospect Avenue
Park Ridge, Illinois 60068

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 64, as of and for the year ended June 30, 2010, which collectively comprise Park Ridge-Niles School District 64's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Park Ridge-Niles School District 64's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information included in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances has been derived from Park Ridge-Niles School District 64's 2009 financial statements. In our report dated November 4, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Park Ridge-Niles School District 64 as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 3, 2010 on our consideration of Park Ridge-Niles School District 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 and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Board of Education
Park Ridge-Niles School District 64

The required supplementary information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park Ridge-Niles School District 64's basic financial statements. The financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 2010 supplementary information has been subjected to the auditing procedures applied to the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, Park Ridge-Niles School District 64's basic financial statements for the year ended June 30, 2009, which are not presented with the accompanying financial statements. In our report dated November 4, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2009 supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2009, taken as a whole.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
November 3, 2010

Park Ridge-Niles School District 64

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2010

The discussion and analysis of Park Ridge-Niles School District 64's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2010. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net assets increased by \$13.6. This represents a 28% increase from 2009. The increase can primarily be attributed to an increase in the District's grant funding spent on capital projects and the measured growth of expenses.
- > General revenues accounted for \$62.6 in revenue or 76% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$19.7 or 24% of total revenues of \$82.3.
- > The District had \$68.7 in expenses related to government activities. However, only \$19.7 of these expenses were offset by program specific charges and grants.
- > The District continued to pay down its long-term bonded debt retiring \$1.6 in fiscal 2010.

Overview of the Financial Statements

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

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

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

Government-wide financial statements

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

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

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

Park Ridge-Niles School District 64

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2010

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

Fund financial statements

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

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General (Educational) Fund, Tort Immunity and Judgment Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Working Cash Fund, and Debt Service Fund, all of which are considered to be major funds.

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

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

Notes to basic financial statements

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

Other information

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

Park Ridge-Niles School District 64

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2010

District-Wide Financial Analysis

The District's combined net assets were higher on June 30, 2010, than they were the year before, increasing 28% to \$62.1.

Table 1
Condensed Statements of Net Assets
(in millions of dollars)

	<u>2009</u>	<u>2010</u>
Assets:		
Current and other assets	\$ 65.3	\$ 74.0
Deferred charges	0.1	0.1
Capital assets	<u>36.7</u>	<u>41.2</u>
Total assets	<u>102.1</u>	<u>115.3</u>
Liabilities:		
Current liabilities	34.0	35.1
Long-term debt outstanding	<u>19.6</u>	<u>18.1</u>
Total liabilities	<u>53.6</u>	<u>53.2</u>
Net assets:		
Invested in capital assets, net of related debt	17.7	24.1
Restricted	3.4	4.3
Unrestricted	<u>27.4</u>	<u>33.7</u>
Total net assets	<u>\$ 48.5</u>	<u>\$ 62.1</u>

Revenues in the governmental activities of the District of \$82.3 exceeded expenses by \$13.6. The District's increased grant funding spent on capital projects and measured growth of expenses can be credited for this improvement.

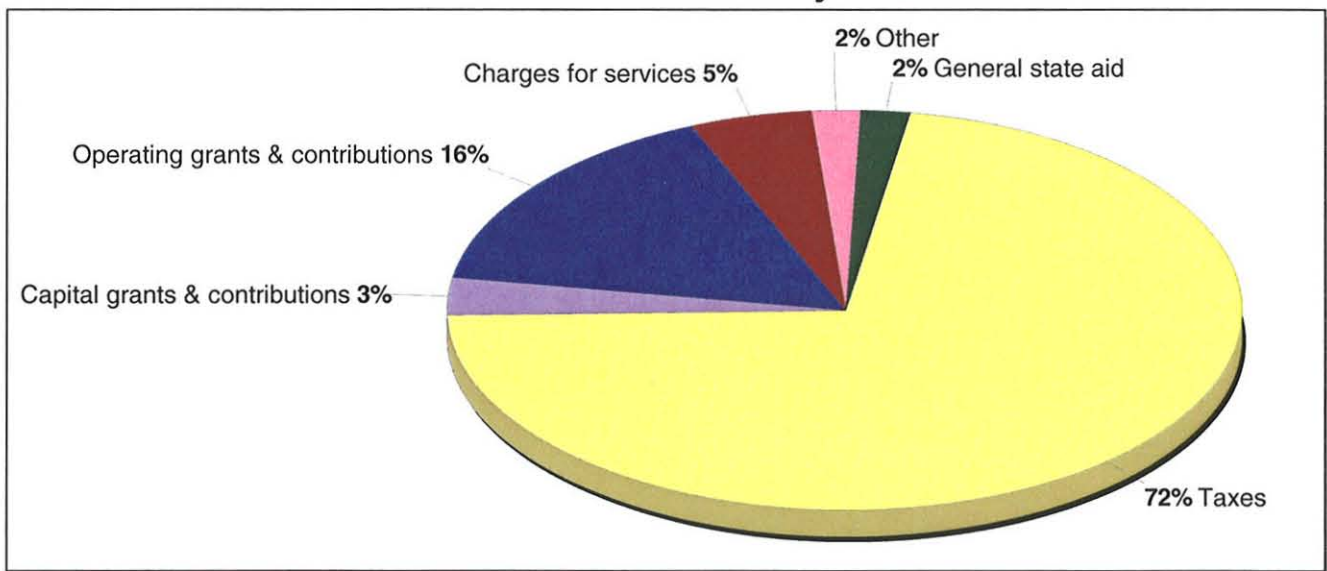
Park Ridge-Niles School District 64
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2010

Table 2		
Changes in Net Assets		
(in millions of dollars)		
	<u>2009</u>	<u>2010</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 3.2	\$ 4.2
Operating grants & contributions	10.3	12.9
Capital grants & contributions	-	2.6
<i>General revenues:</i>		
Taxes	59.6	59.5
General state aid	1.3	1.4
Other	1.5	1.7
Total revenues	<u>75.9</u>	<u>82.3</u>
Expenses:		
Instruction	40.4	47.0
Pupil & instructional staff services	3.9	4.6
Administration & business	5.8	5.3
Transportation	2.1	1.9
Operations & maintenance	5.7	6.4
Other	4.2	3.5
Total expenses	<u>62.1</u>	<u>68.7</u>
Increase (decrease) in net assets	<u>\$ 13.8</u>	<u>\$ 13.6</u>

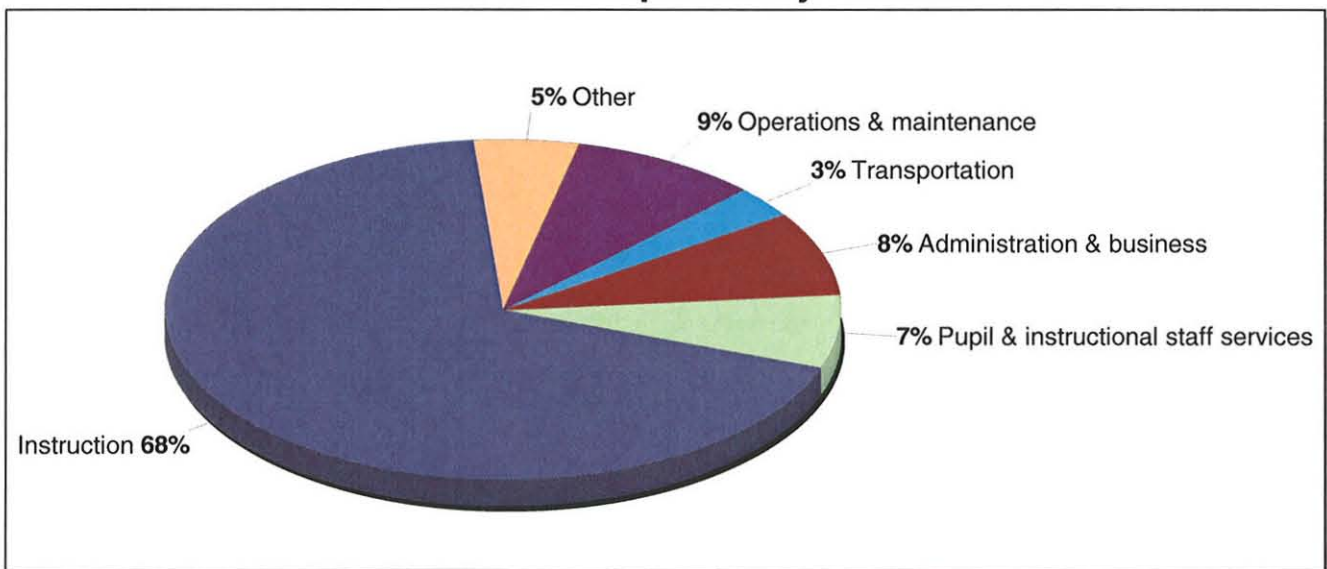
Property taxes accounted for the largest portion of the District's revenues, contributing 72%. The remainder of revenues came from state and federal grants, charges for services, and other sources. The total cost of all the District's programs was \$68.7, the majority of which related to the instructing of and caring for the students and student transportation, which accounted for 78% of all expenses.

Park Ridge-Niles School District 64
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2010

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance increased from \$29.9 to \$35.7.

This increase can primarily be attributed to the District's control of expenses which provided an operating surplus for the year. The additional funds should avoid the need to issue short-term debt when property tax receipts arrive late and provide greater financial stability to the District.

Park Ridge-Niles School District 64

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2010

General Fund Budgetary Highlights

Revenues in the General (Educational) Fund were greater than budget by approximately \$4.0. Expenditures in the General (Educational) Fund exceeded budget with a variance of \$4.0. Both variances were caused primarily by the increase in payments made by the State to TRS and THIS on-behalf of the District. These payments are recorded as revenues and expenditures.

Capital Assets and Debt Administration

Capital assets

By the end of 2010, the District had compiled a total investment of \$61.2 (\$41.2 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$0.9. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

Table 3 Capital Assets (net of depreciation) (in millions of dollars)		
	<u>2009</u>	<u>2010</u>
Land	\$ 0.4	\$ 0.4
Construction in progress	0.5	3.4
Buildings	35.6	37.2
Equipment	0.2	0.2
Total	<u>\$ 36.7</u>	<u>\$ 41.2</u>

Long-term debt

The District retired \$1.6 in bond principal in 2010. Capital leases and other increased by \$0.2. At the end of fiscal 2010, the District had a debt margin of \$130.8. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

Table 4 Outstanding Long-Term Debt (in millions of dollars)		
	<u>2009</u>	<u>2010</u>
General obligation bonds	\$ 18.9	\$ 17.2
Capital leases and other	0.7	0.9
Total	<u>\$ 19.6</u>	<u>\$ 18.1</u>

Park Ridge-Niles School District 64

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2010

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 the national economy. The release of the December 2008 CPI-U of 0.1% affected the District's ability to increase its operating fund revenues for fiscal year 2010 and beyond, although the passage of the 2007 referendum has positioned the District to survive the economic storm without dismantling the District's educational programs. The District recently negotiated three-year agreements with all employee bargaining groups. These negotiated agreements will assist the District in the preparation of its long range financial projections.

The District will continue to work with the Community Finance Committee (CFC), which is a standing board committee that acts in an advisory capacity. The District will work with the CFC on various projects that will include continuum of communication initiatives with the community that explains school financial matters in a fact based manner and to review spending patterns with the intent of gaining a more comprehensive understanding of District spending practices.

Requests for Information

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

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

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PARK RIDGE-NILES SCHOOL DISTRICT 64**STATEMENT OF NET ASSETS**

JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES
Assets	
Investments	\$ 42,013,174
Receivables (net of allowance for uncollectibles):	
Interest	211,589
Property taxes	27,109,602
Replacement taxes	138,676
Intergovernmental	4,513,831
Computer loan receivable	304
Prepaid items	40,468
Deferred charges	60,446
Capital assets:	
Land	353,013
Construction in progress	3,414,562
Depreciable buildings, property and equipment, net	<u>37,478,514</u>
Total assets	<u>115,334,179</u>
Liabilities	
Accounts payable	4,657,153
Salaries and wages payable	2,856,639
Payroll deductions payable	625,005
Interest payable	73,534
Unearned revenue	26,888,179
Long-term liabilities:	
Other long-term liabilities - due within one year	1,890,029
Other long-term liabilities - due after one year	<u>16,257,487</u>
Total liabilities	<u>53,248,026</u>
Net assets	
Invested in capital assets, net of related debt	24,057,235
Restricted for:	
Retirement benefits	1,350,555
Debt service	2,976,501
Unrestricted	<u>33,701,862</u>
Total net assets	<u>\$ 62,086,153</u>

See Notes to Basic Financial Statements

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PARK RIDGE-NILES SCHOOL DISTRICT 64

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
					GOVERNMENTAL ACTIVITIES
Governmental activities					
Instruction:					
Regular programs	\$ 24,332,644	\$ 3,060,096	\$ 296,375	\$ -	\$ (20,976,173)
Special programs	13,317,185	-	4,337,368	-	(8,979,817)
Other instructional programs	1,760,156	687,327	9,170	-	(1,063,659)
State retirement contributions	7,592,852	-	7,592,852	-	-
Support Services:					
Pupils	2,140,248	-	10,305	-	(2,129,943)
Instructional staff	2,462,837	-	90,316	-	(2,372,521)
General administration	973,179	-	-	-	(973,179)
School administration	2,828,414	-	-	-	(2,828,414)
Business	1,497,864	371,038	79,424	-	(1,047,402)
Transportation	1,905,008	73,428	528,254	-	(1,303,326)
Operations and maintenance	6,419,260	32,724	-	2,567,818	(3,818,718)
Central	1,350,976	-	-	-	(1,350,976)
Community services	1,330,913	-	-	-	(1,330,913)
Interest and fees	798,441	-	-	-	(798,441)
Total governmental activities	<u>\$ 68,709,977</u>	<u>\$ 4,224,613</u>	<u>\$ 12,944,064</u>	<u>\$ 2,567,818</u>	<u>(48,973,482)</u>
General revenues:					
Taxes:					
Real estate taxes, levied for general purposes					42,434,968
Real estate taxes, levied for specific purposes					13,362,428
Real estate taxes, levied for debt service					2,758,703
Personal property replacement taxes					926,354
State aid-formula grants					1,374,904
Investment income					1,189,335
Miscellaneous					554,747
Total general revenues					<u>62,601,439</u>
Change in net assets					13,627,957
Net assets, beginning of year					<u>48,458,196</u>
Net assets, end of year					<u>\$ 62,086,153</u>

See Notes to Basic Financial Statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2010

WITH COMPARATIVE TOTALS FOR JUNE 30, 2009

	GENERAL (EDUCATIONAL) FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	23,341,867	984,902	-	1,096,485
Receivables (net allowance for uncollectibles):				
Interest	133,396	-	-	-
Property taxes	19,390,630	641,721	3,206,393	962,028
Replacement taxes	129,884	-	-	-
Intergovernmental	1,676,172	-	2,573,532	264,127
Computer loan receivable	304	-	-	-
Prepaid items	40,468	-	-	-
Other current assets	-	-	-	-
Total assets	<u>\$ 44,712,721</u>	<u>\$ 1,626,623</u>	<u>\$ 5,779,925</u>	<u>\$ 2,322,640</u>
Liabilities and fund balance				
Cash deficit	\$ -	\$ -	\$ 786,423	\$ -
Accounts payable	2,326,028	17,037	2,269,110	44,778
Salaries and wages payable	2,856,639	-	-	-
Payroll deductions payable	596,799	4,776	10,387	2,710
Deferred revenue	<u>20,100,817</u>	<u>628,253</u>	<u>5,482,375</u>	<u>1,073,878</u>
Total liabilities	<u>25,880,283</u>	<u>650,066</u>	<u>8,548,295</u>	<u>1,121,366</u>
Fund balance				
Reserved fund balance:				
Reserved for prepaid expenditures	40,468	-	-	-
Unreserved fund balance:				
Undesignated	<u>18,791,970</u>	<u>976,557</u>	<u>(2,768,370)</u>	<u>1,201,274</u>
Total fund balance (deficit)	<u>18,832,438</u>	<u>976,557</u>	<u>(2,768,370)</u>	<u>1,201,274</u>
Total liabilities and fund balance	<u>\$ 44,712,721</u>	<u>\$ 1,626,623</u>	<u>\$ 5,779,925</u>	<u>\$ 2,322,640</u>

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	WORKING CASH FUND	DEBT SERVICE FUND	TOTAL	
			2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 10,000
1,328,298	13,024,493	3,023,552	42,799,597	33,456,082
-	78,193	-	211,589	323,504
1,133,521	504,280	1,271,029	27,109,602	29,757,623
8,792	-	-	138,676	178,698
-	-	-	4,513,831	1,741,997
-	-	-	304	-
-	-	-	40,468	40,468
-	-	-	-	22
<u>\$ 2,470,611</u>	<u>\$ 13,606,966</u>	<u>\$ 4,294,581</u>	<u>\$ 74,814,067</u>	<u>\$ 65,508,394</u>
\$ -	\$ -	\$ -	\$ 786,423	\$ 191,640
-	-	200	4,657,153	1,497,221
-	-	-	2,856,639	2,674,150
10,333	-	-	625,005	548,450
<u>1,109,723</u>	<u>561,966</u>	<u>1,244,346</u>	<u>30,201,358</u>	<u>30,674,148</u>
<u>1,120,056</u>	<u>561,966</u>	<u>1,244,546</u>	<u>39,126,578</u>	<u>35,585,609</u>
-	-	-	40,468	40,468
<u>1,350,555</u>	<u>13,045,000</u>	<u>3,050,035</u>	<u>35,647,021</u>	<u>29,882,317</u>
<u>1,350,555</u>	<u>13,045,000</u>	<u>3,050,035</u>	<u>35,687,489</u>	<u>29,922,785</u>
<u>\$ 2,470,611</u>	<u>\$ 13,606,966</u>	<u>\$ 4,294,581</u>	<u>\$ 74,814,067</u>	<u>\$ 65,508,394</u>

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PARK RIDGE-NILES SCHOOL DISTRICT 64
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances - governmental funds \$ 35,687,489

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

Net capital assets used in governmental activities and included in the Statement of Net Assets do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet. 41,246,089

Certain revenues receivable by the District and recognized in the Statement of Net Assets do not provide current financial resources and are deferred in the governmental funds balance sheet.

Interest revenue	\$ 85,733	
Intergovernmental aid revenue	<u>3,227,446</u>	
		3,313,179

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. 60,446

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Assets.

Balances at June 30, 2010 are:

Bonds payable	\$ (16,675,000)	
Unamortized bond premium	(499,302)	
Interest payable	(73,534)	
Capital leases	(74,998)	
Net OPEB obligation	(763,185)	
Compensated absences	<u>(135,031)</u>	
		<u>(18,221,050)</u>

Net assets of governmental activities \$ 62,086,153

See Notes to Basic Financial Statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL (EDUCATIONAL) FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Revenues				
Property taxes	\$ 42,434,968	\$ 1,343,640	\$ 6,659,293	\$ 2,016,552
Corporate personal property replacement taxes	794,624	-	-	-
State aid	11,583,324	-	-	561,572
Federal aid	2,121,369	-	833,550	-
Investment income	700,091	1,176	1,373	3,838
Other	3,972,131	-	265,009	73,428
Total revenues	<u>61,606,507</u>	<u>1,344,816</u>	<u>7,759,225</u>	<u>2,655,390</u>
Expenditures				
Current:				
Instruction:				
Regular programs	23,853,371	-	-	-
Special programs	10,209,564	-	-	-
Other instructional programs	1,713,764	-	-	-
State retirement contributions	7,592,852	-	-	-
Support Services:				
Pupils	2,042,459	-	-	-
Instructional staff	2,332,657	-	-	-
General administration	735,873	196,537	-	-
School administration	2,667,429	-	-	-
Business	1,386,235	-	-	-
Transportation	-	-	-	1,893,502
Operations and maintenance	-	-	4,686,009	-
Central	1,183,676	-	-	-
Community services	1,167,955	-	31,365	-
Payments to other districts and gov't units	2,530,400	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	353
Capital outlay	479,144	-	5,579,854	-
Total expenditures	<u>57,895,379</u>	<u>196,537</u>	<u>10,297,228</u>	<u>1,893,855</u>
Excess (deficiency) of revenues over expenditures	<u>3,711,128</u>	<u>1,148,279</u>	<u>(2,538,003)</u>	<u>761,535</u>
Other financing sources (uses)				
Transfers in	340,079	-	-	-
Transfers (out)	-	-	-	-
Principal on bonds sold	-	-	-	-
Premium on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	-	-	-
Payment to escrow agent	-	-	-	-
Total other financing sources (uses)	<u>340,079</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>4,051,207</u>	<u>1,148,279</u>	<u>(2,538,003)</u>	<u>761,535</u>
Fund balance (deficit), beginning of year	<u>14,781,231</u>	<u>(171,722)</u>	<u>(230,367)</u>	<u>439,739</u>
Fund balance (deficit), end of year	<u>\$ 18,832,438</u>	<u>\$ 976,557</u>	<u>\$ (2,768,370)</u>	<u>\$ 1,201,274</u>

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	WORKING CASH FUND	DEBT SERVICE FUND	TOTAL	
			2010	2009
\$ 2,332,665	\$ 1,010,278	\$ 2,758,703	\$ 58,556,099	\$ 58,538,475
131,730	-	-	926,354	1,145,070
-	-	79,460	12,224,356	9,097,556
-	-	-	2,954,919	1,531,145
8,963	669,253	42,412	1,427,106	1,190,600
-	-	-	4,310,568	3,411,330
<u>2,473,358</u>	<u>1,679,531</u>	<u>2,880,575</u>	<u>80,399,402</u>	<u>74,832,859</u>
320,103	-	-	24,173,474	22,618,481
406,237	-	-	10,615,801	10,266,096
37,920	-	-	1,751,684	1,608,825
-	-	-	7,592,852	5,289,761
80,517	-	-	2,122,976	1,876,741
107,565	-	-	2,440,222	2,003,149
31,204	-	-	963,614	2,102,728
119,970	-	-	2,787,399	2,275,835
81,164	-	-	1,467,399	1,359,964
10,779	-	-	1,904,281	2,110,990
362,094	-	-	5,048,103	4,742,909
72,744	-	-	1,256,420	1,288,628
100,937	-	-	1,300,257	1,137,694
-	-	-	2,530,400	1,106,452
-	-	1,699,998	1,699,998	3,299,998
-	-	920,467	920,820	1,091,214
-	-	-	6,058,998	1,839,135
<u>1,731,234</u>	<u>-</u>	<u>2,620,465</u>	<u>74,634,698</u>	<u>66,018,600</u>
<u>742,124</u>	<u>1,679,531</u>	<u>260,110</u>	<u>5,764,704</u>	<u>8,814,259</u>
-	-	-	340,079	407,090
-	(318,266)	(21,813)	(340,079)	(407,090)
-	-	-	-	2,555,000
-	-	-	-	74,237
-	-	-	-	6,246
-	-	-	-	(2,585,756)
<u>-</u>	<u>(318,266)</u>	<u>(21,813)</u>	<u>-</u>	<u>49,727</u>
742,124	1,361,265	238,297	5,764,704	8,863,986
608,431	11,683,735	2,811,738	29,922,785	21,058,799
<u>\$ 1,350,555</u>	<u>\$ 13,045,000</u>	<u>\$ 3,050,035</u>	<u>\$ 35,687,489</u>	<u>\$ 29,922,785</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds	\$ 5,764,704
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.	4,980,084
The net effect of various miscellaneous transactions involving capital assets (sale, disposal, transfer, etc.) is to decrease net assets.	(444,555)
Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are deferred in the fund statements.	
Grant revenue	\$ 2,176,303
Deferred interest	<u>(237,771)</u>
	1,938,532
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This is the amount of current year principal repayments.	1,699,998
Governmental funds report the effects of issuance costs, premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.	117,251
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:	
Interest payable	\$ 5,128
Compensated absences	(61,276)
Net OPEB obligation	<u>(371,909)</u>
	<u>(428,057)</u>
Change in net assets of governmental activities	<u>\$ 13,627,957</u>

See Notes to Basic Financial Statements

PARK RIDGE-NILES SCHOOL DISTRICT 64
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

	<u>AGENCY STUDENT ACTIVITY FUND</u>
<hr/>	
Assets	
Cash and investments	\$ <u>267,593</u>
Total assets	\$ <u><u>267,593</u></u>
Liabilities	
Due to student groups	\$ <u>267,593</u>
Total liabilities	\$ <u><u>267,593</u></u>

See Notes to Basic Financial Statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

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, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

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 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.

Basis of Presentation

Government-wide 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. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program 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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. 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. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The minimum number of funds maintained is consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

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

Major Governmental Funds

General Fund - (Educational Fund) the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Tort Immunity and Judgment Fund - accounts for all revenue and expenditures made for prevention of tort liability. Revenue is derived primarily from local property tax collections and investment income.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Working Cash Fund - accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General (Educational) Fund and the Special Revenue Fund's Operations and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the General (Educational) Fund or it may be partially abated to the General (Educational) Fund.

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Other Fund Types

Fiduciary Funds - account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Funds - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

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.

All Financial Statements

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Assets, Liabilities and Net Assets or Equity

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.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "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.

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:

	<i>Unavailable</i>	<i>Unearned</i>	<i>Totals</i>
Property taxes receivable for subsequent year	\$ -	\$ 26,540,048	\$ 26,540,048
Interest income receivable	85,733	-	85,733
Local receipts receivable	-	253,816	253,816
Intergovernmental aid receivable	<u>3,227,446</u>	<u>94,315</u>	<u>3,321,761</u>
Total	<u>\$ 3,313,179</u>	<u>\$ 26,888,179</u>	<u>\$ 30,201,358</u>

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2009 levy resolution was approved during the December 14, 2009 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

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 lesser 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 CPI rates applicable to the 2009 and 2008 tax levies were 0.1% and 4.1%, respectively.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on April 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed (typically, this is due in late August or early September). The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill (previously fifty percent). 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. Property taxes are normally collected by the District within 60 days of the due date.

The 2009 property tax levy is recognized as a receivable in fiscal 2010, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2009 levy is to be used to finance operations in fiscal 2010. The District has determined that the second installment of the 2009 levy is to be used to finance operations in fiscal 2011 and has deferred the corresponding receivable.

Personal Property Replacement Taxes

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

Prepaid Items

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

Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles, and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,500 and an estimated useful life of 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. In 2007, the District engaged an appraisal company to estimate historical cost of its capital assets acquired prior to that date.

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

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2010 are determined on the basis of current salary rates and include salary related payments.

The District's compensated absences consist of vacation time and sick days. Employees who work a twelve-month year are 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 unused 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 toward 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 financial statements for accumulated unpaid sick leave.

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 applicable 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 funds recognize bond premiums and discounts, as well as bond issuance costs, during the period incurred. 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.

Equity Classifications

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Restricted net assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Reserved Fund Balances

In the governmental funds financial statements, the District reserves those portions of fund balances which are legally segregated for a specific purpose or do not represent amounts available for other appropriations.

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, 2009, from which such summarized information was derived.

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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2010, expenditures exceeded budget in the General (Educational) Fund, Operations and Maintenance Fund, Transportation Fund, and Debt Service Fund by \$3,950,656, \$1,395,128, \$58,779, and \$72,296, respectively. These excesses were funded by available fund balances or future tax levies.

Deficit Fund Equity

The Operations and Maintenance Fund had a deficit fund balance of \$2,768,370 as of June 30, 2010. District management expects to fund this deficit through future revenues.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasurer

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

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

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

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

The weighted average maturity of all marketable pooled investments held by the Treasurer was 1.47 years at June 30, 2010. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2010, the fair value of all investments held by the Treasurer's office was \$375,204,996 and the fair value of the District's proportionate share of the pool was \$42,013,174.

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.

Cash & Investments in the custody of the District

Deposits of the student activity funds, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<i><u>Carrying Value</u></i>	<i><u>Bank Balance</u></i>
Deposits with financial institutions	\$ 128,683	\$ 150,209
Total	<u>\$ 128,683</u>	<u>\$ 150,209</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

At year end, the District had the following investments:

<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	\$ 138,910	On demand	100.00 %	Variable
Total	<u>\$ 138,910</u>		<u>100.00 %</u>	

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, 2010, the bank balance of the District's deposits with financial institutions totaled \$150,209; this amount was fully insured through FDIC.

NOTE 4 - INTERFUND TRANSFERS

During the year, the Board transferred \$318,266 in interest earned in the Working Cash Fund and \$21,813 in interest earned in the Debt Service Fund to the following fund:

<i>Fund</i>	<i>Amount</i>
General	\$ 340,079
Total	<u>\$ 340,079</u>

State law allows for the above transfers.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 5 - CAPITAL ASSETS

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 353,013	\$ -	\$ -	\$ 353,013
Construction in progress	535,125	3,322,211	442,774	3,414,562
Total capital assets not being depreciated	888,138	3,322,211	442,774	3,767,575
<u>Capital assets being depreciated:</u>				
Land improvements	637,262	-	-	637,262
Buildings	46,153,414	2,371,014	-	48,524,428
Equipment	8,163,291	224,737	309,012	8,079,016
Vehicles	225,889	-	-	225,889
Total capital assets being depreciated	55,179,856	2,595,751	309,012	57,466,595
<u>Less Accumulated Depreciation for:</u>				
Land improvements	618,118	19,144	-	637,262
Buildings	10,550,664	754,833	-	11,305,497
Equipment	7,983,241	143,423	307,231	7,819,433
Vehicles	205,411	20,478	-	225,889
Total accumulated depreciation	19,357,434	937,878	307,231	19,988,081
Net capital assets being depreciated	35,822,422	1,657,873	1,781	37,478,514
Net governmental activities capital assets	\$ 36,710,560	\$ 4,980,084	\$ 444,555	\$ 41,246,089

Depreciation expense was recognized in the operating activities of the District as follows:

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 15,267
Special programs	20,317
Fiscal services	1,329
Internal services	884
Business	258,505
Operations and maintenance	619,660
Community services	11,609
Central	10,307
Total depreciation expense - governmental activities	\$ 937,878

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 6 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2010:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 18,300,000	\$ -	\$ 1,625,000	\$ 16,675,000	\$ 1,680,000
Unamortized premium	632,703	-	133,401	499,302	-
Total bonds payable	<u>18,932,703</u>	<u>-</u>	<u>1,758,401</u>	<u>17,174,302</u>	<u>1,680,000</u>
Capital leases	149,996	-	74,998	74,998	74,998
Net OPEB obligation	391,276	371,909	-	763,185	-
Compensated absences	<u>73,755</u>	<u>401,315</u>	<u>340,039</u>	<u>135,031</u>	<u>135,031</u>
Total long-term liabilities - governmental activities	<u>\$ 19,547,730</u>	<u>\$ 773,224</u>	<u>\$ 2,173,438</u>	<u>\$ 18,147,516</u>	<u>\$ 1,890,029</u>

The obligations for the compensated absences and OPEB obligations will be repaid from the General (Educational) Fund.

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

<i>Purpose</i>	<i>Interest Rates</i>	<i>Original Indebtedness</i>	<i>Carrying Amount</i>
Series 2001 Refunding Bonds dated November 1, 2001 are due in annual installments through December 1, 2016	3.75% - 5.50%	\$ 17,065,000	\$ 14,360,000
Series 2008 Refunding Bonds dated December 1, 2008 are due in annual installments through December 1, 2016	4.00%	<u>2,555,000</u>	<u>2,315,000</u>
Total		<u>\$ 19,620,000</u>	<u>\$ 16,675,000</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust 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. At June 30, 2010, \$16,790,000 of bonds outstanding are considered defeased.

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2011	\$ 1,680,000	\$ 838,000	\$ 2,518,000
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 - 2017	<u>5,815,000</u>	<u>312,088</u>	<u>6,127,088</u>
Total	<u>\$ 16,675,000</u>	<u>\$ 3,407,026</u>	<u>\$ 20,082,026</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2010, the statutory debt limit for the District was \$147,513,814, providing a debt margin of \$130,763,816. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2010, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

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. At June 30, 2010, \$224,994 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, are as follows:

	<i>Amount</i>
2011	\$ 79,460
Total minimum lease payments	79,460
Less: amount representing interest	<u>(4,462)</u>
Present value of minimum lease payments	<u>\$ 74,998</u>

NOTE 7 - 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 the School Employee Loss Fund (SELF). The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

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

NOTE 8 - JOINT AGREEMENTS

The District is a member of various joint agreements that provide certain special education services to 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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$265,626, and the District recognized revenues and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 were also 0.84 percent of pay. State contributions on behalf of District employees were \$249,221 and \$235,333, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, June 30, 2009, and June 30, 2008. For the year ended June 30, 2010, the District paid \$199,220 to the THIS Fund. For the years ended June 30, 2009 and 2008, the District paid \$186,915 and \$176,500 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64**NOTES TO BASIC FINANCIAL STATEMENTS**

JUNE 30, 2010

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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:

Annual required contribution	\$	554,503
Interest on net OPEB obligation		19,564
Adjustment to annual required contribution		<u>(24,241)</u>
Annual OPEB cost		549,826
Contributions made		<u>(177,917)</u>
Increase in net OPEB obligation		371,909
Net OPEB Obligation - Beginning of Year		<u>391,276</u>
Net OPEB Obligation - End of Year	\$	<u><u>763,185</u></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, 2010 and the preceding year are as follows:

<i>Fiscal Year Ended</i>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2010	\$ 549,826	32.36 %	\$ 763,185
June 30, 2009	554,503	29.44 %	391,276

The funded status of the Retirees' Health Plan as of June 30, 2010, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 4,761,869
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 4,761,869</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 28,860,196
UAAL as a percentage of covered payroll	16.50%

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and 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, 2010 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after 4 years. The actuarial value of the Retirees' Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retirees' Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010 is 28 years.

NOTE 10 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

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.

TRS members include all active nonannuitants that are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of the employees by the employer, are submitted to TRS by the District. The District's payroll for the year ended June 30, 2010, included \$31,622,196 reported as creditable earnings to TRS. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

On Behalf Contributions. The State of Illinois also makes contributions directly to TRS on behalf of the District's TRS-covered employees. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$7,327,226 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and 2008, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$5,040,540) and 13.11 percent (\$3,672,875), respectively.

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

2.2 Formula Contributions. For the years ended June 30, 2010, 2009 and 2008, the District contributed 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for those years were \$183,409, \$172,081 and \$162,492, respectively.

Federal and 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 additional TRS 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 special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer pension contribution was 17.08 and 13.11 percent, respectively, of salaries paid from those funds. For the year ended June 30, 2010, salaries totaling \$282,478 were paid from federal and special trust funds that required employer contributions of \$66,043, which was equal to the District's actual contribution. For the years ended June 30, 2009 and 2008, required District contributions were \$26,943 and \$20,000, respectively.

TRS financial information, an explanation of TRS's benefits; and descriptions of member, employer and state funding requirements, can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2009. The report for the year ended June 30, 2010, is expected to be available in late 2010. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.illinois.gov.

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2009 was 9.95 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Annual Pension Cost. For December 31, 2009, December 31, 2008 and December 31, 2007 the District's annual pension cost of \$671,085, \$644,583 and \$628,960, respectively, was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2007, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative 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 IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 66.29 percent funded. The actuarial accrued liability for benefits was \$16,095,348 and the actuarial value of assets was \$10,670,179 resulting in an underfunded actuarial accrued liability (UAAL) of \$5,425,169. The covered payroll (annual payroll of active employees covered by the plan) was \$6,744,579 and the ratio of the UAAL to the covered payroll was 80.44 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five – year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

NOTE 11 - CONSTRUCTION COMMITMENTS

As of June 30, 2010, the District is committed to approximately \$4,636,233 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and future grant revenues.

NOTE 12 - 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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 13 - 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, 2010 is \$1,915,432 of amounts the state has acknowledged as due the District in past due grant funds. Of this amount, \$1,049,821 was received by August 31, 2010. The remaining uncollected amount has not been recognized as current year revenue in the fund financial statements since it does not meet the District's criteria of availability used for revenue recognition.

It is believed that the state will continue to delay payment of certain grants during subsequent fiscal years. At June 30, 2010, 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.

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PARK RIDGE-NILES SCHOOL DISTRICT 64
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND ANALYSIS OF FUNDING PROGRESS
JUNE 30, 2010

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 671,085	100%	\$ -
12/31/08	644,583	100%	-
12/31/07	628,960	100%	-
12/31/06	572,603	100%	-
12/31/05	553,003	100%	-
12/31/04	476,668	100%	-

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)
12/31/09	\$ 10,670,179	\$ 16,095,348	\$ 5,425,169	66.29%	\$ 6,744,579	80.44%
12/31/08	11,246,621	15,539,745	4,293,124	72.37%	6,375,693	67.34%
12/31/07	13,419,762	14,557,914	1,138,152	92.18%	6,030,299	18.87%
12/31/06	12,469,812	13,731,144	1,261,332	90.81%	5,532,395	22.80%
12/31/05	11,244,289	12,712,894	1,468,605	88.45%	5,563,409	26.40%
12/31/04	10,306,951	11,498,661	1,191,710	89.64%	5,302,207	22.48%

See Auditor's Report and Notes to Required Supplementary Information

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PARK RIDGE-NILES SCHOOL DISTRICT 64
SCHEDULE OF FUNDING PROGRESS FOR RETIREES' HEALTH PLAN
JUNE 30, 2010

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)
6/30/10	\$ -	\$ 4,761,869	\$ 4,761,869	N/A	\$ 28,860,196	16.50%
6/30/09	-	4,424,147	4,424,147	N/A	27,884,247	15.87%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members. The District implemented GASB 45 for the year ended June 30, 2009. As such, only two years' information is applicable.

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64

GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 42,557,300	\$ 42,029,230	\$ (528,070)	\$ 42,109,786
Special education levy	345,400	405,738	60,338	331,632
Corporate personal property replacement taxes	900,000	794,624	(105,376)	1,023,911
Regular tuition from pupils or parents (in state)	-	46,709	46,709	37,778
Summer school - tuition from pupils or parents (in state)	150,000	199,623	49,623	186,767
Summer school - tuition from other LEA's (in state)	-	2,550	2,550	2,205
Investment income	287,300	700,091	412,791	362,773
Sales to pupils - lunch	280,000	371,038	91,038	309,071
Sales to pupils - a la carte	70,000	-	(70,000)	-
Admissions - athletic	-	7,550	7,550	-
Fees	177,500	26,654	(150,846)	174,228
Book store sales	17,100	1,017	(16,083)	1,520
Other pupil activity revenue	251,700	14,509	(237,191)	318,149
Rentals - regular textbook	430,000	833,246	403,246	397,792
Sales - other	200	1,480	1,280	1,031
Contributions and donations from private sources	-	250,000	250,000	-
Refund of prior years' expenditures	25,014	25,014	-	-
Payments of surplus monies from TIF districts	300,000	279,733	(20,267)	238,263
Payment from other LEA's	400,000	483,674	83,674	382,558
Other local fees	1,126,000	671,298	(454,702)	659,648
Other	2,000	758,036	756,036	564,184
Total local sources	47,319,514	47,901,814	582,300	47,101,296
State sources				
General state aid	1,368,039	1,295,444	(72,595)	1,254,697
Other unrestricted grants-in-aid from state source	-	37,376	37,376	-
Special education - private facility tuition	300,000	473,529	173,529	303,651
Special education - extraordinary	400,000	570,016	170,016	419,472
Special education - personnel	850,000	1,025,300	175,300	744,103
Special education - orphanage - individual	356,402	542,909	186,507	194,706
Special education - orphanage - summer	-	12,314	12,314	10,555
Special education - summer school	6,000	6,012	12	5,887
Bilingual education - downstate - TPI	2,000	5,525	3,525	2,371
State free lunch & breakfast	1,000	1,625	625	1,633
Driver education	3,100	-	(3,100)	-
Adult education from Illinois community college board	-	-	-	3,130
Learning improvement - change grants	-	-	-	3,000
Reading improvement block grant	149,473	-	(149,473)	165,985
School safety & educational improvement block grant	-	20,422	20,422	152,778

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64

GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
On behalf payment to TRS from the state	\$ 4,400,000	\$ 7,592,852	\$ 3,192,852	\$ 5,289,761
Total state sources	7,836,014	11,583,324	3,747,310	8,551,729
Federal sources				
Title V - Innovation and flexibility formula	-	-	-	220
Special milk program	40,300	40,005	(295)	48,028
Title IV - Safe & drug free schools - formula	10,305	10,305	-	9,799
Title IV - 21st Century	20,000	-	(20,000)	-
Federal - special education - IDEA - flow-through/low incident	-	804,754	804,754	779,315
Federal - special education - IDEA - room & board	804,755	7,743	(797,012)	16,777
General state aid - education stabilization	228,006	220,373	(7,633)	365,260
IDEA - part b - preschool	40,000	39,816	(184)	-
IDEA - part b - flow-through	1,089,490	751,579	(337,911)	-
Other ARRA funds - I	76,002	76,002	-	-
Title II - Teacher quality	90,562	90,435	(127)	89,237
Medicaid matching funds - administrative outreach	50,000	57,354	7,354	17,539
Medicaid matching funds - fee-for-service program	-	23,003	23,003	27,720
Total federal sources	2,449,420	2,121,369	(328,051)	1,353,895
Total revenues	57,604,948	61,606,507	4,001,559	57,006,920
Expenditures				
Instruction				
Regular programs				
Salaries	19,465,421	19,834,233	(368,812)	18,565,392
Employee benefits	2,207,653	2,374,414	(166,761)	2,529,468
On-behalf payments to TRS from the state	4,400,000	7,592,852	(3,192,852)	5,289,761
Purchased services	268,839	166,053	102,786	147,554
Supplies and materials	1,343,773	1,476,951	(133,178)	1,090,316
Capital outlay	98,180	99,704	(1,524)	27,298
Other objects	3,000	1,720	1,280	2,286
Total	27,786,866	31,545,927	(3,759,061)	27,652,075
Pre-K programs				
Salaries	580,374	-	580,374	-
Employee benefits	59,620	-	59,620	-
Purchased services	6,140	-	6,140	-
Supplies and materials	15,600	-	15,600	-
Capital outlay	5,000	-	5,000	-
Other objects	100	-	100	-
Total	666,834	-	666,834	-

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64

GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Special education programs				
Salaries	\$ 7,278,683	\$ 7,519,634	\$ (240,951)	\$ 7,112,416
Employee benefits	1,129,422	1,180,816	(51,394)	1,091,734
Purchased services	246,716	220,297	26,419	234,458
Supplies and materials	127,225	217,705	(90,480)	81,726
Capital outlay	640,490	132,678	507,812	10,079
Other objects	132,000	-	132,000	-
Non-capitalized equipment	-	53,100	(53,100)	-
Total	<u>9,554,536</u>	<u>9,324,230</u>	<u>230,306</u>	<u>8,530,413</u>
Remedial and supplemental programs K-12				
Supplies and materials	<u>6,000</u>	<u>7,306</u>	<u>(1,306)</u>	<u>6,044</u>
Total	<u>6,000</u>	<u>7,306</u>	<u>(1,306)</u>	<u>6,044</u>
Interscholastic programs				
Salaries	-	1,210	(1,210)	750
Employee benefits	10	120	(110)	9
Purchased services	-	4,550	(4,550)	-
Supplies and materials	2,970	4,234	(1,264)	-
Other objects	-	710	(710)	-
Total	<u>2,980</u>	<u>10,824</u>	<u>(7,844)</u>	<u>759</u>
Summer school programs				
Salaries	376,959	296,966	79,993	258,280
Employee benefits	2,167	3,036	(869)	2,077
Purchased services	2,300	1,815	485	1,875
Supplies and materials	9,850	15,676	(5,826)	7,535
Other objects	<u>1,500</u>	<u>45</u>	<u>1,455</u>	<u>1,587</u>
Total	<u>392,776</u>	<u>317,538</u>	<u>75,238</u>	<u>271,354</u>
Gifted programs				
Salaries	950,621	939,135	11,486	887,855
Employee benefits	90,851	87,220	3,631	85,682
Supplies and materials	<u>9,830</u>	<u>6,973</u>	<u>2,857</u>	<u>10,150</u>
Total	<u>1,051,302</u>	<u>1,033,328</u>	<u>17,974</u>	<u>983,687</u>
Bilingual programs				
Salaries	307,068	316,960	(9,892)	287,393
Employee benefits	35,013	32,249	2,764	33,041
Purchased services	800	400	400	780
Supplies and materials	<u>3,000</u>	<u>2,465</u>	<u>535</u>	<u>2,721</u>
Total	<u>345,881</u>	<u>352,074</u>	<u>(6,193)</u>	<u>323,935</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Special education programs K-12 - private tuition				
Other objects	\$ -	\$ 1,010,706	\$ (1,010,706)	\$ 1,363,458
Total	-	1,010,706	(1,010,706)	1,363,458
Total instruction	39,807,175	43,601,933	(3,794,758)	39,131,725
Support services				
Pupils				
Attendance and social work services				
Salaries	782,866	823,601	(40,735)	736,648
Employee benefits	64,804	76,403	(11,599)	61,139
Purchased services	-	3,900	(3,900)	-
Supplies and materials	1,045	756	289	731
Total	848,715	904,660	(55,945)	798,518
Guidance services				
Salaries	197,899	178,149	19,750	193,072
Employee benefits	28,828	17,392	11,436	24,758
Supplies and materials	587	481	106	557
Total	227,314	196,022	31,292	218,387
Health services				
Salaries	312,595	419,208	(106,613)	307,221
Employee benefits	27,584	35,975	(8,391)	25,953
Purchased services	8,440	5,741	2,699	4,359
Supplies and materials	3,850	2,445	1,405	1,386
Capital outlay	2,365	-	2,365	-
Total	354,834	463,369	(108,535)	338,919
Psychological services				
Salaries	403,174	390,272	12,902	379,506
Employee benefits	63,104	63,814	(710)	62,068
Purchased services	13,146	7,517	5,629	3,300
Supplies and materials	10,000	12,104	(2,104)	8,546
Other objects	-	525	(525)	-
Total	489,424	474,232	15,192	453,420
Other support services - pupils				
Salaries	150,129	1,008	149,121	984
Employee benefits	34,059	77	33,982	86
Purchased services	3,325	757	2,568	772
Supplies and materials	2,251	2,334	(83)	2,377
Total	189,764	4,176	185,588	4,219
Total pupils	2,110,051	2,042,459	67,592	1,813,463

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64

GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Instructional staff				
Improvement of instructional services				
Salaries	\$ 41,141	\$ 190,425	\$ (149,284)	\$ 162,335
Employee benefits	3,368	41,989	(38,621)	35,398
Purchased services	163,648	205,690	(42,042)	112,859
Supplies and materials	5,100	8,465	(3,365)	4,199
Other objects	-	475	(475)	-
Total	<u>213,257</u>	<u>447,044</u>	<u>(233,787)</u>	<u>314,791</u>
Educational media services				
Salaries	975,300	1,032,263	(56,963)	946,571
Employee benefits	122,806	127,261	(4,455)	15,807
Purchased services	740	740	-	1,474
Supplies and materials	<u>154,621</u>	<u>160,491</u>	<u>(5,870)</u>	<u>140,254</u>
Total	<u>1,253,467</u>	<u>1,320,755</u>	<u>(67,288)</u>	<u>1,104,106</u>
Assessment and testing				
Salaries	411,329	425,123	(13,794)	401,820
Employee benefits	84,696	118,113	(33,417)	82,125
Purchased services	9,717	15,700	(5,983)	4,687
Supplies and materials	-	<u>5,922</u>	<u>(5,922)</u>	-
Total	<u>505,742</u>	<u>564,858</u>	<u>(59,116)</u>	<u>488,632</u>
Total instructional staff	<u>1,972,466</u>	<u>2,332,657</u>	<u>(360,191)</u>	<u>1,907,529</u>
General administration				
Board of education services				
Employee benefits	-	35,186	(35,186)	-
Purchased services	442,000	275,352	166,648	119,195
Supplies and materials	-	972	(972)	-
Other objects	<u>16,000</u>	<u>7,214</u>	<u>8,786</u>	<u>138</u>
Total	<u>458,000</u>	<u>318,724</u>	<u>139,276</u>	<u>119,333</u>
Executive administration services				
Salaries	356,928	263,664	93,264	322,782
Employee benefits	55,355	44,615	10,740	68,632
Purchased services	14,140	2,828	11,312	4,951
Other objects	-	<u>1,992</u>	<u>(1,992)</u>	-
Total	<u>426,423</u>	<u>313,099</u>	<u>113,324</u>	<u>396,365</u>
Special area administration services				
Salaries	92,407	94,941	(2,534)	90,153
Employee benefits	411	1,425	(1,014)	2,832
Purchased services	<u>18,642</u>	<u>7,684</u>	<u>10,958</u>	<u>29,331</u>
Total	<u>111,460</u>	<u>104,050</u>	<u>7,410</u>	<u>122,316</u>
Total general administration	<u>995,883</u>	<u>735,873</u>	<u>260,010</u>	<u>638,014</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
School administration				
Office of the principal services				
Salaries	\$ 1,814,003	\$ 1,966,829	\$ (152,826)	\$ 1,566,347
Employee benefits	357,184	402,509	(45,325)	342,104
Purchased services	55,515	28,642	26,873	7,957
Supplies and materials	50,924	44,838	6,086	54,759
Capital outlay	-	-	-	2,075
Other objects	-	10,758	(10,758)	15,434
Total	<u>2,277,626</u>	<u>2,453,576</u>	<u>(175,950)</u>	<u>1,988,676</u>
Other support services - school administration				
Salaries	185,200	200,804	(15,604)	179,025
Employee benefits	6,478	11,901	(5,423)	6,127
Purchased services	<u>2,500</u>	<u>1,148</u>	<u>1,352</u>	<u>1,033</u>
Total	<u>194,178</u>	<u>213,853</u>	<u>(19,675)</u>	<u>186,185</u>
Total school administration	<u>2,471,804</u>	<u>2,667,429</u>	<u>(195,625)</u>	<u>2,174,861</u>
Business				
Direction of business support services				
Salaries	139,788	214,292	(74,504)	92,930
Employee benefits	27,493	59,538	(32,045)	27,730
Purchased services	<u>1,188</u>	<u>13,548</u>	<u>(12,360)</u>	<u>2,571</u>
Total	<u>168,469</u>	<u>287,378</u>	<u>(118,909)</u>	<u>123,231</u>
Fiscal services				
Salaries	202,618	169,685	32,933	189,133
Employee benefits	14,168	15,653	(1,485)	13,264
Purchased services	44,548	68,069	(23,521)	47,467
Supplies and materials	1,684	2,104	(420)	2,004
Capital outlay	<u>15,000</u>	<u>8,681</u>	<u>6,319</u>	<u>-</u>
Total	<u>278,018</u>	<u>264,192</u>	<u>13,826</u>	<u>251,868</u>
Operation and maintenance of plant services				
Capital outlay	<u>-</u>	<u>89,187</u>	<u>(89,187)</u>	<u>-</u>
Total	<u>-</u>	<u>89,187</u>	<u>(89,187)</u>	<u>-</u>
Food services				
Purchased services	478,598	492,967	(14,369)	516,225
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,740</u>
Total	<u>478,598</u>	<u>492,967</u>	<u>(14,369)</u>	<u>530,965</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64

GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Internal services				
Salaries	\$ 147,482	\$ 98,167	\$ 49,315	\$ 146,083
Employee benefits	13,668	13,190	478	16,247
Purchased services	130,118	140,534	(10,416)	124,383
Supplies and materials	95,302	98,488	(3,186)	86,878
Capital outlay	7,000	5,773	1,227	-
Total	<u>393,570</u>	<u>356,152</u>	<u>37,418</u>	<u>373,591</u>
Total business	<u>1,318,655</u>	<u>1,489,876</u>	<u>(171,221)</u>	<u>1,279,655</u>
Central				
Direction of central support services				
Salaries	168,256	192,220	(23,964)	169,184
Employee benefits	28,960	32,408	(3,448)	29,592
Purchased services	11,188	4,395	6,793	4,225
Supplies and materials	1,000	-	1,000	-
Total	<u>209,404</u>	<u>229,023</u>	<u>(19,619)</u>	<u>203,001</u>
Information services				
Employee benefits	-	213	(213)	-
Purchased services	-	483	(483)	-
Total	<u>-</u>	<u>696</u>	<u>(696)</u>	<u>-</u>
Staff services				
Salaries	165,208	113,002	52,206	132,178
Employee benefits	225,799	164,379	61,420	288,240
Purchased services	115,000	66,701	48,299	78,353
Supplies and materials	12,823	7,292	5,531	4,823
Capital outlay	2,000	-	2,000	-
Other objects	10,000	-	10,000	-
Total	<u>530,830</u>	<u>351,374</u>	<u>179,456</u>	<u>503,594</u>
Data processing services				
Salaries	282,008	270,500	11,508	260,182
Employee benefits	23,561	46,187	(22,626)	23,940
Purchased services	127,779	100,432	27,347	101,527
Supplies and materials	112,000	185,464	(73,464)	120,912
Capital outlay	35,000	67,311	(32,311)	57,658
Total	<u>580,348</u>	<u>669,894</u>	<u>(89,546)</u>	<u>564,219</u>
Total central	<u>1,320,582</u>	<u>1,250,987</u>	<u>69,595</u>	<u>1,270,814</u>
Total support services	<u>10,189,441</u>	<u>10,519,281</u>	<u>(329,840)</u>	<u>9,084,336</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64

GENERAL (EDUCATIONAL) FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Community services				
Salaries	\$ 1,017,816	\$ 976,144	\$ 41,672	\$ 913,255
Employee benefits	54,114	45,557	8,557	49,553
Purchased services	65,927	56,359	9,568	42,808
Supplies and materials	38,000	57,669	(19,669)	31,706
Capital outlay	2,000	75,810	(73,810)	-
Other objects	15,250	7,500	7,750	8,263
Non-capitalized equipment	-	24,726	(24,726)	-
Total community services	<u>1,193,107</u>	<u>1,243,765</u>	<u>(50,658)</u>	<u>1,045,585</u>
Payments to other districts and governmental units				
Payments for regular programs				
Purchased services	-	-	-	796,579
Total	-	-	-	796,579
Payments for special education programs				
Other objects	<u>2,755,000</u>	<u>2,530,400</u>	<u>224,600</u>	<u>309,873</u>
Total	<u>2,755,000</u>	<u>2,530,400</u>	<u>224,600</u>	<u>309,873</u>
Total payments to other districts and governmental units	<u>2,755,000</u>	<u>2,530,400</u>	<u>224,600</u>	<u>1,106,452</u>
Total expenditures	<u>53,944,723</u>	<u>57,895,379</u>	<u>(3,950,656)</u>	<u>50,368,098</u>
Excess (deficiency) of revenues over expenditures	<u>3,660,225</u>	<u>3,711,128</u>	<u>50,903</u>	<u>6,638,822</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - interest	-	318,266	318,266	364,034
Permanent transfer of interest	-	21,813	21,813	43,056
Total other financing sources (uses)	-	<u>340,079</u>	<u>340,079</u>	<u>407,090</u>
Net change in fund balance	<u>\$ 3,660,225</u>	<u>4,051,207</u>	<u>\$ 390,982</u>	<u>7,045,912</u>
Fund balance, beginning of year		<u>14,781,231</u>		<u>7,735,319</u>
Fund balance, end of year		<u>\$ 18,832,438</u>		<u>\$ 14,781,231</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
TORT IMMUNITY AND JUDGMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Tort immunity levy	\$ 1,306,000	\$ 1,343,640	\$ 37,640	\$ 1,252,347
Investment income	-	1,176	1,176	290
Total local sources	<u>1,306,000</u>	<u>1,344,816</u>	<u>38,816</u>	<u>1,252,637</u>
Total revenues	<u>1,306,000</u>	<u>1,344,816</u>	<u>38,816</u>	<u>1,252,637</u>
Expenditures				
Support Services				
General administration				
Workers' compensation or workers' occupational disease act payments				
Purchased services	440,000	99,343	340,657	669,734
Non-capitalized equipment	-	8,194	(8,194)	-
Total	<u>440,000</u>	<u>107,537</u>	<u>332,463</u>	<u>669,734</u>
Unemployment insurance payments				
Employee benefits	-	948	(948)	-
Purchased services	<u>15,000</u>	<u>40</u>	<u>14,960</u>	<u>-</u>
Total	<u>15,000</u>	<u>988</u>	<u>14,012</u>	<u>-</u>
Insurance payments (regular or self-insurance)				
Purchased services	<u>88,303</u>	<u>68,896</u>	<u>19,407</u>	<u>121,828</u>
Total	<u>88,303</u>	<u>68,896</u>	<u>19,407</u>	<u>121,828</u>
Risk management and claims services payments				
Purchased services	<u>123,653</u>	<u>12,590</u>	<u>111,063</u>	<u>127,845</u>
Total	<u>123,653</u>	<u>12,590</u>	<u>111,063</u>	<u>127,845</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64**TORT IMMUNITY AND JUDGMENT FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL****FOR THE YEAR ENDED JUNE 30, 2010****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	2010		VARIANCE WITH FINAL BUDGET	2009 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction				
Salaries	\$ 166,531	\$ -	\$ 166,531	\$ 416,716
Employee benefits	-	-	-	81,044
Supplies and materials	<u>10,936</u>	<u>6,526</u>	<u>4,410</u>	<u>7,192</u>
Total	<u>177,467</u>	<u>6,526</u>	<u>170,941</u>	<u>504,952</u>
Total general administration	<u>844,423</u>	<u>196,537</u>	<u>775,731</u>	<u>1,424,359</u>
Total expenditures	<u>844,423</u>	<u>196,537</u>	<u>775,731</u>	<u>1,424,359</u>
Net change in fund balance	<u>\$ 461,577</u>	1,148,279	<u>\$ 814,547</u>	(171,722)
Fund balance (deficit), beginning of year		(171,722)		-
Fund balance (deficit), end of year		<u>\$ 976,557</u>		<u>\$ (171,722)</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 6,355,900	\$ 6,659,293	\$ 303,393	\$ 6,116,588
Investment income	3,300	1,373	(1,927)	-
Rentals	32,000	32,724	724	22,789
Other	-	232,285	232,285	-
Total local sources	<u>6,391,200</u>	<u>6,925,675</u>	<u>534,475</u>	<u>6,139,377</u>
State sources				
Other restricted revenue from state sources	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Total state sources	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Federal sources				
Other restricted revenue from federal sources	<u>2,100,000</u>	<u>833,550</u>	<u>(1,266,450)</u>	<u>93,142</u>
Total federal sources	<u>2,100,000</u>	<u>833,550</u>	<u>(1,266,450)</u>	<u>93,142</u>
Total revenues	<u>8,516,200</u>	<u>7,759,225</u>	<u>(756,975)</u>	<u>6,232,519</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	-	59,312	(59,312)	-
Capital outlay	1,997,100	1,688,160	308,940	1,447,318
Non-capitalized equipment	<u>-</u>	<u>239,541</u>	<u>(239,541)</u>	<u>303,821</u>
Total	<u>1,997,100</u>	<u>1,987,013</u>	<u>10,087</u>	<u>1,751,139</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64

OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Operation and maintenance of plant services				
Salaries	\$ 2,254,761	\$ 2,230,577	\$ 24,184	\$ 1,992,701
Employee benefits	324,358	311,793	12,565	288,419
Purchased services	688,118	738,564	(50,446)	644,411
Supplies and materials	1,519,763	1,106,222	413,541	1,174,806
Capital outlay	<u>2,100,000</u>	<u>3,891,694</u>	<u>(1,791,694)</u>	<u>236,540</u>
Total	<u>6,887,000</u>	<u>8,278,850</u>	<u>(1,391,850)</u>	<u>4,336,877</u>
Total business	<u>8,884,100</u>	<u>10,265,863</u>	<u>(1,381,763)</u>	<u>6,088,016</u>
Total support services	<u>8,884,100</u>	<u>10,265,863</u>	<u>(1,381,763)</u>	<u>6,088,016</u>
Community services				
Purchased services	<u>18,000</u>	<u>31,365</u>	<u>(13,365)</u>	<u>-</u>
Total community services	<u>18,000</u>	<u>31,365</u>	<u>(13,365)</u>	<u>-</u>
Total expenditures	<u>8,902,100</u>	<u>10,297,228</u>	<u>(1,395,128)</u>	<u>6,088,016</u>
Other financing sources (uses)				
Transfer among funds	<u>385,900</u>	<u>-</u>	<u>(385,900)</u>	<u>-</u>
Total other financing sources (uses)	<u>385,900</u>	<u>-</u>	<u>(385,900)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,538,003)</u>	<u>\$ (2,538,003)</u>	<u>144,503</u>
Fund balance (deficit), beginning of year		<u>(230,367)</u>		<u>(374,870)</u>
Fund balance (deficit), end of year		<u>\$ (2,768,370)</u>		<u>\$ (230,367)</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,955,600	\$ 2,016,552	\$ 60,952	\$ 1,872,380
Regular transportation fees from pupils or parents (in state)	78,000	31,393	(46,607)	77,632
Regular transportation fees from co-curricular act (in state)	20,000	42,035	22,035	29,781
Investment income	20,400	3,838	(16,562)	1,676
Other	-	-	-	9,776
Total local sources	<u>2,074,000</u>	<u>2,093,818</u>	<u>19,818</u>	<u>1,991,245</u>
State sources				
Transportation - regular/vocational	283,081	72,836	(210,245)	266,229
Transportation - special education	<u>538,695</u>	<u>488,736</u>	<u>(49,959)</u>	<u>279,598</u>
Total state sources	<u>821,776</u>	<u>561,572</u>	<u>(260,204)</u>	<u>545,827</u>
Total revenues	<u>2,895,776</u>	<u>2,655,390</u>	<u>(240,386)</u>	<u>2,537,072</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	38,268	61,924	(23,656)	219,789
Employee benefits	-	3,005	(3,005)	45,354
Purchased services	1,792,708	1,820,093	(27,385)	1,814,513
Supplies and materials	4,100	7,870	(3,770)	13,724
Capital outlay	-	-	-	43,427
Non-capitalized equipment	<u>-</u>	<u>610</u>	<u>(610)</u>	<u>-</u>
Total	<u>1,835,076</u>	<u>1,893,502</u>	<u>(58,426)</u>	<u>2,136,807</u>
Total business	<u>1,835,076</u>	<u>1,893,502</u>	<u>(58,426)</u>	<u>2,136,807</u>
Total support services	<u>1,835,076</u>	<u>1,893,502</u>	<u>(58,426)</u>	<u>2,136,807</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Debt services				
Other debt service				
Other objects	\$ -	\$ 353	\$ (353)	\$ -
Total	-	353	(353)	-
Total debt services	-	353	(353)	-
Total expenditures	1,835,076	1,893,855	(58,779)	2,136,807
Net change in fund balance	<u>\$ 1,060,700</u>	761,535	<u>\$ (299,165)</u>	400,265
Fund balance, beginning of year		439,739		39,474
Fund balance, end of year		<u>\$ 1,201,274</u>		<u>\$ 439,739</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 977,800	\$ 1,066,979	\$ 89,179	\$ 935,684
Social security/medicare only levy	1,238,200	1,265,686	27,486	1,185,915
Corporate personal property replacement taxes	100,000	131,730	31,730	121,159
Investment income	11,100	8,963	(2,137)	2,700
Total local sources	<u>2,327,100</u>	<u>2,473,358</u>	<u>146,258</u>	<u>2,245,458</u>
Total revenues	<u>2,327,100</u>	<u>2,473,358</u>	<u>146,258</u>	<u>2,245,458</u>
Expenditures				
Instruction				
Regular programs	312,992	320,103	(7,111)	283,465
Pre-K programs	14,894	-	14,894	-
Special education programs	421,146	406,237	14,909	376,260
Interscholastic programs	13	17	(4)	11
Summer school programs	12,828	19,439	(6,611)	11,726
Gifted programs	15,357	13,914	1,443	13,274
Bilingual programs	4,743	4,550	193	4,079
Total instruction	<u>781,973</u>	<u>764,260</u>	<u>17,713</u>	<u>688,815</u>
Support services				
Pupils				
Attendance and social work services	12,343	13,391	(1,048)	10,650
Guidance services	3,134	2,501	633	2,695
Health services	36,000	47,173	(11,173)	32,506
Psychological services	19,460	17,438	2,022	17,404
Other support services - pupils	1,964	14	1,950	23
Total pupils	<u>72,901</u>	<u>80,517</u>	<u>(7,616)</u>	<u>63,278</u>
Instructional staff				
Improvement of instructional staff	1,891	3,076	(1,185)	3,352
Educational media services	76,332	79,585	(3,253)	68,354
Assessment and testing	26,770	24,904	1,866	23,914
Total instructional staff	<u>104,993</u>	<u>107,565</u>	<u>(2,572)</u>	<u>95,620</u>
General administration				
Executive administration services	27,255	14,095	13,160	24,456
Special area administration services	17,605	17,109	496	15,899
Total general administration	<u>44,860</u>	<u>31,204</u>	<u>13,656</u>	<u>40,355</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
School administration				
Office of the principal services	\$ 105,700	\$ 110,548	\$ (4,848)	\$ 94,799
Other support services - school administration	<u>9,042</u>	<u>9,422</u>	<u>(380)</u>	<u>8,250</u>
Total school administration	<u>114,742</u>	<u>119,970</u>	<u>(5,228)</u>	<u>103,049</u>
Business				
Direction of business support services	5,814	10,847	(5,033)	5,199
Fiscal services	72,993	45,754	27,239	65,596
Operations and maintenance of plant services	375,091	362,094	12,997	338,751
Pupil transportation services	19,618	10,779	8,839	17,610
Internal services	<u>26,799</u>	<u>24,563</u>	<u>2,236</u>	<u>24,254</u>
Total business	<u>500,315</u>	<u>454,037</u>	<u>46,278</u>	<u>451,410</u>
Central				
Direction of central support services	11,231	8,612	2,619	10,055
Staff services	22,909	16,612	6,297	20,778
Data processing services	<u>49,391</u>	<u>47,520</u>	<u>1,871</u>	<u>44,639</u>
Total central	<u>83,531</u>	<u>72,744</u>	<u>10,787</u>	<u>75,472</u>
Total support services	<u>921,342</u>	<u>866,037</u>	<u>55,305</u>	<u>829,184</u>
Community services	<u>99,629</u>	<u>100,937</u>	<u>(1,308)</u>	<u>92,109</u>
Total expenditures	<u>1,802,944</u>	<u>1,731,234</u>	<u>71,710</u>	<u>1,610,108</u>
Net change in fund balance	<u>\$ 524,156</u>	<u>742,124</u>	<u>\$ 217,968</u>	<u>635,350</u>
Fund balance (deficit), beginning of year		<u>608,431</u>		<u>(26,919)</u>
Fund balance, end of year		<u>\$ 1,350,555</u>		<u>\$ 608,431</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64**WORKING CASH FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 939,600	\$ 1,010,278	\$ 70,678	\$ 898,545
Investment income	<u>184,200</u>	<u>669,253</u>	<u>485,053</u>	<u>772,295</u>
Total local sources	<u>1,123,800</u>	<u>1,679,531</u>	<u>555,731</u>	<u>1,670,840</u>
Total revenues	<u>1,123,800</u>	<u>1,679,531</u>	<u>555,731</u>	<u>1,670,840</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,123,800</u>	<u>1,679,531</u>	<u>555,731</u>	<u>1,670,840</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - interest	<u>-</u>	<u>(318,266)</u>	<u>(318,266)</u>	<u>(364,034)</u>
Total other financing sources (uses)	<u>-</u>	<u>(318,266)</u>	<u>(318,266)</u>	<u>(364,034)</u>
Net change in fund balance	<u>\$ 1,123,800</u>	<u>1,361,265</u>	<u>\$ 237,465</u>	<u>1,306,806</u>
Fund balance, beginning of year		<u>11,683,735</u>		<u>10,376,929</u>
Fund balance, end of year		<u>\$ 13,045,000</u>		<u>\$ 11,683,735</u>

See Auditor's Report and Notes to Required Supplementary Information

PARK RIDGE-NILES SCHOOL DISTRICT 64
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose 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. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Excess of Expenditures over Budget

For the year ended June 30, 2010, expenditures exceeded budget in the General (Educational) Fund, Operations and Maintenance Fund, and Transportation Fund by \$3,950,656, \$1,395,128, and \$58,779, respectively. These excesses were funded by available fund balances or future tax levies.

Deficit Fund Equity

The Operations and Maintenance Fund had a deficit fund balance of \$2,768,370 as of June 30, 2010. District management expects to fund this deficit through future revenues.

See Auditor's Report

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PARK RIDGE-NILES SCHOOL DISTRICT 64
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,761,800	\$ 2,758,703	\$ (3,097)	\$ 3,835,598
Investment income	59,900	42,412	(17,488)	50,866
Other	-	-	-	949
Total local sources	<u>2,821,700</u>	<u>2,801,115</u>	<u>(20,585)</u>	<u>3,887,413</u>
State sources				
General state aid	-	79,460	79,460	-
Total state sources	-	<u>79,460</u>	<u>79,460</u>	-
Total revenues	<u>2,821,700</u>	<u>2,880,575</u>	<u>58,875</u>	<u>3,887,413</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	1,625,000	917,631	707,369	1,047,733
Principal payments on long term debt	<u>913,169</u>	<u>1,699,998</u>	<u>(786,829)</u>	<u>3,299,998</u>
Total	<u>2,538,169</u>	<u>2,617,629</u>	<u>(79,460)</u>	<u>4,347,731</u>
Other debt service				
Purchased services	-	-	-	43,481
Other objects	<u>10,000</u>	<u>2,836</u>	<u>7,164</u>	-
Total	<u>10,000</u>	<u>2,836</u>	<u>7,164</u>	<u>43,481</u>
Total debt services	<u>2,548,169</u>	<u>2,620,465</u>	<u>(72,296)</u>	<u>4,391,212</u>
Total expenditures	<u>2,548,169</u>	<u>2,620,465</u>	<u>(72,296)</u>	<u>4,391,212</u>
Excess (deficiency) of revenues over expenditures	<u>273,531</u>	<u>260,110</u>	<u>(13,421)</u>	<u>(503,799)</u>
Other financing sources (uses)				
Principal on bonds sold	-	-	-	2,555,000
Premium on bonds sold	-	-	-	74,237
Accrued interest on bonds sold	-	-	-	6,246
Permanent transfer of interest	-	(21,813)	(21,813)	(43,056)
Payment to escrow agent	-	-	-	(2,585,756)
Total other financing sources (uses)	-	<u>(21,813)</u>	<u>(21,813)</u>	<u>6,671</u>
Net change in fund balance	<u>\$ 273,531</u>	<u>238,297</u>	<u>\$ (35,234)</u>	<u>(497,128)</u>
Fund balance, beginning of year		<u>2,811,738</u>		<u>3,308,866</u>
Fund balance, end of year		<u>\$ 3,050,035</u>		<u>\$ 2,811,738</u>

PARK RIDGE - NILES SCHOOL DISTRICT 64
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
JUNE 30, 2010

	BALANCE JUNE 30, 2009	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2010
Accommodation	\$ 11,852	\$ 20,988	\$ 29,786	\$ 3,054
Carpenter	17,090	6,304	5,601	17,793
Day Care	4,198	10,361	8,683	5,876
2010 ELF Grants	-	1,048	6,138	(5,090)
2009 ELF Grants	-	17,306	17,306	-
2008 ELF Grants	-	2,104	2,104	-
2007 ELF Grants	-	290	290	-
Emerson Afterschool	105,421	4,112	12,117	97,416
Emerson Middle School	13,752	56,459	57,578	12,633
Emerson SGA	1,463	2,570	1,463	2,570
Emerson LRC	-	406	-	406
ESC Beverage	(845)	3,115	2,636	(366)
Field School	6,616	26,585	21,809	11,392
Franklin School	2,446	10,416	10,604	2,258
Green Fund	1,000	2,398	1,423	1,975
IMRF Insurance	1,604	5,582	6,328	858
Interest	9,121	3,046	265	11,902
Jefferson	2,163	2,000	1,539	2,624
Lincoln Afterschool	54,393	3,152	11,910	45,635
Lincoln Environmental	218	50	-	268
Lincoln Middle School	15,680	57,139	52,415	20,404
Lincoln SGA	534	596	677	453
Lincoln Science	-	161	-	161
Lincoln LRC	-	325	-	325
Lincoln Ind. Tech	-	109	-	109
Outdoor Education	1,948	86,344	82,908	5,384
Power	421	12,276	12,623	74
Roosevelt	9,871	20,823	24,691	6,003
S Arbetter Memorial Fund	8,355	215	1,498	7,072
Sales Tax	(479)	5,796	2,158	3,159
SEC Flower Fund	103	170	44	229
Washington	12,729	8,043	7,756	13,016
	<u>\$ 279,654</u>	<u>\$ 370,289</u>	<u>\$ 382,350</u>	<u>\$ 267,593</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64
FIVE YEAR SUMMARY OF ASSESSED VALUATIONS,
TAX RATES, EXTENSIONS AND COLLECTIONS
JUNE 30, 2010

	2009	2008	2007	2006	2005
Assessed valuation	<u>\$ 2,137,881,366</u>	<u>\$ 2,121,453,047</u>	<u>\$ 1,968,799,003</u>	<u>\$ 1,625,641,143</u>	<u>\$ 1,594,439,099</u>
Tax rates					
Educational	1.8996	1.9570	2.0262	2.1750	1.9135
Tort immunity	0.0635	0.0595	0.0586	0.0615	-
Special education	0.0212	0.0158	0.0156	0.0154	0.0145
Operations and maintenance	0.3177	0.2917	0.2874	0.3015	0.2509
Bond and interest	0.1258	0.1271	0.2319	0.2654	0.2708
Transportation	0.0953	0.0893	0.0880	0.0923	0.0564
Municipal retirement	0.0529	0.0446	0.0440	0.0461	0.0314
Social security	0.0593	0.0566	0.0557	0.0584	0.0443
Working cash	<u>0.0500</u>	<u>0.0428</u>	<u>0.0422</u>	<u>-</u>	<u>-</u>
Total	<u>2.6853</u>	<u>2.6844</u>	<u>2.8496</u>	<u>3.0156</u>	<u>2.5818</u>
Tax extensions					
Educational	\$ 40,611,477	\$ 41,516,066	\$ 39,871,166	\$ 35,357,218	\$ 30,509,259
Tort immunity	1,358,238	1,262,871	1,154,451	1,000,000	-
Special education	452,746	335,209	306,431	250,000	230,500
Operations and maintenance	6,791,191	6,189,180	5,657,829	4,900,884	4,000,000
Bond and interest	2,690,520	2,697,385	4,565,816	4,314,550	4,317,856
Transportation	2,037,358	1,894,305	1,731,876	1,500,000	900,000
Municipal retirement	1,131,865	947,153	865,838	750,000	500,000
Social security	1,267,689	1,199,728	1,096,729	950,000	706,000
Working cash	<u>1,068,457</u>	<u>908,869</u>	<u>830,841</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 57,409,541</u>	<u>\$ 56,950,766</u>	<u>\$ 56,080,977</u>	<u>\$ 49,022,652</u>	<u>\$ 41,163,615</u>
Total collections	<u>\$ 29,725,844</u>	<u>\$ 55,583,532</u>	<u>\$ 54,949,046</u>	<u>\$ 48,341,345</u>	<u>\$ 40,797,190</u>
Percentage collected	51.78 %	97.60 %	97.98 %	98.61 %	99.11 %

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PARK RIDGE-NILES SCHOOL DISTRICT 64**OPERATING COST AND TUITION CHARGE**

JUNE 30, 2010

	2010	2009
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>4,001</u>	<u>4,417</u>
Operating Costs:		
Educational	\$ 50,302,527	\$ 45,078,337
Operations and Maintenance	10,297,228	6,088,016
Debt Service	2,620,465	4,391,212
Transportation	1,893,855	2,136,807
Municipal Retirement/Social Security	1,731,234	1,610,108
Tort	<u>196,537</u>	<u>1,424,359</u>
Subtotal	<u>67,041,846</u>	<u>60,728,839</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	1,010,706	1,363,458
Summer school	336,977	283,080
Capital outlay	6,058,998	1,839,135
Non-capitalized equipment	317,977	303,821
Debt principal retired	1,699,998	3,299,998
Community services	1,275,531	1,137,694
Payments to other districts & governmental units	<u>2,530,400</u>	<u>1,106,452</u>
Subtotal	<u>13,230,587</u>	<u>9,333,638</u>
Operating costs	<u>\$ 53,811,259</u>	<u>\$ 51,395,201</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 13,450</u>	<u>\$ 11,635</u>
Tuition Charge		
Operating Costs	\$ 53,811,259	\$ 51,395,201
Less - revenues from specific programs, such as special education or lunch programs	<u>8,394,386</u>	<u>6,005,944</u>
Net operating costs	45,416,873	45,389,257
Depreciation allowance	<u>1,314,901</u>	<u>1,824,231</u>
Allowable Tuition Costs	<u>\$ 46,731,774</u>	<u>\$ 47,213,488</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 11,680</u>	<u>\$ 10,688</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64
BONDS PAYABLE SCHEDULE - ISSUE DATED NOVEMBER 1, 2001
JUNE 30, 2010

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2011	\$ 1,440,000	\$ 750,200	\$ 2,190,200
2012	1,760,000	662,200	2,422,200
2013	1,855,000	562,788	2,417,788
2014	1,960,000	457,875	2,417,875
2015	2,320,000	340,175	2,660,175
2016	2,445,000	209,137	2,654,137
2017	<u>2,580,000</u>	<u>70,950</u>	<u>2,650,950</u>
Total	<u>\$ 14,360,000</u>	<u>\$ 3,053,325</u>	<u>\$ 17,413,325</u>

Paying Agent:	Cole Taylor Bank
Principal payment date:	December 1
Interest payment dates:	December 1 and June 1
Interest rates:	3.75% - 5.50%

PARK RIDGE-NILES SCHOOL DISTRICT 64
BONDS PAYABLE SCHEDULE - ISSUE DATED DECEMBER 1, 2008
JUNE 30, 2010

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2011	\$ 240,000	\$ 87,800	\$ 327,800
2012	295,000	77,100	372,100
2013	305,000	65,100	370,100
2014	315,000	52,700	367,700
2015	370,000	39,000	409,000
2016	385,000	23,900	408,900
2017	<u>405,000</u>	<u>8,100</u>	<u>413,100</u>
Total	<u>\$ 2,315,000</u>	<u>\$ 353,700</u>	<u>\$ 2,668,700</u>

Paying Agent: The Bank of New York

Principal payment date: December 1

Interest payment dates: December 1 and June 1

Interest rates: 4.00%

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