

**PARK RIDGE-NILES SCHOOL
DISTRICT 64**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2008
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, 2008, 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 2007 financial statements and, in our report dated January 4, 2008, 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, 2008, 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 17, 2008 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 management's discussion and analysis, the historical pension information and the general and major special revenue funds budgetary comparison schedules, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 2008 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, 2008, 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, 2007, which are not presented with the accompanying financial statements. In our report dated January 4, 2008, 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 2007 supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2007, taken as a whole.

Vielow, Krause & Company, LLP

Oak Brook, Illinois
November 17, 2008

Park Ridge-Niles School District 64

Management's Discussion and Analysis

For the Year Ended June 30, 2008

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, 2008. 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 \$11.9. This represents a 52% increase from 2007. The increase can primarily be attributed to an increase in property taxes due to a tax rate increase approved by referendum in April 2007.
- General revenues accounted for \$56.4 in revenue or 84% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$11.0 or 16% of total revenues of \$67.4.
- The District had \$55.5 in expenses related to government activities. However, only \$11.0 of these expenses were offset by program specific charges and grants.
- The District continued to pay down its long-term bonded debt retiring \$2.9 in fiscal 2008. The 2007 levy will be the final levy for the working cash fund bond issue that occurred in the fall of 2005, thus reducing the overall debt service levy in 2008.
- The District's long-term bond rating was affirmed AA/Stable by Standard & Poor's and was upgraded by Moody's Investors Service to A1.

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.

Park Ridge-Niles School District 64

Management's Discussion and Analysis

For the Year Ended June 30, 2008

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.

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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General (Educational) Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Working Cash Fund, and Bond and Interest 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.

Park Ridge-Niles School District 64

Management's Discussion and Analysis

For the Year Ended June 30, 2008

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 to provide pension benefits to its non-certified employees.

District-Wide Financial Analysis

The District's combined net assets were higher on June 30, 2008, than they were the year before, increasing 52% to \$34.6.

Table 1		
Condensed Statements of Net Assets		
(in millions of dollars)		
	<u>2007</u>	<u>2008</u>
Assets:		
Current and other assets	\$ 45.7	\$ 58.0
Deferred charges	0.2	0.2
Capital Assets	<u>35.3</u>	<u>36.0</u>
Total assets	<u>81.2</u>	<u>94.2</u>
Liabilities:		
Current liabilities	32.9	36.9
Long-term debt outstanding	<u>25.6</u>	<u>22.7</u>
Total liabilities	<u>58.5</u>	<u>59.6</u>
Net assets:		
Invested in capital assets, net of related debt	14.4	16.0
Restricted	4.7	3.9
Unrestricted	<u>3.6</u>	<u>14.7</u>
Total net assets	<u>\$ 22.7</u>	<u>\$ 34.6</u>

Revenues in the governmental activities of the District of \$67.4 exceeded expenditures by \$11.9. This was attributable to an increase in the amount of property taxes over the prior year and was on pace with the Board of Education's goal of achieving a fund balance equal to one third of the anticipated expenditures at year end. The successful tax rate increase referendum approved by the taxpayers in April 2007 can be credited for this improvement as well as measured growth of expenses.

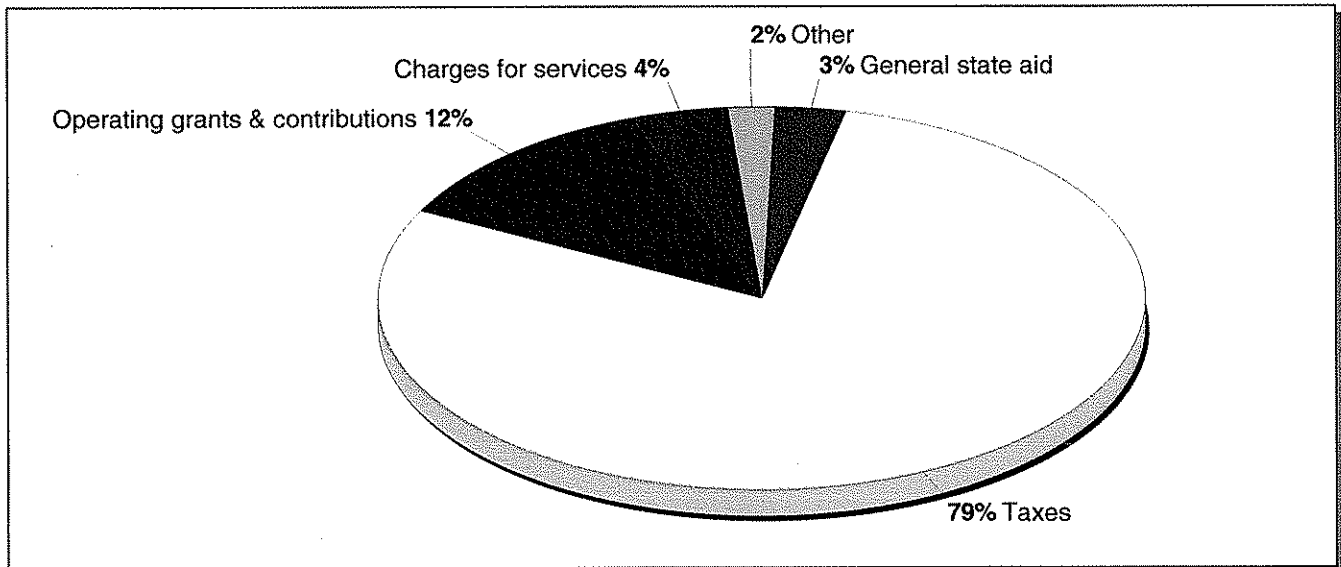
Park Ridge-Niles School District 64
Management's Discussion and Analysis
For the Year Ended June 30, 2008

Table 2		
Changes in Net Assets		
(in millions of dollars)		
	<u>2007</u>	<u>2008</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 2.5	\$ 2.8
Operating grants & contributions	6.1	8.2
Capital grants & contributions	0.5	-
<i>General revenues:</i>		
Taxes	42.6	53.1
General state aid	1.6	1.7
Other	1.0	1.6
Total revenues	<u>54.3</u>	<u>67.4</u>
Expenses:		
Instruction	34.5	37.1
Pupil & instructional staff services	3.4	3.6
Administration & business	5.1	5.0
Transportation	1.8	1.9
Operations & maintenance	4.8	4.7
Other	3.2	3.2
Total expenses	<u>52.8</u>	<u>55.5</u>
Increase (decrease) in net assets	<u><u>\$ 1.5</u></u>	<u><u>\$ 11.9</u></u>

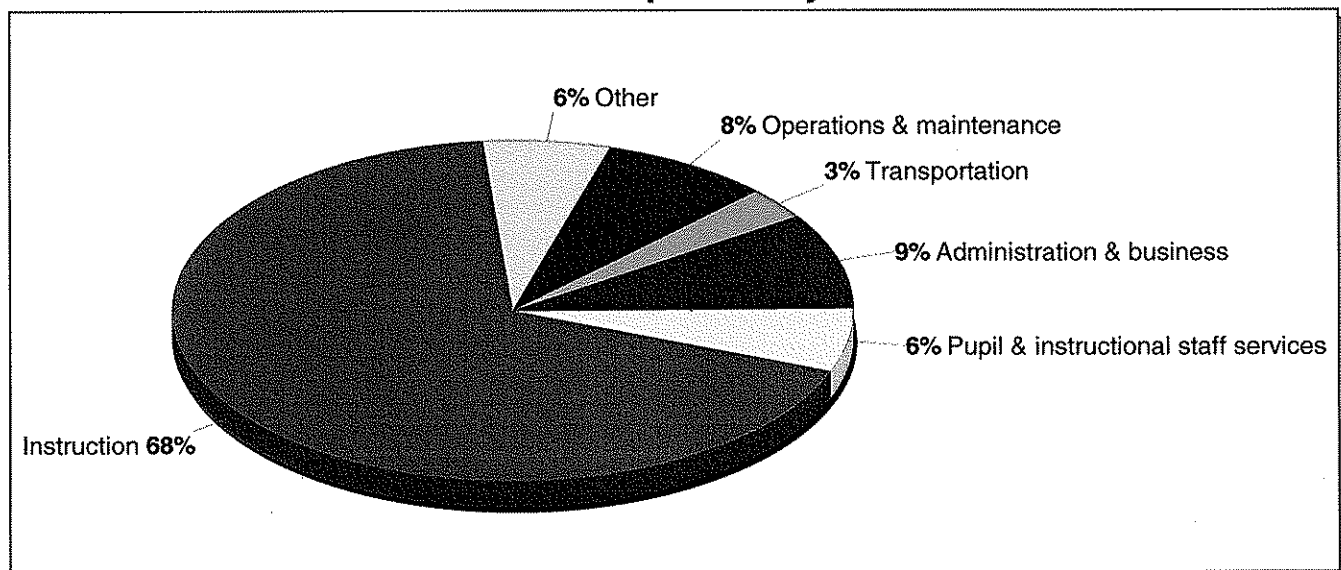
Property taxes accounted for the largest portion of the District's revenues, contributing 79%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$55.5, mainly related to instructing and caring for the students and student transportation 77%.

Park Ridge-Niles School District 64
Management's Discussion and Analysis
For the Year Ended June 30, 2008

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 \$13.1 to \$21.1.

This increase can primarily be attributed to the increase in property taxes due to the successful tax rate increase referendum approved by the community in April 2007. 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

For the Year Ended June 30, 2008

General Fund Budgetary Highlights

Revenues increase from fiscal year 2007 to 2008 by \$9.0, an increase of 22.9%. The main factor contributing to this increase was greater property taxes resulting from the tax rate increase approved by the voters of the District in April 2007. Expenditures within the General (Educational) Fund increased by \$3.5, an increase of 8.9%. Greater operating costs including salary and benefit increases, implementation of new class size guidelines, restoration of early literacy teaching staff (3.5 positions), and technology improvements, can be attributed to the increase.

Capital Assets and Debt Administration

Capital assets

By the end of 2008, the District had compiled a total investment of \$55.0 (\$36.0 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>2007</u>		<u>2008</u>
Land	\$ 0.4	\$	0.4
Construction in progress	-		0.6
Land improvements	0.1		0.1
Buildings	34.9		34.7
Equipment	-		0.2
Total	<u>\$ 35.4</u>	<u>\$</u>	<u>36.0</u>

Long-term debt

The District retired \$2.9 in bonds in 2008. Capital leases and other were reduced by \$0.2. At the end of fiscal 2008, the District had a debt margin of \$114.1. More detailed information on long-term debt can be found in Note 6 of the basic financial statements. The District's \$4.9 working cash bond issue will be retired with the 2007 levy. The bonds were issued in 2005.

Table 4 Outstanding Long-Term Debt (in millions of dollars)			
	<u>2007</u>		<u>2008</u>
General obligation bonds	\$ 25.3	\$	22.3
Capital leases and other	0.3		0.4
Total	<u>\$ 25.6</u>	<u>\$</u>	<u>22.7</u>

Park Ridge-Niles School District 64

Management's Discussion and Analysis

For the Year Ended June 30, 2008

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 passed a successful tax rate increase in April 2007. The rate increase will allow the District to increase its property taxes beyond the otherwise restricted parameters for two levy years (2006 and 2007). The additional funds are being used to lower class sizes, fund technology initiatives, and increase the operating fund balance. The District will continue to work with the Community Finance Committee (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. The Community Finance Committee is a standing Board committee that acts in an advisory capacity.

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, 2008

**GOVERNMENTAL
ACTIVITIES**

Assets

Cash	\$ 10,000
Investments	24,217,050
Receivables (net of allowance for uncollectibles):	
Interest	289,426
Property taxes	32,165,697
Replacement taxes	197,487
Intergovernmental	811,715
Prepaid items	428,080
Other current assets	2,188
Deferred charges	153,912
Capital assets:	
Land	353,013
Construction in progress	585,932
Depreciable buildings, property and equipment, net	<u>35,017,359</u>
Total assets	<u>94,231,859</u>

Liabilities

Accounts payable	1,888,187
Salaries and wages payable	2,462,192
Payroll deductions payable	401,586
Interest payable	175,544
Deferred revenue	32,021,453
Long-term liabilities:	
Other long-term liabilities - due within one year	3,436,317
Other long-term liabilities - due after one year	<u>19,218,203</u>
Total liabilities	<u>59,603,482</u>

Net assets

Invested in capital assets, net of related debt	16,015,609
Restricted for:	
Debt service	3,133,322
Capital projects	791,451
Unrestricted	<u>14,687,995</u>
Total net assets	<u>\$ 34,628,377</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, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND
				GOVERNMENTAL ACTIVITIES
Governmental activities				
Instruction:				
Regular programs	\$ 21,916,330	\$ 961,510	\$ 6,110	\$ (20,948,710)
Special programs	9,574,054	551,653	2,990,259	(6,032,142)
Other instructional programs	1,697,557	187,387	176,727	(1,333,443)
State retirement contributions	3,908,208	-	3,908,208	-
Support Services:				
Pupils	1,715,000	-	9,981	(1,705,019)
Instructional staff	1,905,429	-	80,470	(1,824,959)
General administration	588,843	-	-	(588,843)
School administration	1,816,275	-	-	(1,816,275)
Business	2,593,828	388,644	196,917	(2,008,267)
Transportation	1,877,903	75,744	848,129	(954,030)
Operations and maintenance	4,713,200	30,028	-	(4,683,172)
Central	945,813	-	-	(945,813)
Community services	1,118,631	606,799	-	(511,832)
Interest and fees	1,145,363	-	-	(1,145,363)
Total governmental activities	<u>\$ 55,516,434</u>	<u>\$ 2,801,765</u>	<u>\$ 8,216,801</u>	<u>(44,497,868)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				42,592,465
Real estate taxes, levied for specific purposes				4,846,089
Real estate taxes, levied for debt service				4,400,847
Personal property replacement taxes				1,308,996
State aid-formula grants				1,678,094
Investment earnings				914,184
Miscellaneous				<u>660,228</u>
Total general revenues				<u>56,400,903</u>
Change in net assets				11,903,035
Net assets, beginning of year				<u>22,725,342</u>
Net assets, end of year				<u>\$ 34,628,377</u>

See Notes to Basic Financial Statements

PARK RIDGE-NILES SCHOOL DISTRICT 64**GOVERNMENTAL FUNDS****BALANCE SHEET**

JUNE 30, 2008

WITH COMPARATIVE TOTALS FOR JUNE 30, 2007

	GENERAL (EDUCATIONAL) FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash	\$ 10,000	\$ -	\$ -	\$ -
Investments	10,612,004	100,651	-	-
Receivables (net allowance for uncollectibles):				
Interest	33,648	-	-	-
Property taxes	23,709,827	3,243,831	992,532	1,125,144
Replacement taxes	184,966	-	-	12,521
Intergovernmental	605,709	-	206,006	-
Prepaid items	428,080	-	-	-
Other current assets	2,188	-	-	-
Total assets	\$ 35,586,422	\$ 3,344,482	\$ 1,198,538	\$ 1,137,665
Liabilities and fund balance				
Cash deficit	\$ -	\$ -	\$ 112,056	\$ 45,187
Accounts payable	1,334,328	493,989	59,870	-
Salaries and wages payable	2,462,192	-	-	-
Payroll deductions payable	389,323	6,862	2,361	3,040
Deferred revenue	23,665,260	3,218,501	984,777	1,116,357
Total liabilities	27,851,103	3,719,352	1,159,064	1,164,584
Fund balance				
Reserved fund balance:				
Reserved for prepaid expenditures	428,080	-	-	-
Reserved for capital projects	-	791,451	-	-
Unreserved fund balance:				
Undesignated	7,307,239	(1,166,321)	39,474	(26,919)
Total fund balance (deficit)	7,735,319	(374,870)	39,474	(26,919)
Total liabilities and fund balance	\$ 35,586,422	\$ 3,344,482	\$ 1,198,538	\$ 1,137,665

See Notes to Basic Financial Statements

WORKING CASH FUND	BOND AND INTEREST FUND	TOTAL	
		2008	2007
\$ -	\$ -	\$ 10,000	\$ 10,000
10,373,210	3,288,428	24,374,293	17,385,745
240,814	14,964	289,426	121,021
476,384	2,617,979	32,165,697	28,795,811
-	-	197,487	216,108
-	-	811,715	171,855
-	-	428,080	374,128
-	-	2,188	-
<u>\$ 11,090,408</u>	<u>\$ 5,921,371</u>	<u>\$ 58,278,886</u>	<u>\$ 47,074,668</u>
\$ -	\$ -	\$ 157,243	\$ 1,380,335
-	-	1,888,187	1,341,886
-	-	2,462,192	2,264,975
-	-	401,586	928,567
<u>713,479</u>	<u>2,612,505</u>	<u>32,310,879</u>	<u>28,785,975</u>
<u>713,479</u>	<u>2,612,505</u>	<u>37,220,087</u>	<u>34,701,738</u>
-	-	428,080	374,128
-	-	791,451	1,964,044
<u>10,376,929</u>	<u>3,308,866</u>	<u>19,839,268</u>	<u>10,034,758</u>
<u>10,376,929</u>	<u>3,308,866</u>	<u>21,058,799</u>	<u>12,372,930</u>
<u>\$ 11,090,408</u>	<u>\$ 5,921,371</u>	<u>\$ 58,278,886</u>	<u>\$ 47,074,668</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, 2008

Total fund balances - governmental funds		\$ 21,058,799
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.		35,956,304
Interest revenue receivable by the District and recognized in the Statement of Net Assets do not provide current financial resources and are deferred in the governmental fund balance sheet.		
Interest revenue	\$ 289,304	289,426
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 fund balance sheet.		153,912
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, 2008 are:		
Long term debt	\$ (22,654,520)	
Interest payable	(175,544)	
		(22,830,064)
Net assets of governmental activities		\$ 34,628,377

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, 2008

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007

	GENERAL (EDUCATIONAL) FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 38,455,295	\$ 5,202,254	\$ 1,593,658	\$ 1,805,342
Corporate personal property replacement taxes	1,198,329	-	-	110,667
State aid	8,098,025	-	848,129	-
Federal aid	948,741	-	-	-
Interest income	290,452	10,663	4,209	4,784
Other	3,354,671	30,028	77,294	-
Total revenues	<u>52,345,513</u>	<u>5,242,945</u>	<u>2,523,290</u>	<u>1,920,793</u>
Expenditures				
Current:				
Instruction:				
Regular programs	21,430,624	-	-	281,972
Special programs	9,216,990	-	-	361,162
Other instructional programs	1,668,771	-	-	28,786
State retirement contributions	3,908,208	-	-	-
Support Services:				
Pupils	1,655,380	-	-	57,941
Instructional staff	1,818,142	-	-	88,696
General administration	552,123	-	-	31,660
School administration	1,725,146	-	-	94,028
Business	2,415,066	-	-	98,077
Transportation	-	-	1,842,849	9,645
Operations and maintenance	-	3,865,043	-	325,976
Central	819,195	-	-	66,076
Community services	1,034,008	-	-	86,125
Nonprogrammed charges	-	-	-	-
Debt Service:				
Principal	150,680	-	-	-
Interest and other	89,543	-	-	-
Capital outlay	<u>357,538</u>	<u>1,172,593</u>	<u>25,409</u>	<u>-</u>
Total expenditures	<u>46,841,414</u>	<u>5,037,636</u>	<u>1,868,258</u>	<u>1,530,144</u>
Excess (deficiency) of revenues over expenditures	<u>5,504,099</u>	<u>205,309</u>	<u>655,032</u>	<u>390,649</u>
Other financing sources (uses)				
Transfers in	528,559	-	-	-
Transfers (out)	-	-	-	-
Capital lease value	<u>224,994</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>753,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	6,257,652	205,309	655,032	390,649
Fund balance (deficit), beginning of year	<u>1,477,667</u>	<u>(580,179)</u>	<u>(615,558)</u>	<u>(417,568)</u>
Fund balance (deficit), end of year	<u>\$ 7,735,319</u>	<u>\$ (374,870)</u>	<u>\$ 39,474</u>	<u>\$ (26,919)</u>

See Notes to Basic Financial Statements

WORKING CASH FUND	BOND AND INTEREST FUND	TOTAL	
		2008	2007
\$ 382,005	\$ 4,400,847	\$ 51,839,401	\$ 41,406,259
-	-	1,308,996	1,224,078
-	-	8,946,154	6,582,264
-	-	948,741	1,039,195
286,444	149,227	745,779	1,073,104
-	-	3,461,993	2,499,015
<u>668,449</u>	<u>4,550,074</u>	<u>67,251,064</u>	<u>54,364,601</u>
-	-	21,712,596	19,931,323
-	-	9,578,152	8,803,281
-	-	1,697,557	1,551,968
-	-	3,908,208	2,538,100
-	-	1,713,321	1,578,660
-	-	1,906,838	1,826,931
-	-	583,783	621,606
-	-	1,819,174	1,937,760
-	-	2,513,143	2,282,269
-	-	1,852,494	1,800,198
-	-	4,191,019	4,060,520
-	-	885,271	1,019,111
-	-	1,120,133	543,627
-	-	-	311,237
-	2,860,000	3,010,680	2,903,689
-	1,193,423	1,282,966	1,325,459
-	-	1,555,540	1,468,759
<u>-</u>	<u>4,053,423</u>	<u>59,330,875</u>	<u>54,504,498</u>
<u>668,449</u>	<u>496,651</u>	<u>7,920,189</u>	<u>(139,897)</u>
-	-	528,559	4,280,012
(408,559)	(120,000)	(528,559)	(4,280,012)
-	-	224,994	-
<u>(408,559)</u>	<u>(120,000)</u>	<u>224,994</u>	<u>-</u>
259,890	376,651	8,145,183	(139,897)
<u>10,117,039</u>	<u>2,932,215</u>	<u>12,913,616</u>	<u>13,053,513</u>
<u>\$ 10,376,929</u>	<u>\$ 3,308,866</u>	<u>\$ 21,058,799</u>	<u>\$ 12,913,616</u>

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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, 2008

Net change in fund balances - total governmental funds	\$ 8,145,183
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.	644,733
Interest revenue included in the Statement of Activities do not provide current financial resources and, therefore, are deferred in the fund statements.	
Deferred interest	\$ 168,405
	168,405
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.	3,010,680
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.	119,232
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	\$ 22,164
Compensated absences	17,632
	39,796
The value of capital lease obligations entered into during the current year are recorded as financing sources in the governmental funds. However, in the government-wide statements, issuing such debt increases the long-term liabilities in the Statement of Net Assets and does not effect the Statement of Activities.	(224,994)
Change in net assets of governmental activities	<u>\$ 11,903,035</u>

See Notes to Basic Financial Statements

PARK RIDGE-NILES SCHOOL DISTRICT 64
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2008

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash and investments	\$ <u>277,993</u>
Total assets	\$ <u><u>277,993</u></u>
Liabilities	
Due to student groups	\$ <u>277,993</u>
Total liabilities	\$ <u><u>277,993</u></u>

See Notes to Basic Financial Statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

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 in Government Accounting Standards Board Statement No. 14 have 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, 2008

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 is maintained 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.

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, 2008

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) and the Special Revenue Fund's Operation 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, Special Revenue Funds, Debt Service Funds or the Fire Prevention and Life Safety Fund.

Debt Service Fund - (*Bond and Interest 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.

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

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.

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

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

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	\$ -	\$ 31,914,559	\$ 31,914,559
Interest income receivable	289,426	-	289,426
Local receipts receivable	-	107,016	107,016
State and federal aid receivable	(122)	-	(122)
Total	<u>\$ 289,304</u>	<u>\$ 32,021,575</u>	<u>\$ 32,310,879</u>

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2007 levy resolution was approved during the December 10, 2007 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 2007 and 2006 tax levies were 2.5% and 3.4%, respectively.

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 March 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 one-half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

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

The 2007 property tax levy is recognized as a receivable in fiscal 2008, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2007 levy is to be used to finance operations in fiscal 2008. The District has determined that the second installment of the 2007 levy is to be used to finance operations in fiscal 2009 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 5 years 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	5 - 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 and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2008 are determined on the basis of current salary rates and include salary related payments.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

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

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.

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

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

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, 2007, 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, 2008, expenditures exceeded budget in the Operations and Maintenance Fund, Bond and Interest Fund, Transportation Fund, and Municipal Retirement/Social Security Fund by \$29,557, \$1,177, \$57,058 and \$31,481, respectively. These excesses were funded by available fund balances or future tax levies.

Deficit Fund Equity

The Operations and Maintenance Fund and Municipal Retirement/Social Security Fund Fund had deficit fund balances of \$374,870 and \$26,919, respectively as of June 30, 2008. District management expects to fund these deficits through future tax levies.

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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 Bond and Interest 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 2.11 years at June 30, 2008. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2008, the fair value of all investments held by the Treasurer's office was \$160,608,018 and the fair value of the District's proportionate share of the pool was \$24,158,408.

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

	<i>Carrying Value</i>	<i>Bank Balance</i>
Deposits with financial institutions	\$ 155,496	\$ 164,087
Total	<u>\$ 155,496</u>	<u>\$ 164,087</u>

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	\$ 132,497	On Demand	100.00 %	Variable
Total	<u>\$ 132,497</u>		<u>100.00 %</u>	

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

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 limits 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 AAA 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, 2008, the bank balance of the District's deposit with financial institutions totaled \$164,087; of this amount, \$55,714 was uncollateralized and uninsured.

NOTE 4 - INTERFUND TRANSFERS

During the year, the Board transferred \$408,559 in interest earned in the Working Cash Fund and \$120,000 in interest earned in the Bond and Interest Fund to the following funds:

<i>Fund</i>	<i>Amount</i>
General	\$ 528,559
Total	<u>\$ 528,559</u>

State law allows for the above transfers.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2008, 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	-	585,932	-	585,932
Total capital assets not being depreciated	353,013	585,932	-	938,945
<u>Capital assets being depreciated:</u>				
Land improvements	637,262	-	-	637,262
Buildings	43,960,019	586,942	-	44,546,961
Equipment	12,380,768	348,610	4,079,829	8,649,549
Vehicles	220,321	25,409	40,121	205,609
Total capital assets being depreciated	57,198,370	960,961	4,119,950	54,039,381
<u>Less Accumulated Depreciation for:</u>				
Land improvements	530,948	43,585	-	574,533
Buildings	9,107,775	713,412	-	9,821,187
Equipment	12,380,768	122,341	4,079,829	8,423,280
Vehicles	220,321	22,822	40,121	203,022
Total accumulated depreciation	22,239,812	902,160	4,119,950	19,022,022
Net capital assets being depreciated	34,958,558	58,801	-	35,017,359
Net governmental activities capital assets	\$ 35,311,571	\$ 644,733	\$ -	\$ 35,956,304

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 703,447
Special programs	32,064
Pupils	6,163
Instructional staff	3,855
General administration	45,332
School administration	11,570
Business	43,378
Operations and maintenance	34,468
Central	15,855
Other supporting services	702
Community services	2,817
Unallocated	2,509
Total depreciation expense - governmental activities	\$ 902,160

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 24,370,000	\$ -	\$ 2,860,000	\$ 21,510,000	\$ 3,225,000
Unamortized premium	947,577	-	164,370	783,207	-
Total bonds payable	<u>25,317,577</u>	<u>-</u>	<u>3,024,370</u>	<u>22,293,207</u>	<u>3,225,000</u>
Capital leases	150,680	224,994	150,680	224,994	74,999
Compensated absences	<u>153,951</u>	<u>337,513</u>	<u>355,145</u>	<u>136,319</u>	<u>136,318</u>
Total long-term liabilities - governmental activities	<u>\$ 25,622,208</u>	<u>\$ 562,507</u>	<u>\$ 3,530,195</u>	<u>\$ 22,654,520</u>	<u>\$ 3,436,317</u>

The obligations for the compensated absences will be repaid from the General 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 Building Refunding Bonds dated May 1, 1997 are due in annual installments through June 30, 2017	4.60% - 5.70%	\$ 26,975,000	\$ 2,750,000
Series Refunding Bonds dated November 1, 2001 are due in annual installments through June 30, 2017	3.75% - 5.50%	17,065,000	17,065,000
Series September 1, 2005 Limited Tax Bonds dated September 1, 2005 are due in annual installments through June 30, 2009	3.75%	<u>4,900,000</u>	<u>1,695,000</u>
Total		<u>\$ 48,940,000</u>	<u>\$ 21,510,000</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, 2008, \$17,160,000 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>
2009	\$ 3,225,000	\$ 1,053,259	\$ 4,278,259
2010	1,605,000	951,434	2,556,434
2011	1,670,000	873,877	2,543,877
2012	2,045,000	771,772	2,816,772
2013	2,155,000	656,198	2,811,198
2014 - 2018	<u>10,810,000</u>	<u>1,258,323</u>	<u>12,068,323</u>
Total	<u>\$ 21,510,000</u>	<u>\$ 5,564,863</u>	<u>\$ 27,074,863</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

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, 2008, the statutory debt limit for the District was \$135,847,131, providing a debt margin of \$114,112,137. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2008, 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 qualify as a capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2008, \$224,994 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the General Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, are as follows:

	<i>Amount</i>
2009	\$ 79,460
2010	79,460
2011	<u>79,460</u>
Total minimum lease payments	238,380
Less: amount representing interest	<u>(13,386)</u>
Present value of minimum lease payments	<u>\$ 224,994</u>

NOTE 7 - SHORT-TERM DEBT

A summary of activity in short-term debt of the District is as follows:

	<i>Beginning Balance</i>	<i>Issued</i>	<i>Retired</i>	<i>Ending Balance</i>
Tax anticipation warrants payable	\$ -	\$ 7,000,000	\$ 7,000,000	\$ -
Total	<u>\$ -</u>	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ -</u>

The short-term debt was issued due to distributions of real estate tax receipts from the county were late for the 2006 levy. In order for the District to finance operating expenditures, it issued \$7,000,000 in Tax Anticipation Warrants which were issued and repaid during the fiscal year.

NOTE 8 - 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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 8 - RISK MANAGEMENT - (CONTINUED)

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 9 - 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.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Post Employment Benefit Plan

The District provides post-retirement health care benefits for certain retirees. The District pays 100 percent of the premiums of individual health care coverage for employees who retire and who are eligible for health benefits from the Teachers Retirement System (TRS). Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

As of year-end, there were approximately 37 employees who had retired and were receiving a premium-coverage benefit. The District finances the plan on a pay-as-you-go basis. For the year ended June 30, 2008, the District recognized \$135,340 of expenditures for these premiums.

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.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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, 2008. State of Illinois contributions were \$235,333, 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, 2007 and 2006, were 0.80 percent of pay. State contributions on behalf of District employees were \$207,616 and \$199,413, 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 year ended June 30, 2008 and 0.60 percent during the years ended June 30, 2007 and 2006. For the year ended June 30, 2008, the District paid \$176,500 to the THIS Fund. For the years ended June 30, 2007 and 2006, the District paid \$155,712 and \$149,560 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.

NOTE 11 - 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.

Members of TRS 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, 2008, 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, 2008, included \$28,015,827 reported as creditable earnings to TRS. The active member contribution rate was also 9.4 percent for the years ended June 30, 2007 and 2006.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 11 - 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, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$3,672,875 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and 2006, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 9.78 percent (\$2,538,100) and 7.06 percent (\$1,759,821), respectively. The state contributions to TRS for the years ended June 30, 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007 and June 30 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

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

2.2 Formula Contributions. For the years ended June 30, 2008, 2007 and 2006, 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 \$162,492, \$150,521 and \$144,575, respectively. This contribution was 100 percent of the required contributions.

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, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer pension contribution was 9.78 and 7.06 percent, respectively, of salaries paid from those funds. For the year ended June 30, 2008, salaries totaling \$152,552 were paid from federal and special trust funds that required employer contributions of \$20,000, which was equal to the District's actual contribution. For the years ended June 30, 2007 and 2006, required District contributions were \$14,699 and \$9,999, respectively. This contribution was equal to the District's actual contributions.

Early Retirement Option. The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the Pipeline ERO, the maximum District contribution was 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum District contribution is 117.5 percent. Both the 100 percent and the 117.5 percent maximums apply when the member is age 55 at retirement. For the years ending June 30, 2008 and 2007, the District made no contributions to TRS for District contributions under the ERO programs. For the year ended June 30, 2006, the District paid \$24,819, respectively, in ERO contributions. This contribution was 100 percent of the required contributions.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Salary increases over 6 percent and excess sick leave. If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent. For the years ended June 30, 2008 and 2007, the District paid \$100,000 and \$32,262, respectively, to TRS for employer contributions due on salary increases in excess of 6 percent. This contribution was 100 percent of the required contributions. For the year ended June 30, 2006, the District made no contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008). For the years ended June 30, 2008, 2007 and 2006, the District made no payments to TRS for sick leave days granted in excess of the normal annual allotment. This contribution was 100 percent of the required contributions.

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, 2007. The report for the year ended June 30, 2008, is expected to be available in late 2008. 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

The District's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2007 was 10.43 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007 was 25 years.

PARK RIDGE-NILES SCHOOL DISTRICT 64

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

For December 31, 2007, December 31, 2006 and December 31, 2005 the District's annual pension cost of \$628,960, \$572,603 and \$553,003, respectively, was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2005, 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 11.6% 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. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 92.03 percent funded. The actuarial accrued liability for benefits was \$14,280,576 and the actuarial value of assets was \$13,142,424 resulting in an underfunded actuarial accrued liability (UAAL) of \$1,138,152. The covered payroll (annual payroll of active employees covered by the plan) was \$6,030,299 and the ratio of the UAAL to the covered payroll was 18.87 percent.

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

NOTE 12 - CONSTRUCTION COMMITMENTS

As of June 30, 2008, the District is committed to approximately \$939,768 in expenditures in the upcoming years for Life Safety improvements. These expenditures will be paid through the available fund balances and building bonds already issued.

NOTE 13 - STATE AND FEDERAL AID CONTINGENCIES

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

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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, 2008

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 628,690	100%	\$ -
12/31/06	572,603	100%	-
12/31/05	553,003	100%	-
12/31/04	476,668	100%	-
12/31/03	431,727	100%	-
12/31/02	441,830	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)
12/31/07	\$ 13,142,424	\$ 14,280,576	\$ 1,138,152	92.03%	\$ 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%
12/31/03	9,690,679	10,541,615	850,936	91.93%	5,055,352	16.83%
12/31/02	9,589,619	9,789,294	199,675	97.96%	4,949,288	4.03%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$14,117,160. On a market basis, the funded ratio would be 98.86%.

Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

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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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2007 ACTUAL
Revenues				
Local sources				
General levy	\$ 35,019,162	\$ 37,117,441	\$ 2,098,279	\$ 30,398,904
Tort immunity levy	1,063,166	1,065,084	1,918	536,426
Special education levy	267,042	272,770	5,728	194,943
Corporate personal property replacement taxes	1,123,067	1,198,329	75,262	1,123,042
Regular tuition from pupils or parents	-	18,824	18,824	2,712
Summer school tuition from pupils or parents	140,000	184,952	44,952	166,005
Summer school tuition from other LEA's	-	2,435	2,435	2,415
Interest income	55,000	290,452	235,452	307,779
Sales to pupils - lunch	350,000	388,644	38,644	380,666
Fees	154,700	185,998	31,298	169,027
Book store sales	19,600	10,616	(8,984)	11,797
Other pupil activity revenue	259,600	281,385	21,785	275,803
Rentals - regular textbook	460,000	463,955	3,955	459,605
Sales - other	300	732	432	71
Contributions and donations from private sources	-	750	750	-
Payment from other LEA's	320,000	551,653	231,653	319,004
Local fees	1,050,000	606,799	(443,201)	547,384
Other	302,000	657,928	355,928	41,070
Total local sources	40,583,637	43,298,747	2,715,110	34,936,653
Flow-through revenue from one LEA to another LEA				
Other flow-through	1,197,776	-	(1,197,776)	-
Total flow-through	1,197,776	-	(1,197,776)	-
State sources				
General State Aid	-	1,678,094	1,678,094	1,557,377
Special Education - Private Facility Tuition	200,000	346,761	146,761	279,086
Special Education - Extraordinary	311,200	528,252	217,052	329,105
Special Education - Personnel	850,000	943,118	93,118	857,960
Special Education - Orphanage - Individual	160,000	346,966	186,966	65,640
Special Education - Orphanage - Summer	-	5,980	5,980	2,822
Special Education - Summer School	3,300	4,892	1,592	3,332
Vocational Education - WECEP	4,100	4,057	(43)	4,539
Vocational Education - Other	4,000	-	(4,000)	-
Bilingual Education - Downstate - TPI	-	19,879	19,879	5,827
State Free Lunch & Breakfast	500	851	351	723
Driver Education	3,000	-	(3,000)	-
Adult Education from Community College Board	-	3,135	3,135	-
Learning Improvement - Change Grants	3,000	3,104	104	6,000
Reading Improvement Block Grant	160,000	153,744	(6,256)	164,278
School Safety & Educational Improvement Block Grant	160,000	150,984	(9,016)	165,465
State Library Grant	-	-	-	3,047

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, 2008

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other Restricted Revenue from State Sources	\$ -	\$ -	\$ -	\$ 2,486
Total state sources	<u>1,859,100</u>	<u>4,189,817</u>	<u>2,330,717</u>	<u>3,447,687</u>
Federal sources				
Title V - Innovation and Flexibility Formula	11,500	6,110	(5,390)	6,068
Special Milk Program	37,200	45,082	7,882	36,808
Title IV - Safe & Drug Free Schools - Formula	9,000	9,981	981	10,190
Title IV - 21st Century	10,000	-	(10,000)	-
Federal - Special Education - IDEA - Flow- Through/Low Incident	833,000	758,582	(74,418)	155,205
Federal - Special Education - IDEA - Room & Board	-	18,563	18,563	666,562
Federal - Adult Education	100,000	-	(100,000)	-
Title II - Teacher Quality	79,847	80,470	623	82,367
Medicaid Matching Funds - Administrative Outreach	-	29,953	29,953	81,995
Total federal sources	<u>1,080,547</u>	<u>948,741</u>	<u>(131,806)</u>	<u>1,039,195</u>
Total revenues	<u>44,721,060</u>	<u>48,437,305</u>	<u>3,716,245</u>	<u>39,423,535</u>
Expenditures				
Instruction				
Regular Programs				
Salaries	17,856,367	18,083,604	(227,237)	16,597,721
Employee benefits	2,417,631	2,175,218	242,413	2,165,953
Purchased services	275,146	93,094	182,052	167,467
Supplies and materials	1,096,259	1,075,593	20,666	742,357
Capital outlay	42,029	207,527	(165,498)	108,598
Other objects	2,600	3,115	(515)	3,106
Total	<u>21,690,032</u>	<u>21,638,151</u>	<u>51,881</u>	<u>19,785,202</u>
Special Education Programs				
Salaries	6,559,272	6,243,094	316,178	5,628,109
Employee benefits	834,651	750,962	83,689	855,406
Purchased services	202,650	121,439	81,211	216,079
Supplies and materials	55,720	60,460	(4,740)	41,141
Capital outlay	7,500	-	7,500	8,788
Tuition	1,987,000	2,037,969	(50,969)	1,743,378
Total	<u>9,646,793</u>	<u>9,213,924</u>	<u>432,869</u>	<u>8,492,901</u>
Educationally deprived/remedial programs				
Supplies and materials	3,750	3,066	684	750
Total	<u>3,750</u>	<u>3,066</u>	<u>684</u>	<u>750</u>

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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Interscholastic programs				
Salaries	\$ -	\$ 1,150	\$ (1,150)	\$ 1,100
Employee benefits	154	138	16	109
Total	154	1,288	(1,134)	1,209
Summer school programs				
Salaries	258,228	261,698	(3,470)	245,113
Employee benefits	34,987	31,479	3,508	1,906
Purchased services	2,150	2,044	106	263
Supplies and materials	8,700	9,825	(1,125)	11,267
Other objects	1,000	1,190	(190)	1,310
Total	305,065	306,236	(1,171)	259,859
Gifted programs				
Salaries	917,912	934,721	(16,809)	931,776
Employee benefits	124,965	112,435	12,530	89,812
Supplies and materials	7,200	5,880	1,320	4,505
Total	1,050,077	1,053,036	(2,959)	1,026,093
Bilingual programs				
Salaries	274,833	272,944	1,889	212,782
Employee benefits	36,490	32,832	3,658	23,882
Purchased services	700	936	(236)	420
Supplies and materials	3,000	1,499	1,501	1,976
Total	315,023	308,211	6,812	239,060
Total instruction	33,010,894	32,523,912	486,982	29,805,074
Support Services				
Pupils				
Attendance and social work services				
Salaries	741,342	714,379	26,963	696,418
Employee benefits	95,507	85,930	9,577	45,178
Supplies and materials	1,045	362	683	796
Total	837,894	800,671	37,223	742,392
Guidance services				
Salaries	103,615	184,455	(80,840)	165,355
Employee benefits	24,660	22,188	2,472	20,534
Supplies and materials	532	534	(2)	349
Total	128,807	207,177	(78,370)	186,238

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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 219,325	\$ 263,442	\$ (44,117)	\$ 239,053
Employee benefits	35,220	31,689	3,531	22,319
Purchased services	6,160	4,005	2,155	4,755
Supplies and materials	2,409	2,085	324	2,425
Capital outlay	3,168	-	3,168	1,625
Total	266,282	301,221	(34,939)	270,177
Psychological services				
Salaries	310,991	295,408	15,583	256,687
Employee benefits	39,494	35,534	3,960	53,218
Purchased services	6,930	4,110	2,820	8,563
Supplies and materials	8,500	7,107	1,393	6,061
Total	365,915	342,159	23,756	324,529
Other support services - pupils				
Salaries	1,000	1,174	(174)	556
Employee benefits	157	141	16	49
Purchased services	1,527	924	603	723
Supplies and materials	1,530	1,913	(383)	3,357
Total	4,214	4,152	62	4,685
Total pupils	1,603,112	1,655,380	(52,268)	1,528,021
Instructional staff				
Improvement of instructional services				
Salaries	36,838	15,839	20,999	14,759
Employee benefits	2,118	1,905	213	1,047
Purchased services	149,051	79,749	69,302	81,223
Supplies and materials	3,500	1,319	2,181	1,545
Total	191,507	98,812	92,695	98,574
Educational media services				
Salaries	946,886	967,378	(20,492)	882,808
Employee benefits	129,331	116,363	12,968	123,343
Purchased services	1,466	1,473	(7)	1,466
Supplies and materials	213,611	207,186	6,425	135,232
Capital outlay	1,500	-	1,500	6,017
Total	1,292,794	1,292,400	394	1,148,866
Assessment and testing				
Salaries	379,532	376,597	2,935	409,125
Employee benefits	50,348	45,300	5,048	81,892
Purchased services	4,525	5,033	(508)	4,524
Total	434,405	426,930	7,475	495,541
Total instructional staff	1,918,706	1,818,142	100,564	1,742,981

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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
General administration				
Board of education services				
Purchased services	\$ 543,500	\$ 137,053	\$ 406,447	\$ 165,668
Other objects	<u>13,200</u>	<u>-</u>	<u>13,200</u>	<u>-</u>
Total	<u>556,700</u>	<u>137,053</u>	<u>419,647</u>	<u>165,668</u>
Executive administration services				
Salaries	262,508	262,784	(276)	237,434
Employee benefits	35,132	31,609	3,523	63,603
Purchased services	<u>-</u>	<u>17,428</u>	<u>(17,428)</u>	<u>25,252</u>
Total	<u>297,640</u>	<u>311,821</u>	<u>(14,181)</u>	<u>326,289</u>
Special area administration services				
Salaries	86,255	88,306	(2,051)	85,402
Employee benefits	11,806	10,622	1,184	306
Purchased services	<u>40,455</u>	<u>4,321</u>	<u>36,134</u>	<u>15,505</u>
Total	<u>138,516</u>	<u>103,249</u>	<u>35,267</u>	<u>101,213</u>
Total general administration	<u>992,856</u>	<u>552,123</u>	<u>440,733</u>	<u>593,170</u>
School administration				
Office of the principal services				
Salaries	1,467,574	1,343,979	123,595	1,368,158
Employee benefits	179,679	161,663	18,016	277,985
Purchased services	14,850	6,313	8,537	11,806
Supplies and materials	24,617	23,858	759	26,778
Capital outlay	-	4,924	(4,924)	-
Other objects	<u>-</u>	<u>15,501</u>	<u>(15,501)</u>	<u>13,134</u>
Total	<u>1,686,720</u>	<u>1,556,238</u>	<u>130,482</u>	<u>1,697,861</u>
Other support services - school administration				
Salaries	138,844	153,417	(14,573)	135,863
Employee benefits	20,511	18,454	2,057	4,247
Purchased services	<u>2,500</u>	<u>1,961</u>	<u>539</u>	<u>2,809</u>
Total	<u>161,855</u>	<u>173,832</u>	<u>(11,977)</u>	<u>142,919</u>
Total school administration	<u>1,848,575</u>	<u>1,730,070</u>	<u>118,505</u>	<u>1,840,780</u>
Business				
Direction of business support services				
Salaries	87,883	90,633	(2,750)	88,289
Employee benefits	12,117	10,902	1,215	24,754
Purchased services	<u>1,300</u>	<u>1,188</u>	<u>112</u>	<u>1,188</u>
Total	<u>101,300</u>	<u>102,723</u>	<u>(1,423)</u>	<u>114,231</u>

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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Fiscal services				
Salaries	\$ 653,444	\$ 711,791	\$ (58,347)	\$ 686,277
Employee benefits	95,161	85,619	9,542	93,987
Purchased services	581,100	629,643	(48,543)	458,866
Supplies and materials	8,709	8,407	302	6,820
Total	1,338,414	1,435,460	(97,046)	1,245,950
Food services				
Purchased services	476,100	509,919	(33,819)	466,548
Capital outlay	22,000	23,560	(1,560)	-
Total	498,100	533,479	(35,379)	466,548
Internal services				
Salaries	145,296	135,890	9,406	141,226
Employee benefits	18,167	16,346	1,821	10,629
Purchased services	172,202	136,281	35,921	135,608
Supplies and materials	75,010	78,447	(3,437)	73,974
Capital outlay	1,000	58,498	(57,498)	1,860
Total	411,675	425,462	(13,787)	363,297
Total business	2,349,489	2,497,124	(147,635)	2,190,026
Central				
Direction of central support services				
Salaries	161,311	162,772	(1,461)	155,849
Employee benefits	21,761	19,579	2,182	100,028
Purchased services	4,200	1,306	2,894	1,309
Supplies and materials	1,000	-	1,000	-
Total	188,272	183,657	4,615	257,186
Staff services				
Salaries	84,406	105,606	(21,200)	97,969
Employee benefits	14,119	12,703	1,416	66,765
Purchased services	55,000	21,509	33,491	52,815
Supplies and materials	6,823	3,662	3,161	4,249
Capital outlay	2,000	-	2,000	1,920
Total	162,348	143,480	18,868	223,718
Data processing services				
Salaries	240,056	226,424	13,632	207,580
Employee benefits	30,271	27,236	3,035	86,803
Purchased services	118,320	106,000	12,320	107,425
Supplies and materials	140,140	132,398	7,742	76,947
Capital outlay	57,750	63,029	(5,279)	17,333
Total	586,537	555,087	31,450	496,088
Total central	937,157	882,224	54,933	976,992
Total support services	9,649,895	9,135,063	514,832	8,871,970

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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Community services				
Salaries	\$ 869,324	\$ 847,764	\$ 21,560	\$ 418,188
Employee benefits	113,339	101,975	11,364	43,714
Purchased services	64,135	40,590	23,545	6,358
Supplies and materials	30,785	33,460	(2,675)	24,491
Capital outlay	1,500	-	1,500	1,210
Other objects	15,500	10,219	5,281	77
Total community services	<u>1,094,583</u>	<u>1,034,008</u>	<u>60,575</u>	<u>494,038</u>
Debt services				
Tax anticipation warrants				
Tax anticipation warrants - interest	-	85,750	(85,750)	-
Total	-	85,750	(85,750)	-
Other interest				
	-	3,793	(3,793)	11,823
Capital lease				
Capital lease principal retired	-	150,680	(150,680)	158,689
Total	-	150,680	(150,680)	158,689
Total debt services	-	240,223	(240,223)	170,512
Total expenditures	<u>43,755,372</u>	<u>42,933,206</u>	<u>822,166</u>	<u>39,341,594</u>
Excess (deficiency) of revenues over expenditures	<u>965,688</u>	<u>5,504,099</u>	<u>4,538,411</u>	<u>81,941</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - interest	533,890	408,559	(125,331)	468,997
Permanent transfer of interest	120,000	120,000	-	148,151
Capital lease value	-	224,994	224,994	-
Total other financing sources (uses)	<u>653,890</u>	<u>753,553</u>	<u>99,663</u>	<u>617,148</u>
Net change in fund balance	<u>\$ 1,619,578</u>	<u>6,257,652</u>	<u>\$ 4,638,074</u>	<u>699,089</u>
Fund balance, beginning of year		<u>1,477,667</u>		<u>778,578</u>
Fund balance, end of year		<u>\$ 7,735,319</u>		<u>\$ 1,477,667</u>

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, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 5,230,967	\$ 5,202,254	\$ (28,713)	\$ 4,123,683
Interest income	-	10,663	10,663	12,354
Rentals	30,800	30,028	(772)	34,576
Other	-	-	-	3,796
Total local sources	<u>5,261,767</u>	<u>5,242,945</u>	<u>(18,822)</u>	<u>4,174,409</u>
Federal sources				
Title IV - Other	500,000	-	(500,000)	-
Other Restricted Revenue from Federal Sources	-	-	-	540,686
Total federal sources	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>	<u>540,686</u>
Total revenues	<u>5,761,767</u>	<u>5,242,945</u>	<u>(518,822)</u>	<u>4,715,095</u>
Expenditures				
Support Services				
Business				
Direction of business support services				
Purchased services	<u>1,975</u>	<u>-</u>	<u>1,975</u>	<u>-</u>
Total	<u>1,975</u>	<u>-</u>	<u>1,975</u>	<u>-</u>
Facilities acquisition and construction service				
Purchased services	-	1,735	(1,735)	785
Capital outlay	<u>751,200</u>	<u>1,172,593</u>	<u>(421,393)</u>	<u>797,534</u>
Total	<u>751,200</u>	<u>1,174,328</u>	<u>(423,128)</u>	<u>798,319</u>

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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Operation and maintenance of plant services				
Salaries	\$ 1,931,336	\$ 1,894,448	\$ 36,888	\$ 1,845,362
Employee benefits	257,656	288,811	(31,155)	277,631
Purchased services	483,390	530,895	(47,505)	467,235
Supplies and materials	1,082,522	1,149,154	(66,632)	1,143,504
Capital outlay	500,000	-	500,000	523,874
Total	<u>4,254,904</u>	<u>3,863,308</u>	<u>391,596</u>	<u>4,257,606</u>
Total business	<u>5,008,079</u>	<u>5,037,636</u>	<u>(29,557)</u>	<u>5,055,925</u>
Total support services	<u>5,008,079</u>	<u>5,037,636</u>	<u>(29,557)</u>	<u>5,055,925</u>
Total expenditures	<u>5,008,079</u>	<u>5,037,636</u>	<u>(29,557)</u>	<u>5,055,925</u>
Excess (deficiency) of revenues over expenditures	<u>753,688</u>	<u>205,309</u>	<u>(548,379)</u>	<u>(340,830)</u>
Other financing sources (uses)				
Permanent transfer from site & construction fund	-	-	-	1,964,044
Permanent transfer from working cash fund - abatement	-	-	-	1,698,820
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,662,864</u>
Net change in fund balance	<u>\$ 753,688</u>	<u>205,309</u>	<u>\$ (548,379)</u>	<u>3,322,034</u>
Fund balance (deficit), beginning of year		<u>(580,179)</u>		<u>(3,902,213)</u>
Fund balance (deficit), end of year		<u>\$ (374,870)</u>		<u>\$ (580,179)</u>

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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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,607,650	\$ 1,593,658	\$ (13,992)	\$ 1,063,314
Regular transportation fees from pupils or parents	53,000	27,944	(25,056)	51,402
Regular transportation fees from co-curricular act	29,000	47,800	18,800	33,682
Interest income	-	4,209	4,209	2,200
Other	-	1,550	1,550	-
Total local sources	<u>1,689,650</u>	<u>1,675,161</u>	<u>(14,489)</u>	<u>1,150,598</u>
State sources				
Transportation - Regular/Vocational	548,255	487,764	(60,491)	252,720
Transportation - Special Education	<u>340,112</u>	<u>360,365</u>	<u>20,253</u>	<u>343,757</u>
Total state sources	<u>888,367</u>	<u>848,129</u>	<u>(40,238)</u>	<u>596,477</u>
Total revenues	<u>2,578,017</u>	<u>2,523,290</u>	<u>(54,727)</u>	<u>1,747,075</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	177,874	182,262	(4,388)	196,938
Employee benefits	24,295	43,496	(19,201)	45,995
Purchased services	1,563,031	1,600,522	(37,491)	1,532,286
Supplies and materials	16,000	16,569	(569)	15,330
Capital outlay	<u>30,000</u>	<u>25,409</u>	<u>4,591</u>	<u>-</u>
Total	<u>1,811,200</u>	<u>1,868,258</u>	<u>(57,058)</u>	<u>1,790,549</u>
Total business	<u>1,811,200</u>	<u>1,868,258</u>	<u>(57,058)</u>	<u>1,790,549</u>
Total support services	<u>1,811,200</u>	<u>1,868,258</u>	<u>(57,058)</u>	<u>1,790,549</u>
Total expenditures	<u>1,811,200</u>	<u>1,868,258</u>	<u>(57,058)</u>	<u>1,790,549</u>
Net change in fund balance	<u>\$ 766,817</u>	655,032	<u>\$ (111,785)</u>	(43,474)
Fund balance (deficit), beginning of year		(615,558)		(572,084)
Fund balance (deficit), end of year		<u>\$ 39,474</u>		<u>\$ (615,558)</u>

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, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 804,124	\$ 796,612	\$ (7,512)	\$ 545,387
Social security/medicare only levy	1,017,458	1,008,730	(8,728)	729,100
Corporate personal property replacement taxes	97,658	110,667	13,009	101,036
Interest income	-	4,784	4,784	2,973
Total local sources	<u>1,919,240</u>	<u>1,920,793</u>	<u>1,553</u>	<u>1,378,496</u>
Total revenues	<u>1,919,240</u>	<u>1,920,793</u>	<u>1,553</u>	<u>1,378,496</u>
Expenditures				
Instruction				
Regular programs	276,171	281,972	(5,801)	254,719
Special education programs	353,732	361,162	(7,430)	318,418
Interscholastic programs	16	16	-	14
Summer school programs	10,578	10,800	(222)	9,496
Gifted programs	<u>17,600</u>	<u>17,970</u>	<u>(370)</u>	<u>16,237</u>
Total instruction	<u>658,097</u>	<u>671,920</u>	<u>(13,823)</u>	<u>598,884</u>
Support Services				
Pupils				
Attendance and social work services	12,996	13,269	(273)	13,066
Health services	28,436	29,033	(597)	26,216
Psychological services	<u>15,317</u>	<u>15,639</u>	<u>(322)</u>	<u>12,982</u>
Total pupils	<u>56,749</u>	<u>57,941</u>	<u>(1,192)</u>	<u>52,264</u>
Instructional staff				
Improvement of instructional staff	696	711	(15)	1,019
Educational media services	65,320	66,692	(1,372)	60,068
Assessment and testing	<u>20,855</u>	<u>21,293</u>	<u>(438)</u>	<u>28,880</u>
Total instructional staff	<u>86,871</u>	<u>88,696</u>	<u>(1,825)</u>	<u>89,967</u>
General administration				
Executive administration services	15,524	15,850	(326)	13,066
Special area administration services	<u>15,485</u>	<u>15,810</u>	<u>(325)</u>	<u>15,370</u>
Total general administration	<u>31,009</u>	<u>31,660</u>	<u>(651)</u>	<u>28,436</u>
School administration				
Office of the principal services	84,098	85,864	(1,766)	91,898
Other support services - school administration	<u>7,996</u>	<u>8,164</u>	<u>(168)</u>	<u>5,082</u>
Total school administration	<u>92,094</u>	<u>94,028</u>	<u>(1,934)</u>	<u>96,980</u>

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, 2008
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Business				
Direction of business support services	\$ 4,937	\$ 5,041	\$ (104)	\$ 4,845
Fiscal services	68,498	69,937	(1,439)	70,005
Operations and maintenance of plant services	319,267	325,976	(6,709)	326,003
Pupil transportation services	9,447	9,645	(198)	9,649
Internal services	<u>22,624</u>	<u>23,099</u>	<u>(475)</u>	<u>19,253</u>
Total business	<u>424,773</u>	<u>433,698</u>	<u>(8,925)</u>	<u>429,755</u>
Central				
Direction of central support services	9,302	9,497	(195)	9,015
Staff services	16,029	16,366	(337)	15,204
Data processing services	<u>39,386</u>	<u>40,213</u>	<u>(827)</u>	<u>37,153</u>
Total central	<u>64,717</u>	<u>66,076</u>	<u>(1,359)</u>	<u>61,372</u>
Total support services	<u>756,213</u>	<u>772,099</u>	<u>(15,886)</u>	<u>758,774</u>
Community services	<u>84,353</u>	<u>86,125</u>	<u>(1,772)</u>	<u>50,799</u>
Total expenditures	<u>1,498,663</u>	<u>1,530,144</u>	<u>(31,481)</u>	<u>1,408,457</u>
Net change in fund balance	<u>\$ 420,577</u>	390,649	<u>\$ (29,928)</u>	(29,961)
Fund balance (deficit), beginning of year		<u>(417,568)</u>		<u>(387,607)</u>
Fund balance (deficit), end of year		<u>\$ (26,919)</u>		<u>\$ (417,568)</u>

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, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ (2,500)	\$ 382,005	\$ 384,505	\$ -
Interest income	<u>533,890</u>	<u>286,444</u>	<u>(247,446)</u>	<u>547,438</u>
Total local sources	<u>531,390</u>	<u>668,449</u>	<u>137,059</u>	<u>547,438</u>
Total revenues	<u>531,390</u>	<u>668,449</u>	<u>137,059</u>	<u>547,438</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>531,390</u>	<u>668,449</u>	<u>137,059</u>	<u>547,438</u>
Other financing sources (uses)				
Permanent transfer from working cash fund - interest	(533,890)	(408,559)	125,331	(468,997)
Permanent transfer of working cash fund-abatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,698,820)</u>
Total other financing sources (uses)	<u>(533,890)</u>	<u>(408,559)</u>	<u>125,331</u>	<u>(2,167,817)</u>
Net change in fund balance	<u>\$ (2,500)</u>	<u>259,890</u>	<u>\$ 262,390</u>	<u>(1,620,379)</u>
Fund balance, beginning of year		<u>10,117,039</u>		<u>11,737,418</u>
Fund balance, end of year		<u>\$ 10,376,929</u>		<u>\$ 10,117,039</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, 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 an 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.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 48,437,305	\$ 42,933,206
To adjust for on-behalf payments received	3,908,208	-
To adjust for on-behalf payments made	-	3,908,208
General Fund GAAP Basis	<u>\$ 52,345,513</u>	<u>\$ 46,841,414</u>

Excess of Expenditures over Budget

For the year ended June 30, 2008, expenditures exceeded budget in the Operations and Maintenance Fund, Bond and Interest Fund, Transportation Fund, and Municipal Retirement/Social Security Fund by \$29,557, \$57,058, and \$31,481, respectively. These excesses were funded by available fund balances or future tax levies.

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PARK RIDGE-NILES SCHOOL DISTRICT 64

BOND AND INTEREST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 4,480,312	\$ 4,400,847	\$ (79,465)	\$ 3,814,502
Interest income	<u>120,000</u>	<u>149,227</u>	<u>29,227</u>	<u>177,266</u>
Total local sources	<u>4,600,312</u>	<u>4,550,074</u>	<u>(50,238)</u>	<u>3,991,768</u>
Total revenues	<u>4,600,312</u>	<u>4,550,074</u>	<u>(50,238)</u>	<u>3,991,768</u>
Expenditures				
Debt services				
Bonds				
Bonds - interest	<u>4,052,246</u>	<u>1,186,881</u>	<u>2,865,365</u>	<u>1,308,169</u>
Total	<u>4,052,246</u>	<u>1,186,881</u>	<u>2,865,365</u>	<u>1,308,169</u>
Bond principal retired	<u>-</u>	<u>2,860,000</u>	<u>(2,860,000)</u>	<u>2,745,000</u>
Other debt service				
Other	<u>-</u>	<u>6,542</u>	<u>(6,542)</u>	<u>5,467</u>
Total	<u>-</u>	<u>6,542</u>	<u>(6,542)</u>	<u>5,467</u>
Total debt services	<u>4,052,246</u>	<u>4,053,423</u>	<u>(1,177)</u>	<u>4,058,636</u>
Total expenditures	<u>4,052,246</u>	<u>4,053,423</u>	<u>(1,177)</u>	<u>4,058,636</u>
Excess (deficiency) of revenues over expenditures	<u>548,066</u>	<u>496,651</u>	<u>(51,415)</u>	<u>(66,868)</u>
Other financing sources (uses)				
Permanent transfer of interest	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>	<u>(148,151)</u>
Total other financing sources (uses)	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>	<u>(148,151)</u>
Net change in fund balance	<u>\$ 428,066</u>	<u>376,651</u>	<u>\$ (51,415)</u>	<u>(215,019)</u>
Fund balance, beginning of year		<u>2,932,215</u>		<u>3,147,234</u>
Fund balance, end of year		<u>\$ 3,308,866</u>		<u>\$ 2,932,215</u>

PARK RIDGE - NILES SCHOOL DISTRICT 64
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
JUNE 30, 2008

	BALANCE JUNE 30, 2007	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2008
Accommodation	\$ 1,118	\$ 18,969	\$ 10,702	\$ 9,385
Carpenter	15,985	6,864	6,281	16,568
Day Care	1,604	8,443	8,794	1,253
2008 ELF Grants	-	-	517	(517)
2007 ELF Grants	(2,777)	35,654	33,350	(473)
2006 ELF Grants	(7,841)	7,841	-	-
Emerson Afterschool	81,556	63,510	36,568	108,498
Emerson Middle School	1,507	73,060	63,180	11,387
Emerson SGA	1,905	2,865	2,253	2,517
ESC Beverage	69	2,213	5,055	(2,773)
Field School	6,791	27,536	28,113	6,214
Franklin School	1,074	10,433	8,442	3,065
IMRF Insurance	912	5,001	5,087	826
Interest	3,694	5,244	3,612	5,326
Jefferson	954	2,353	1,473	1,834
Lincoln Afterschool	54,140	45,607	33,075	66,672
Lincoln Environmental	137	48	-	185
Lincoln Middle School	25,778	61,019	65,405	21,392
Lincoln SGA	6,775	599	5,574	1,800
Outdoor Education	13,335	90,100	100,611	2,824
Power	834	14,078	14,912	-
Roosevelt	7,179	20,917	20,637	7,459
S Arbetter Memorial Fund	2,026	1,175	680	2,521
Sales Tax	794	4,694	4,738	750
SEC Flower Fund	266	-	50	216
Teachers' Institute	216	-	-	216
Washington	11,393	19,325	19,870	10,848
Total	<u>\$ 229,424</u>	<u>\$ 527,548</u>	<u>\$ 478,979</u>	<u>\$ 277,993</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

FIVE YEAR SUMMARY OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS JUNE 30, 2008

	2007	2006	2005	2004	2003
Assessed valuation	<u>\$ 1,968,799,003</u>	<u>\$ 1,625,641,143</u>	<u>\$ 1,594,439,099</u>	<u>\$ 1,492,251,710</u>	<u>\$ 1,283,624,674</u>
Tax rates					
Educational	2.0262	2.1750	1.9135	1.9270	2.1924
Tort immunity	0.0586	0.0615	-	0.0670	-
Special education	0.0156	0.0154	0.0145	-	0.0170
Operations and maintenance	0.2874	0.3015	0.2509	0.2681	0.3195
Bond and interest	0.2319	0.2654	0.2708	0.1657	0.1761
Transportation	0.0880	0.0923	0.0564	0.0469	0.0547
Municipal retirement	0.0440	0.0461	0.0314	0.0201	0.0513
Social security	0.0557	0.0584	0.0443	0.0302	0.0376
Working cash	0.0422	-	-	-	-
Total	<u>2.8496</u>	<u>3.0156</u>	<u>2.5818</u>	<u>2.5250</u>	<u>2.8486</u>
Tax extensions					
Educational	\$ 39,871,166	\$ 35,357,218	\$ 30,509,259	\$ 28,755,417	\$ 27,885,805
Tort immunity	1,154,451	1,000,000	-	1,000,000	-
Special education	306,431	250,000	230,500	1	218,713
Operations and maintenance	5,657,829	4,900,884	4,000,000	4,000,000	4,100,854
Bond and interest	4,565,816	4,314,550	4,317,856	2,471,955	2,259,923
Transportation	1,731,876	1,500,000	900,000	700,000	701,992
Municipal retirement	865,838	750,000	500,000	300,000	658,118
Social security	1,096,729	950,000	706,000	450,000	482,620
Working cash	830,841	-	-	1	137
Total	<u>\$ 56,080,977</u>	<u>\$ 49,022,652</u>	<u>\$ 41,163,615</u>	<u>\$ 37,677,374</u>	<u>\$ 36,308,162</u>
Total collections	<u>\$ 23,374,073</u>	<u>\$ 48,341,345</u>	<u>\$ 40,797,190</u>	<u>\$ 37,487,661</u>	<u>\$ 36,143,178</u>
Percentage collected	41.68 %	98.61 %	99.11 %	99.50 %	99.55 %

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

JUNE 30, 2008

	2008	2007
Operating cost per pupil		
Average Daily Attendance (ADA):	<u>4,258</u>	<u>4,159</u>
Operating Costs:		
Educational	\$ 42,933,206	\$ 39,341,594
Operations and Maintenance	5,037,636	5,055,925
Bond and Interest	4,053,423	4,058,636
Transportation	1,868,258	1,790,549
Municipal Retirement/Social Security	<u>1,530,144</u>	<u>1,408,457</u>
Subtotal	<u>55,422,667</u>	<u>51,655,161</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	2,037,969	1,743,378
Summer school	287,669	269,355
Capital outlay	1,555,540	1,468,759
Debt principal retired	3,010,680	2,903,689
Community services	<u>1,068,330</u>	<u>543,627</u>
Subtotal	<u>7,960,188</u>	<u>6,928,808</u>
Operating costs	<u>\$ 47,462,479</u>	<u>\$ 44,726,353</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 11,146</u>	<u>\$ 10,754</u>
Tuition charge		
Operating Costs	\$ 47,462,479	\$ 44,726,353
Less - revenues from specific programs, such as special education or lunch programs	<u>6,901,012</u>	<u>6,349,685</u>
Net operating costs	40,561,467	38,376,668
Depreciation allowance	<u>1,481,976</u>	<u>2,147,060</u>
Allowable Tuition Costs	<u>\$ 42,043,443</u>	<u>\$ 40,523,728</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 9,873</u>	<u>\$ 9,744</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64
BONDS PAYABLE SCHEDULE - ISSUE DATED MAY 1, 1997
JUNE 30, 2008

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 210,000	\$ 146,740	\$ 356,740
2010	220,000	135,665	355,665
2011	230,000	123,678	353,678
2012	285,000	109,573	394,573
2013	300,000	93,410	393,410
2014	315,000	76,265	391,265
2015	375,000	56,851	431,851
2016	395,000	35,099	430,099
2017	<u>420,000</u>	<u>11,970</u>	<u>431,970</u>
Total	<u>\$ 2,750,000</u>	<u>\$ 789,251</u>	<u>\$ 3,539,251</u>

Paying Agent:

BNY Midwest Trust

Principal payment date:

December 1

Interest payment dates:

December 1 and June 1

Interest rates:

4.60% - 5.70%

PARK RIDGE-NILES SCHOOL DISTRICT 64
BONDS PAYABLE SCHEDULE - ISSUE DATED NOVEMBER 1, 2001
JUNE 30, 2008

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 1,320,000	\$ 847,738	\$ 2,167,738
2010	1,385,000	815,769	2,200,769
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>\$ 17,065,000</u>	<u>\$ 4,716,832</u>	<u>\$ 21,781,832</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 SEPTEMBER 1, 2005
JUNE 30, 2008

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 1,695,000	\$ 31,781	\$ 1,726,781
Total	<u>\$ 1,695,000</u>	<u>\$ 31,781</u>	<u>\$ 1,726,781</u>

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

PARK RIDGE - NILES SCHOOL DISTRICT 64
RECONCILIATION OF CASH BASIS GOVERNMENTAL FUNDS
ACTIVITY TO MODIFIED ACCRUAL BASIS
JUNE 30, 2008

	GENERAL (EDUCATIONAL)	OPERATIONS AND MAINTENANCE	TRANSPORTATION
Cash basis fund balances	\$ 7,377,873	\$ 90,921	\$ (114,417)
Plus/less cash basis changes:			
Unbooked prior year adjustments	(4,246)	2,868	-
Summer pays	<u>3,182,674</u>	<u>-</u>	<u>-</u>
Adjusted cash basis balances	<u>10,556,301</u>	<u>93,789</u>	<u>(114,417)</u>
Plus modified accrual changes:			
Market value adjustment	(1,858)	-	-
Receivables:			
Interest	-	-	-
Property taxes	23,709,827	3,243,831	992,532
Replacement taxes	184,966	-	-
Intergovernmental	605,709	-	206,006
Prepaid items	428,080	-	-
Less modified accrual changes:			
Accounts payable	(1,234,328)	(493,989)	(59,870)
Salaries and wages payable	(2,462,192)	-	-
Payroll deductions payable	(312,082)	-	-
Deferred revenue	<u>(23,642,739)</u>	<u>(3,218,501)</u>	<u>(984,777)</u>
Modified accrual basis Fund balances	<u>\$ 7,831,684</u>	<u>\$ (374,870)</u>	<u>\$ 39,474</u>

IMRF/ SOC. SEC.	WORKING CASH	BOND AND INTEREST	TOTAL
\$ 48,228	\$ 10,623,804	\$ 3,297,970	\$ 21,324,379
(96,455)	-	(25,312)	(123,145)
-	-	-	3,182,674
(48,227)	10,623,804	3,272,658	24,383,908
-	(39,353)	3,304	(37,907)
-	-	2,118	2,118
1,125,144	476,384	2,617,979	32,165,697
12,521	-	-	197,487
-	-	-	811,715
-	-	-	428,080
-	-	-	(1,788,187)
-	-	-	(2,462,192)
-	-	-	(312,082)
(1,116,357)	(713,479)	(2,612,505)	(32,288,358)
\$ (26,919)	\$ 10,347,356	\$ 3,283,554	\$ 21,100,279

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