

**PRAIRIE-HILLS ELEMENTARY SCHOOL
DISTRICT 144**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2011
AND
INDEPENDENT AUDITOR'S REPORT**

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

TABLE OF CONTENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Page(s)</u>
Independent Auditor's Report	1 - 2
Required Supplementary Information	
Management's Discussion and Analysis (MD&A) - Unaudited	3 - 10
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement of Net Assets - Modified Cash Basis	11
Statement of Activities - Modified Cash Basis	12
<u>Fund Financial Statements</u>	
Balance Sheet - Modified Cash Basis - Governmental Funds	13 - 14
Reconciliation of the Governmental Funds - Balance Sheet - Modified Cash Basis to the Statement of Net Assets - Modified Cash Basis	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	16 - 17
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis to the Statement of Activities - Modified Cash Basis	18
Statement of Fiduciary Assets and Liabilities - Agency Fund - Modified Cash Basis	19
Notes to Basic Financial Statements	20 - 37
Required Supplementary Information	
Illinois Municipal Retirement Fund - Schedule of Employer's Contributions and Analysis of Funding Progress	38
Schedule of Funding Progress For Retiree's Health Plan	39

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<i><u>Page(s)</u></i>
Required Supplementary Information - (Continued)	
<u>General and Major Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Budget to Actual</u>	
General Fund	40 - 47
Operations and Maintenance Fund	48
Transportation Fund	49
Municipal Retirement/Social Security Fund	50 - 51
Notes to Required Supplementary Information	52
Supplementary Information	
<u>Major Debt Service and Major Capital Projects Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Budget to Actual</u>	
Debt Service Fund	53
Capital Projects Fund	54
Fire Prevention and Life Safety Fund	55 - 56
General Fund - Combining Balance Sheet	57
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	58
<u>General Fund Accounts - Schedule of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Budget to Actual</u>	
Educational Accounts	59 - 67
Working Cash Accounts	68
Other Information	
Operating Cost and Tuition Change	69

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Prairie-Hills Elementary School District 144
3015 W. 163rd Street
Markham, Illinois 60426

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prairie-Hills Elementary School District 144, as of and for the year ended June 30, 2011, which collectively comprise Prairie-Hills Elementary School District 144's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Prairie-Hills Elementary School District 144'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 - modified cash basis and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances - modified cash basis has been derived from Prairie-Hills Elementary School District 144's 2010 financial statements. In our report dated January 26, 2011, we expressed qualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information because Prairie-Hills Elementary School District 144 prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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.

As described in Note 1, Prairie-Hills Elementary School District 144 prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Prairie-Hills Elementary School District 144 as of June 30, 2011, and the respective changes in financial position - modified cash basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

As described in Note 3, the District adopted the provision of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective July 1, 2010. As discussed in Note 15, the District has restated fund balance as a result of this adoption.

Board of Education
Prairie-Hills Elementary School District 144

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 2011 on our consideration of Prairie-Hills Elementary School District 144'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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Prairie-Hills Elementary School District 144'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 2011 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, 2011, taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, Prairie-Hills Elementary School District 144's basic financial statements for the year ended June 30, 2010, which are not presented with the accompanying financial statements. In our report dated January 26, 2011, we expressed qualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information because Prairie-Hills Elementary School District 144 prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In our opinion, the 2010 supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, taken as a whole, on the basis of accounting referenced above.

The other information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Bahar Tilly Virochow Krause, LLP
Oak Brook, Illinois
December 13, 2011

Prairie-Hills Elementary School District 144

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2011

The discussion and analysis of Prairie-Hills Elementary School District 144's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2011. 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 dollar 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 from \$21.6 to \$22.0 or an increase of \$0.4. This represents a 2% increase over FY 2010.
- > General revenues accounted for \$26.6 in revenue or 69% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$12.1 or 31% of total revenues of \$38.7.
- > The District had \$38.3 in expenses related to government activities. However, only \$12.1 of these expenses was offset by program specific charges and grants.
- > The Operating Cost per Pupil for fiscal year 2011 was \$12,632 (dollars). This is an increase over fiscal year 2010 of \$1,998 (dollars) or 18.8%.
- > The Tuition Charge per Pupil, based on the Average Daily Attendance for fiscal year 2011 was \$10,648 (dollars). This was an increase over fiscal year 2010 of \$1,501 (dollars) or 16.4%.
- > The Average Daily Attendance of 2,467 for FY 2011 is a decrease of 239 from FY 2010.
- > Property taxes accounted for a large portion of the District's revenue, contributing \$11.5.
- > General State Aid contributed \$14.7 of the District's revenue.
- > Instruction made up the largest portion of all expenditures with \$22.5 or 58% of all expenditures.
- > Pupil and instructional staff service accounted for \$2.9 or 7.5% of all expenditures.
- > Administration and business services accounted for \$5.2 or 13.5% of all expenditures.

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.

Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2011

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

The statements of activities - modified cash basis presents information showing how the District's net assets changed during the fiscal year being reported. All changes in net assets are reported when cash is received and disbursed. Additionally, activity related to acquisition, depreciation and year end balances of capital assets, as well as year end balances and related changes in long-term debt in its government-wide financial statements are reported.

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

Fund financial statements

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

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

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

The District maintained seven individual governmental funds throughout the year. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Capital Projects Fund and Fire Prevention and Life Safety 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.

**Prairie-Hills Elementary School District 144
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended June 30, 2011**

Notes to basic financial statements

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

Other information

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

District-Wide Financial Analysis

The District's combined net assets were higher on June 30, 2011, than they were the year before, increasing 2% to \$22.0.

Table 1		
Condensed Statements of Net Assets		
(in millions of dollars)		
	<u>2010</u>	<u>2011</u>
Assets:		
Current and other assets	\$ 36.2	\$ 33.7
Deferred charges	-	0.3
Capital assets	<u>14.1</u>	<u>25.2</u>
Total assets	<u>50.3</u>	<u>59.2</u>
Liabilities:		
Long-term debt outstanding	<u>28.7</u>	<u>37.2</u>
Total liabilities	<u>28.7</u>	<u>37.2</u>
Net assets:		
Invested in capital assets, net of related debt	12.2	11.2
Restricted	1.4	1.2
Unassigned	<u>8.0</u>	<u>9.6</u>
Total net assets	<u>\$ 21.6</u>	<u>\$ 22.0</u>

Revenues in the governmental activities of the District of \$38.7 exceeded expenses by \$0.4. This was attributable primarily to the increased revenues associated with the poverty grant portion of the General State Aid and a continued effort by the Board and administration to closely monitor and manage District expenses.

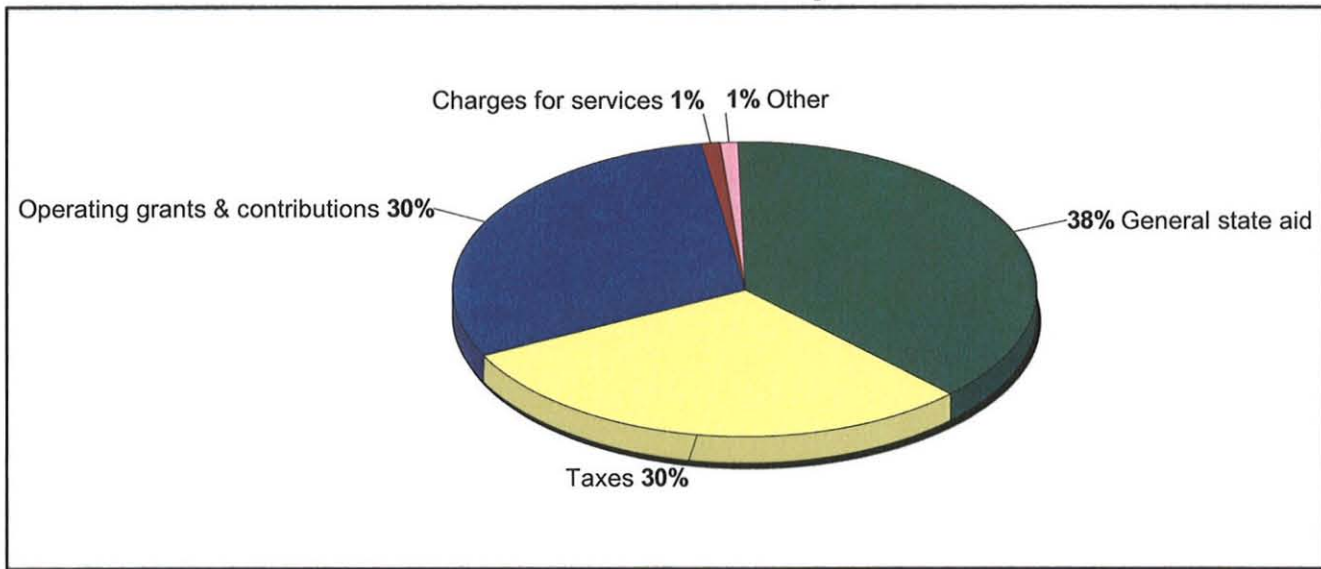
Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2011

<i>Table 2</i>		
<i>Changes in Net Assets</i>		
<i>(in millions of dollars)</i>		
	<u>2010</u>	<u>2011</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.3	\$ 0.4
Operating grants & contributions	13.0	11.7
<i>General revenues:</i>		
Taxes	12.5	11.5
General state aid	12.0	14.7
Other	<u>0.3</u>	<u>0.4</u>
Total revenues	<u>38.1</u>	<u>38.7</u>
Expenses:		
Instruction	22.5	22.5
Pupil & instructional staff services	2.8	2.9
Administration & business	4.8	5.2
Transportation	1.5	1.6
Operations & maintenance	2.6	1.9
Other	<u>2.1</u>	<u>4.2</u>
Total expenses	<u>36.3</u>	<u>38.3</u>
Increase (decrease) in net assets	<u>\$ 1.8</u>	<u>\$ 0.4</u>

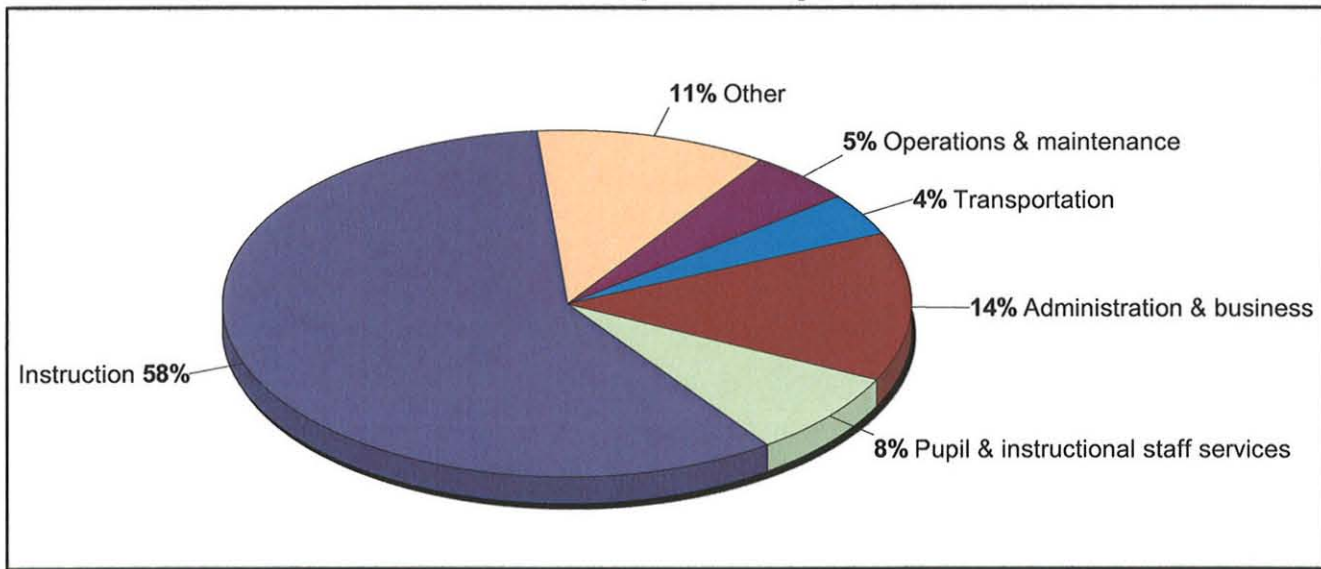
Taxes accounted for the second largest portion of the District's revenues, contributing 30%. The remainder of revenues came from state and federal grants and other sources.

**Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2011**

District-Wide Revenues by Source



District-Wide Expenses by Function



**Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2011**

Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$36.2 to \$33.7.

- > Fund balances decreased by \$2.5. This decrease was primarily attributable to expenditures incurred for the construction of a new junior high school and increased special education costs.
- > The District achieved an appropriate year-end operational fund balance of \$8.3. With a revenue to fund balance ratio of 26.4%, the District scored a full four (4) points from the Illinois State Board of Education's financial profile summary.
- > The District attained appropriate year-end fund balance to provide 94 days of cash on hand, but short of the 180 days of cash on hand recommended by the Illinois State Board of Education. The District received three (3) points out of four (4) points possible on the financial profile summary.
- > The District has eliminated deficit fund balances in the Transportation Fund and the IMRF Fund by increasing the local levy for these funds.

General Fund Budgetary Highlights

- > The District received \$14.7 in General State Aid. For the third year, the District received additional funding through Federal ARRA resources. The District received \$2.0 in multiple ARRA funded programs during the fiscal year.
- > The District expended \$0.9 more than what was budgeted for in instruction. While regular instructional programs were under budget by \$0.1, special education programs were over budget by \$0.9.
- > Overall General Fund expenditures were over budget by \$0.4. A significant portion of the expenditure to budget deficit was due to an increased need of special education students within the special education program.
- > The General Fund balance decreased by \$0.6 from 2010.

Capital Assets and Debt Administration

Capital assets

By the end of 2011, the District had compiled a total investment of \$42.9 (\$25.2 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$1.2. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

<i>Table 3 Capital Assets (net of depreciation) (in millions of dollars)</i>				
	<u>2010</u>		<u>2011</u>	
Land	\$	0.3	\$	0.3
Land improvements		0.2		0.2
Buildings		8.9		8.6
Construction in progress		-		12.1
Equipment		4.7		4.0
Total	\$	<u>14.1</u>	\$	<u>25.2</u>

Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2011

Long-term debt

The District retired/defeased \$28.7 in bonds/general obligation lease obligations and issued \$38.6 in bonds and general lease obligations in 2011. At the end of fiscal 2011, the District had a debt margin of \$20.2. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

	<u>2010</u>	<u>2011</u>
General obligation bonds	\$ 3.7	\$ 28.6
General obligation lease obligations	25.0	10.0
Deferred amount on refunding	-	(1.0)
Unamortized premium	-	3.0
Unamortized discount	-	(3.4)
Total	\$ 28.7	\$ 37.2

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 executed three abatement agreements associated with properties on 167th Street. The abatement properties are commonly referred to as Wal-Mart, the Theater, and/or the Retail Subdivision between Wal-Mart and the Theater. Each of the abatements calls for 50% of the taxes collected. The abatement agreement for the Retail Subdivision was enacted for the 2008 taxes paid in 2009, the 2009 taxes paid in 2010, the 2010 taxes paid in 2011, and the 2011 taxes paid in 2012. The duration of the abatement agreement is ten (10) consecutive tax years.
- > Tax Caps will continue to reduce the amount of taxes collected by the District. State aid has not kept pace with the loss of tax revenue. Foreclosures associated with the mortgage crisis will likely have an impact on taxes collected in the future as assessed values are diminished.
- > The Consumer Price Index for December 2010 decreased modestly to 1.5%. This decrease in CPI will minimize the ability to increase revenues locally through taxes for 2011 payable in 2012.
- > The IMRF rate has declined over the past several years (i.e. 2006- 12.16%, 2007-11.32%, 2008-10.21%, 2009- 9.76%, 2010-12.98%). The declining rate pattern changed significantly for 2010 due to the poor return on investments at the State level. The IMRF rate for 2012 did not change drastically when compared to 2011. The rate for 2012 is 12.35%.
- > The District's Equalized Assessed Value declined considerably for the tax year 2010. The EAV decreased \$5,174,805 to \$381,731,266 due primarily to reassessments associated with the mortgage crisis.
- > The District has a Life Safety Fund balance of \$1.8 to address identified Life Safety issues. The District intends to decommission the current junior high school upon completion of the new junior high school which will substantially reduce the number of and associated cost of identified life safety projects.
- > By decommissioning the current junior high school, the District will eliminate a large inefficient school from ongoing operational costs. The District does not anticipate a substantial increase to operational costs associated with the new junior high construction. The new school should be open for the fall of 2012.

Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2011

- > The District continues to address furniture and equipment replacements throughout the District based upon the District's Capital Purchase Plan. The District continues to prioritize needs and appropriate expenditures to address these needs on an annual basis.
- > The State continues to struggle to release funds to the District due to revenue shortages. The State Comptroller has noted that funds take more than 100 days to distribute once the funds have been vouched for release. The District has taken steps to adjust its spending to accommodate the possible negative cash flow implications.
- > In FY 2011 the District issued \$28,580,000 in General Obligation Bonds with an average interest rate of 3.06% to advance refund \$1,883,574 of outstanding 2000 Series Working Cash bonds and perform a current refunding of \$25,000,000 of the 2010 General Obligation Lease Obligations. As a result of the financing activities, the 2000 Series Working Cash bonds are considered to be defeased and the 2010 General Obligation Lease Obligations have been retired. The District continues to be cognizant of the expenditure to revenue ratio to ensure that fund balances are kept in good condition to allow adequate cash flow for ongoing expenses.

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:

Dr. Alicia Evans
Prairie-Hills Elementary School District 144
3015 W. 163rd Street
Markham, Illinois 60426

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

JUNE 30, 2011

	GOVERNMENTAL ACTIVITIES
Assets	
Cash	\$ 33,669,889
Deferred charges	292,901
Capital assets:	
Land	251,294
Construction in progress	12,184,587
Depreciable buildings, property and equipment, net	<u>12,786,531</u>
Total assets	<u>59,185,202</u>
Liabilities	
Payroll deductions payable	708
Long-term liabilities:	
Other long-term liabilities - due within one year	2,005,000
Other long-term liabilities - due after one year	<u>35,220,247</u>
Total liabilities	<u>37,225,955</u>
Net assets	
Invested in capital assets, net of related debt	11,154,251
Restricted for:	
Operations and maintenance	548,337
Student transportation	48,128
Debt service	615,541
Unrestricted	<u>9,592,990</u>
Total net assets	<u>\$ 21,959,247</u>

See Notes to Basic Financial Statements

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Governmental activities				
Instruction:				
Regular programs	\$ 14,128,683	\$ 328,797	\$ 3,392,538	\$ (10,407,348)
Special programs	4,331,721	-	2,286,804	(2,044,917)
Other instructional programs	874,553	-	22,218	(852,335)
State retirement contributions	3,201,068	-	3,201,068	-
Support Services:				
Pupils	1,826,573	-	4,622	(1,821,951)
Instructional staff	1,056,273	-	181,033	(875,240)
General administration	1,815,564	-	-	(1,815,564)
School administration	1,692,873	-	-	(1,692,873)
Business	1,705,774	33,840	1,271,396	(400,538)
Transportation	1,632,654	-	1,388,142	(244,512)
Operations and maintenance	1,895,220	20,798	-	(1,874,422)
Central	2,216,251	-	1,640	(2,214,611)
Other supporting services	254,298	-	-	(254,298)
Community services	40,407	-	-	(40,407)
Payments to other districts and gov't units - excluding special education	426,588	-	225	(426,363)
Interest and fees	<u>1,281,043</u>	<u>-</u>	<u>-</u>	<u>(1,281,043)</u>
Total governmental activities	<u>\$ 38,379,543</u>	<u>\$ 383,435</u>	<u>\$ 11,749,686</u>	<u>(26,246,422)</u>
General revenues:				
Taxes:				
				7,132,779
				2,119,281
				2,064,175
				186,022
				14,696,313
				360,165
				<u>55,840</u>
				<u>26,614,575</u>
				368,153
				<u>21,591,094</u>
				<u>\$ 21,959,247</u>

See Notes to Basic Financial Statements

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS

JUNE 30, 2011

WITH COMPARATIVE TOTALS FOR JUNE 30, 2010

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash	\$ 7,286,152	\$ 887,338	\$ 214,641	\$ 9,562
Total assets	<u>\$ 7,286,152</u>	<u>\$ 887,338</u>	<u>\$ 214,641</u>	<u>\$ 9,562</u>
Liabilities and fund balance				
Cash deficit	\$ -	\$ -	\$ -	\$ -
Payroll deductions payable	<u>708</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>708</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance				
Unreserved and designated	-	-	-	-
Restricted	-	548,337	48,128	-
Assigned	-	339,001	166,513	9,562
Unassigned	<u>7,285,444</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>7,285,444</u>	<u>887,338</u>	<u>214,641</u>	<u>9,562</u>
Total liabilities and fund balance	<u>\$ 7,286,152</u>	<u>\$ 887,338</u>	<u>\$ 214,641</u>	<u>\$ 9,562</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2011	2010
\$ 529,655	\$ 22,904,931	\$ 1,837,610	\$ 33,669,889	\$ 36,389,143
<u>\$ 529,655</u>	<u>\$ 22,904,931</u>	<u>\$ 1,837,610</u>	<u>\$ 33,669,889</u>	<u>\$ 36,389,143</u>
\$ -	\$ -	\$ -	\$ -	\$ 156,035
-	-	-	708	938
-	-	-	708	156,973
-	-	-	-	36,232,170
322,640	22,620,855	1,740,581	25,280,541	-
207,015	284,076	97,029	1,103,196	-
-	-	-	7,285,444	-
<u>529,655</u>	<u>22,904,931</u>	<u>1,837,610</u>	<u>33,669,181</u>	<u>36,232,170</u>
<u>\$ 529,655</u>	<u>\$ 22,904,931</u>	<u>\$ 1,837,610</u>	<u>\$ 33,669,889</u>	<u>\$ 36,389,143</u>

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS TO THE STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

JUNE 30, 2011

Total fund balances - governmental funds	\$ 33,669,181
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.	25,222,412
Long-term liabilities included in the Statement of Net Assets are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	(37,225,247)
Deferred charges included in the Statement of Net Assets are not available to pay for current period expenditures and, therefore, are not included in the governmental funds balance sheet.	<u>292,901</u>
Net assets of governmental activities	<u>\$ 21,959,247</u>

See Notes to Basic Financial Statements

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2011
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 7,132,779	\$ 928,796	\$ 342,934	\$ 847,551
Corporate personal property replacement taxes	161,711	-	-	24,311
State aid	19,585,536	31,306	1,538,142	300,000
Federal aid	4,772,321	-	-	-
Investment income	87,544	9,239	1,734	422
Other	369,512	-	14,779	-
Total revenues	<u>32,109,403</u>	<u>969,341</u>	<u>1,897,589</u>	<u>1,172,284</u>
Expenditures				
Current:				
Instruction:				
Regular programs	12,757,838	-	-	219,878
Special programs	2,957,541	-	-	140,755
Other instructional programs	834,518	-	-	40,035
State retirement contributions	3,201,068	-	-	-
Support Services:				
Pupils	1,744,403	-	-	79,266
Instructional staff	1,000,237	-	-	56,036
General administration	1,746,875	-	-	52,789
School administration	1,595,546	-	-	82,126
Business	1,608,418	-	-	86,586
Transportation	-	-	1,632,362	292
Operations and maintenance	1,029,254	783,733	-	221,709
Central	1,713,773	-	-	77,482
Other supporting services	254,298	-	-	-
Community services	40,088	-	-	319
Payments to other districts and gov't units	1,638,094	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	548,695	114,883	-	-
Total expenditures	<u>32,670,646</u>	<u>898,616</u>	<u>1,632,362</u>	<u>1,057,273</u>
Excess (deficiency) of revenues over expenditures	<u>(561,243)</u>	<u>70,725</u>	<u>265,227</u>	<u>115,011</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Principal on bonds sold/lease proceeds	-	-	-	-
Premium on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	-	-	-
Discount on bonds sold	-	-	-	-
Payment to escrow for refunded bonds	-	-	-	-
Payment on current refunding	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(561,243)	70,725	265,227	115,011
Fund balance (deficit), beginning of year	7,846,687	816,613	(50,586)	(105,449)
Fund balance, end of year	<u>\$ 7,285,444</u>	<u>\$ 887,338</u>	<u>\$ 214,641</u>	<u>\$ 9,562</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2011	2010
\$ 2,064,175	\$ -	\$ -	\$ 11,316,235	\$ 12,319,080
-	-	-	186,022	150,796
-	-	218,694	21,673,678	17,870,395
-	-	-	4,772,321	7,133,196
10,857	229,092	21,277	360,165	218,373
-	54,984	-	439,275	372,778
<u>2,075,032</u>	<u>284,076</u>	<u>239,971</u>	<u>38,747,696</u>	<u>38,064,618</u>
-	-	-	12,977,716	13,640,330
-	-	-	3,098,296	2,397,238
-	-	-	874,553	680,391
-	-	-	3,201,068	3,091,160
-	-	-	1,823,669	1,813,929
-	-	-	1,056,273	977,071
-	-	-	1,799,664	1,645,309
-	-	-	1,677,672	1,457,188
-	-	-	1,695,004	1,675,347
-	-	-	1,632,654	1,479,814
-	1,835,408	211,050	4,081,154	2,623,598
-	-	-	1,791,255	1,425,347
-	-	-	254,298	64,565
-	-	-	40,407	124,022
-	-	-	1,638,094	1,290,106
1,865,000	-	-	1,865,000	1,825,000
1,383,590	-	-	1,383,590	217,047
-	9,926,838	24,289	10,614,705	877,508
<u>3,248,590</u>	<u>11,762,246</u>	<u>235,339</u>	<u>51,505,072</u>	<u>37,304,970</u>
<u>(1,173,558)</u>	<u>(11,478,170)</u>	<u>4,632</u>	<u>(12,757,376)</u>	<u>759,648</u>
-	-	-	-	23,228
-	-	-	-	(23,228)
28,580,000	10,000,000	-	38,580,000	26,865,000
3,137,480	-	-	3,137,480	-
-	2,979	-	2,979	-
(3,415,000)	(80,000)	-	(3,495,000)	(19,583)
(2,569,615)	-	-	(2,569,615)	-
(25,461,457)	-	-	(25,461,457)	-
<u>271,408</u>	<u>9,922,979</u>	<u>-</u>	<u>10,194,387</u>	<u>26,845,417</u>
(902,150)	(1,555,191)	4,632	(2,562,989)	27,605,065
1,431,805	24,460,122	1,832,978	36,232,170	8,627,105
<u>\$ 529,655</u>	<u>\$ 22,904,931</u>	<u>\$ 1,837,610</u>	<u>\$ 33,669,181</u>	<u>\$ 36,232,170</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds	\$ (2,562,989)
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.	11,114,914
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 by which proceeds from current year issuances exceeded current year principal repayments and the defeased amount on prior debt issuances.	(9,831,426)
Governmental funds report the effects of issuance costs, premiums, discounts, deferred amounts on refunding 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.	<u>1,647,654</u>
Change in net assets of governmental activities	<u>\$ 368,153</u>

See Notes to Basic Financial Statements

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - MODIFIED CASH BASIS
JUNE 30, 2011

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash and investments	\$ 2,514
Total assets	<u>\$ 2,514</u>
Liabilities	
Liabilities, Due to student groups	\$ 2,514
Total liabilities	<u>\$ 2,514</u>

See Notes to Basic Financial Statements

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prairie-Hills Elementary School District 144 (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 the modified cash basis of accounting as applicable to the local governmental units of this type. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. 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 Statements 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 cash disbursements of a given function are offset by program revenues. Direct cash disbursement 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.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The minimum number of funds maintained is consistent with legal and managerial requirements.

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

Measurement Focus and Basis of Accounting

The government-wide financial statements and the fund financial statements are reported using the modified cash basis of accounting. Assets, liabilities, net assets, revenues, and expenditures are recognized when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In the government-wide financial statements, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as described above. In the governmental fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues, (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Major Governmental Funds

General 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 or committed 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.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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.

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned 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.

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Capital Projects Fund - accounts for construction projects and renovations financed through debt instruments.

Fire Prevention and Life Safety Fund - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

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 - includes 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.

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 cost.

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.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2010 levy resolution was approved during the December 20, 2010 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.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

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 2010 and 2009 tax levies were 2.7% and 0.1%, 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 April 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed (typically, this is due between October and December). Property taxes are normally collected by the District within 60 days of the due date.

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.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, equipment and fixtures 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 \$5,000 and an estimated useful life of more than 1 year. 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.

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

<u>Assets</u>	<u>Years</u>
Land improvements	15 - 20
Buildings and building improvements	20 - 40
Equipment and fixtures	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.

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.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

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 in the government-wide financial statements 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.

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g., inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g., Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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

The restricted and assigned fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2010, from which such summarized information was derived.

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, 2011, expenditures exceeded budget in the General Fund and the Illinois Municipal Retirement Fund by \$391,077 and \$168,877 respectively. These excesses were funded by available fund balances or current year revenues.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2011, the District has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasurer

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

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

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

The Treasurer's investment policies are established by the Bremen 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 0.54 years at June 30, 2011. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2011, the fair value of all investments held by the Treasurer's office was \$123,496,154 and the fair value of the District's proportionate share of the pool was \$33,666,889.

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><u>Carrying Value</u></i>	<i><u>Bank Balance</u></i>
Deposits with financial institutions	\$ 5,514	\$ 6,967
Total	<u>\$ 5,514</u>	<u>\$ 6,967</u>

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2011, the bank balance of the District's deposits with financial institutions totaled \$6,967, and was fully insured.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2011, 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	\$ 251,294	\$ -	\$ -	\$ 251,294
Construction in progress	<u>-</u>	<u>12,184,587</u>	<u>-</u>	<u>12,184,587</u>
Total capital assets not being depreciated	<u>251,294</u>	<u>12,184,587</u>	<u>-</u>	<u>12,435,881</u>
<u>Capital assets being depreciated:</u>				
Land improvements	607,292	-	-	607,292
Buildings	18,539,132	24,289	-	18,563,421
Equipment	<u>11,212,336</u>	<u>74,481</u>	<u>-</u>	<u>11,286,817</u>
Total capital assets being depreciated	<u>30,358,760</u>	<u>98,770</u>	<u>-</u>	<u>30,457,530</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	413,785	16,505	-	430,290
Buildings	9,582,107	339,562	-	9,921,669
Equipment	<u>6,506,664</u>	<u>812,376</u>	<u>-</u>	<u>7,319,040</u>
Total accumulated depreciation	<u>16,502,556</u>	<u>1,168,443</u>	<u>-</u>	<u>17,670,999</u>
Net capital assets being depreciated	<u>13,856,204</u>	<u>(1,069,673)</u>	<u>-</u>	<u>12,786,531</u>
Net governmental activities capital assets	<u>\$ 14,107,498</u>	<u>\$ 11,114,914</u>	<u>\$ -</u>	<u>\$ 25,222,412</u>

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

<u>Governmental Activities</u>	<u>Depreciation</u>
Regular programs	\$ 1,123,263
Special programs	12,752
District administration	5,067
School administration	15,201
Business	4,053
Operations and maintenance	<u>8,107</u>
Total depreciation expense - governmental activities	<u>\$ 1,168,443</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 3,748,574	\$ 28,580,000	\$ 3,748,574	\$ 28,580,000	\$ 830,000
Deferred amount on refunding	-	(1,147,498)	(127,500)	(1,019,998)	-
Unamortized premium	-	3,137,480	156,874	2,980,606	-
Unamortized discount	-	(3,495,000)	(179,639)	(3,315,361)	-
Total bonds payable	<u>3,748,574</u>	<u>27,074,982</u>	<u>3,598,309</u>	<u>27,225,247</u>	<u>830,000</u>
General obligation lease obligations	<u>25,000,000</u>	<u>10,000,000</u>	<u>25,000,000</u>	<u>10,000,000</u>	<u>1,175,000</u>
Total long-term liabilities - governmental activities	<u>\$ 28,748,574</u>	<u>\$ 37,074,982</u>	<u>\$ 28,598,309</u>	<u>\$ 37,225,247</u>	<u>\$ 2,005,000</u>

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 2010A Limited School Bonds dated July 15, 2010 are due in annual installments through December 1, 2029	2.00% - 5.25%	\$ 22,460,000	\$ 22,460,000
Series 2010B Limited Refunding School Bonds dated July 15, 2010 are due in annual installments through December 1, 2029	2.00% - 5.25%	<u>6,120,000</u>	<u>6,120,000</u>
Total		<u>\$ 28,580,000</u>	<u>\$ 28,580,000</u>

During the year, the District issued \$28,580,000 in General Obligation Bonds with an average interest rate of 3.06% to advance refund \$1,883,574 of outstanding 2000 Series Working Cash bonds and currently refund \$25,000,000 of the 2010 General Obligation Lease Obligations with an average interest rate of 4.21%. The net proceeds of \$28,031,072 (after payment of \$268,019 in underwriting fees, insurance, and other insurance costs) were used to call the 2010 General Obligation Lease Obligations and to purchase U.S. government securities. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2000 Series Working Cash bond. As a result, the 2000 Series Working Cash bonds are considered to be defeased and the 2010 General Obligation Lease obligations have been retired. The liability for the 2000 Series Working Cash bond and the 2010 General Obligation Lease Obligations have been removed from the Statement of Net Assets.

Advance refunding of the 2000 Series Working Cash bonds and the current refunding of the 2010 General Obligation Lease Obligations increased the District's total debt service payments over the next 20 years by \$8,571,655. This transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$451,194. The District performed the advanced refunding and the current refunding to restructure outstanding debt.

At June 30, 2011, \$1,785,000 of bonds outstanding are considered defeased.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 6 - LONG TERM LIABILITIES - (CONTINUED)

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>
2012	\$ 830,000	\$ 1,246,669	\$ 2,076,669
2013	1,180,000	1,223,619	2,403,619
2014	1,080,000	1,195,369	2,275,369
2015	1,110,000	1,165,219	2,275,219
2016	930,000	1,133,456	2,063,456
2017 - 2021	5,495,000	5,069,288	10,564,288
2022	8,985,000	3,414,141	12,399,141
2027 - 2031	<u>8,970,000</u>	<u>910,262</u>	<u>9,880,262</u>
Total	<u>\$ 28,580,000</u>	<u>\$ 15,358,023</u>	<u>\$ 43,938,023</u>

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, 2011, the statutory debt limit for the District was \$26,339,457, providing a debt margin of \$20,219,457. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2011, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

General Obligation Lease Obligations In 2011, the District issued General Obligation Lease Obligations for \$10,000,000 to pay the costs of acquiring, constructing, and equipping additions to the District's facilities as well as the costs for improvements and renovations to the District's existing school buildings. The District received proceeds in the amount of \$9,879,911 and deposited them in the Capital Projects Fund. The proceeds were received net of issuance costs and bond discount of \$123,068. The obligations for the lease will be repaid from future operating revenues.

Annual debt service requirements to maturity for general obligation lease obligations are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2012	\$ 1,175,000	\$ 463,171	\$ 1,638,171
2013	1,140,000	315,383	1,455,383
2014	1,170,000	282,728	1,452,728
2015	1,210,000	244,003	1,454,003
2016	1,250,000	199,078	1,449,078
2017 - 2020	<u>4,055,000</u>	<u>274,669</u>	<u>4,329,669</u>
Total	<u>\$ 10,000,000</u>	<u>\$ 1,779,032</u>	<u>\$ 11,779,032</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: CLIC for workers' compensation and liability insurance coverage and EBC for health and dental insurance coverage. 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.

NOTE 8 - JOINT AGREEMENTS

The District is a member of SPEED, a joint agreement that provides 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 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$124,464, 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, 2010 and June 30, 2009 were also 0.84 percent of pay. State contributions on behalf of District employees were \$113,561 and \$111,573, respectively.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the District paid \$93,348 to the THIS Fund. For the years ended June 30, 2010 and 2009, the District paid \$85,171 and \$83,680 to the THIS Fund, respectively, which were 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.

Retiree's Health Plan

The District administers a single-employer defined benefit healthcare plan ("the Retiree's Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. For teachers and administrators retiring with a least 10 years of service with the District, the District pays the retiree's contribution toward the Teachers' Retirement System (TRS) medical insurance plan for the retiree until the retiree reaches age 65. The District also contributes \$150 to TRS towards the cost of one dependent. Such dependent coverage contribution continues until the earlier of either the retiree reaching the age of 65 or the dependent, if not the spouse, reaching the age of 18 if not a full time student, or 23 if a full time student.

For full time support personnel hired on or before August 15, 1987 who have at least 20 years of service, the District shall permit the employee to continue his or her health insurance upon retirement for a period not to exceed 10 years or until age 65, whichever occurs first. The cost of employee coverage shall be paid by the District. In addition, the District shall pay up to \$150 per month for such an employee toward dependent coverage. Benefit provisions are established through collective bargaining agreements. The Retiree's Health Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union.. For fiscal year 2011, the District contributed \$182,495 to the plan. Administrative costs of the Retiree's Health Plan are financed through District operating revenues as costs are incurred.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Retiree's Health Plan, and changes in the District's net OPEB obligation to the Retiree's Health Plan:

Annual required contribution	\$	79,624
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
		<hr/>
Annual OPEB cost		79,624
Contributions made		(182,495)
Decrease in net OPEB obligation (asset)		(102,871)
		<hr/>
Net OPEB Obligation (Asset) - Beginning of Year		(58,326)
		<hr/>
Net OPEB Obligation (Asset) - End of Year	\$	<u>(161,197)</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retiree's Health Plan, and the net OPEB obligation for June 30, 2011 and the two preceding years are as follows:

<i>Fiscal Year Ended</i>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2011	\$ 79,624	229.20 %	\$ (161,197)
June 30, 2010	99,898	159.55 %	(58,326)
June 30, 2009	185,050	99.37 %	1,159

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

Actuarial accrued liability (AAL)	\$ 1,526,211
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,526,211</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 17,987,993
UAAL as a percentage of covered payroll	8.48%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent investment rate of return and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after 8 years. Both rates include an - inflation assumption. The actuarial value of the Retiree's Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retiree's Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The amortization period at June 30, 2011 is 30 years.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 10 - RETIREMENT SYSTEMS

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

Teachers' Retirement System

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the governor's approval. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

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

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

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, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$3,076,604 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and 2009, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$2,977,600) and 17.08 percent (\$2,142,357), respectively.

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

2.2 Formula Contributions. For the years ended June 30, 2011, 2010 and 2009, 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 \$82,033, \$78,411 and \$77,039, respectively.

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an additional TRS contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer pension contribution was 23.38 and 17.08 percent, respectively, of salaries paid from those funds. For the year ended June 30, 2011, salaries totaling \$825,052 were paid from federal and special trust funds that required employer contributions of \$190,587, which was equal to the District's actual contribution. For the years ended June 30, 2010 and 2009, required District contributions were \$183,175 and \$126,301, respectively.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ending June 30, 2011, the District did not pay any contributions to TRS for under the ERO program. For the years ended June 30, 2010 and 2009, the District paid \$21,594 and \$0 respectively, in ERO contributions.

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, 2011, 2010 and 2009, the District paid \$0, \$0 and \$21,594, 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 (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the years ended June 30, 2011, 2010 and 2009, the District did not submit an amount to TRS for sick leave days granted in excess of the normal annual allotment.

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, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.illinois.gov.

Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2010 was 12.98 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 12.98 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Annual Pension Cost. For December 31, 2010, the employer's actual contributions for pension cost for the Regular were \$549,113. Its required contribution for calendar year 2010 was \$549,113. For December 31, 2009 and December 31, 2008 the District's annual pension cost of \$383,456 and \$381,589, respectively, was equal to the District's required and actual contributions.

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 basis.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 74.12 percent funded. The actuarial accrued liability for benefits was \$7,704,137 and the actuarial value of assets was \$5,710,468, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,993,669. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$4,230,455 and the ratio of the UAAL to the covered payroll was 47.13 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 11 - CONTINGENT LIABILITIES

The District is a participant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 12 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants.

NOTE 13 - CONSTRUCTION COMMITMENTS

As of June 30, 2011, the District is committed to approximately \$24,431,162 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 14 - SUBSEQUENT EVENTS

On August 16, 2011, the District issued \$22,525,000 of Series 2011A and \$2,120,000 of Series 2011B Limited School Bonds in addition to \$18,198,607 of Series 2011C Capital Appreciation Refunding School Bonds.

The 2011A Series Limited School Bonds have an interest rate between 2% and 5%, principal payments are due on December 1st and interest payments are due on June 1st and December 1st of each year through December 1, 2030.

The 2011B Series Limited School Bonds have an interest rate of 5%, a principal payment is due on September 1, 2031, interest payments are due on March 1st and September 1st of each year through September 1, 2031.

The 2011C Series Capital Appreciation Refunding School Bonds have an interest rate between 1.25% and 6.39%, principal payments are due on December 1st of each year through December 1, 2030.

The proceeds of these bonds will be used for capital projects and to refund other outstanding long term debt obligations.

NOTE 15 - RESTATEMENT

Fund balance has been restated due to the implementation of GASB Statement No. 54. The Working Cash Fund and Tort Immunity and Judgment Fund previously reported as special revenue funds have been combined with the General Fund for financial reporting purposes using the new fund-type definitions described under GASB Statement No. 54.

	<i>General Fund</i>	<i>Working Cash Fund</i>	<i>Tort Immunity and Judgment Fund</i>
Fund balance as previously reported, June 30, 2010	\$ 4,769,487	\$ 3,077,200	\$ -
Adjustment to include Working Cash fund balance as of June 30, 2010	<u>3,077,200</u>	<u>(3,077,200)</u>	<u>-</u>
Fund balance as restated, June 30, 2010	<u>\$ 7,846,687</u>	<u>\$ -</u>	<u>\$ -</u>

	<i>General Fund</i>	<i>Working Cash Fund</i>	<i>Tort Immunity and Judgment Fund</i>
Fund balance as previously reported, June 30, 2009	\$ 3,937,922	\$ 3,008,120	\$ 10,452
Adjustment to include Working Cash fund balance as of June 30, 2009	3,008,120	(3,008,120)	-
Adjustment to include Tort Immunity and Judgment fund balance as of June 30, 2009	<u>10,452</u>	<u>-</u>	<u>(10,452)</u>
Fund balance as restated, June 30, 2009	<u>\$ 6,956,494</u>	<u>\$ -</u>	<u>\$ -</u>

Comparative total columns of the previous year have been restated to reflect these changes.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 16 - STATE OF ILLINOIS FUNDING

The District receives approximately 56% of its annual revenue from the State of Illinois ("the state"). Published reports have indicated that the state is experiencing financial difficulties which have led to delays in the state's funding of certain grant programs to Illinois school districts. At June 30, 2011, the state has acknowledged \$1,208,088 in amounts owed to the District in past due grant funds. Of this amount, \$536,128 was received by August 31, 2011.

It is believed that the state will continue to delay payment of certain grants during subsequent fiscal years. At June 30, 2011, the District feels it has adequate fund balance reserves to sustain the revenue shortfall; however, continued delays into subsequent years, or a change in the method of state funding, could have an adverse effect on future District financial results.

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND ANALYSIS OF FUNDING PROGRESS
JUNE 30, 2011

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 549,113	100%	\$ -
12/31/09	383,456	100%	-
12/31/08	381,589	100%	-
12/31/07	381,446	100%	-
12/31/06	399,504	100%	-
12/31/05	351,581	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)
12/31/10	\$ 5,710,468	\$ 7,704,137	\$ 1,993,669	74.12%	\$ 4,230,455	47.13%
12/31/09	4,892,776	7,053,972	2,161,196	69.36%	3,928,850	55.01%
12/31/08	4,334,927	6,598,608	2,263,681	65.69%	3,737,408	60.57%
12/31/07	6,330,975	6,471,257	140,282	97.83%	3,369,665	4.16%
12/31/06	5,368,169	5,759,580	391,411	93.20%	3,285,398	11.91%
12/31/05	4,499,481	5,286,718	787,237	85.11%	3,059,890	25.73%

See Auditor's Report and Notes to Required Supplementary Information

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

SCHEDULE OF FUNDING PROGRESS FOR

JUNE 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/10	\$ -	\$ 1,526,211	\$ 1,526,211	N/A	\$ 17,987,993	8.48%
6/30/08	-	2,003,153	2,003,153	N/A	17,344,334	11.55%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members.

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 7,728,558	\$ 7,132,779	\$ (595,779)	\$ 7,725,147
Corporate personal property replacement taxes	183,185	161,711	(21,474)	128,364
Investment income	140,000	87,544	(52,456)	165,475
Sales to pupils - lunch	45,000	33,151	(11,849)	45,034
Sales to pupils - breakfast	600	-	(600)	-
Sales to pupils - a la carte	70	-	(70)	-
Sales to pupils - other	10	673	663	562
Sales to adults	-	16	16	73
Rentals - regular textbook	25,000	20,740	(4,260)	27,084
Rentals	20,000	20,798	798	19,134
Contributions and donations from private sources	10,000	800	(9,200)	800
Refund of prior years' expenditures	125,000	55,040	(69,960)	50,257
Other local fees	706,480	-	(706,480)	-
Other	90,000	238,294	148,294	229,834
Total local sources	<u>9,073,903</u>	<u>7,751,546</u>	<u>(1,322,357)</u>	<u>8,391,764</u>
Flow-through revenue from one LEA to another LEA				
Flow-through revenue from state sources	-	225	225	34,671
Total flow-through	-	225	225	34,671
State sources				
General state aid	14,402,556	14,246,313	(156,243)	11,966,317
Special education - private facility tuition	15,000	25,044	10,044	7,391
Special education - extraordinary	400,000	649,964	249,964	409,037
Special education - personnel	260,000	165,623	(94,377)	261,748
Special education - orphanage - individual	90,000	305,628	215,628	90,765
Special education - orphanage - summer	3,000	5,940	2,940	-
CTE - Secondary program improvement	2,871	5,614	2,743	-
Bilingual education - downstate - TPI	16,389	16,604	215	10,772
State free lunch & breakfast	8,000	50,568	42,568	45,039
School breakfast initiative	-	-	-	1,699
Early childhood - block grant	938,206	707,654	(230,552)	537,688
Reading improvement block grant	-	79,085	79,085	79,086
School safety & educational improvement block grant	-	12,462	12,462	12,461
Summer bridges	111,661	111,661	-	111,661
Other restricted revenue from state sources	2,200	2,083	(117)	-
On behalf payment to TRS from the state	2,100,000	3,201,068	1,101,068	3,091,160
Total state sources	<u>18,349,883</u>	<u>19,585,311</u>	<u>1,235,428</u>	<u>16,624,824</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Federal sources				
National school lunch program	\$ 950,000	\$ 920,336	\$ (29,664)	\$ 924,180
Special milk program	300	-	(300)	314
School breakfast program	200,000	191,996	(8,004)	191,166
Summer food service admin/program	30,000	21,714	(8,286)	30,566
Food service - other	-	74,320	74,320	19,932
Title I - Low income	914,656	834,961	(79,695)	1,077,031
Title IV - Safe & drug free schools - formula	10,243	4,622	(5,621)	12,693
Federal - special education - preschool flow-through	25,048	22,810	(2,238)	41,176
Federal - special education - IDEA - flow-through/low incident	586,466	246,102	(340,364)	955,603
Federal - special education - IDEA - room & board	-	252	252	1,725
General state aid - education stabilization	-	-	-	1,984,650
Title I - low income	489,211	203,246	(285,965)	218,957
IDEA - part b - preschool	1,373	18,437	17,064	4,240
IDEA - part b - flow-through	2,000	340,565	338,565	291,243
Title IID - technology-competitive	40,204	54,846	14,642	274,931
ARRA - General state aid - government stabilization	-	-	-	661,383
ARRA - Education jobs fund program	-	1,352,248	1,352,248	-
Title II - Teacher quality	181,368	181,033	(335)	202,754
Medicaid matching funds - administrative outreach	90,000	180,275	90,275	55,539
Medicaid matching funds - fee-for-service program	-	122,918	122,918	97,009
Other restricted revenue from federal sources	1,375,681	1,640	(1,374,041)	88,104
Total federal sources	<u>4,896,550</u>	<u>4,772,321</u>	<u>(124,229)</u>	<u>7,133,196</u>
Total revenues	<u>32,320,336</u>	<u>32,109,403</u>	<u>(210,933)</u>	<u>32,184,455</u>
Expenditures				
Instruction				
Regular programs				
Salaries	9,232,898	8,806,504	426,394	9,324,231
Employee benefits	3,403,672	2,772,083	631,589	2,747,523
On-behalf payments to TRS from the state	2,100,000	3,201,068	(1,101,068)	3,091,160
Purchased services	295,711	287,778	7,933	338,343
Supplies and materials	910,942	861,135	49,807	1,005,821
Capital outlay	158,304	27,704	130,600	367,420
Other objects	-	81	(81)	-
Non-capitalized equipment	-	1,557	(1,557)	-
Termination benefits	-	28,700	(28,700)	-
Total	<u>16,101,527</u>	<u>15,986,610</u>	<u>114,917</u>	<u>16,874,498</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Pre-K programs				
Salaries	\$ 432,913	\$ 400,947	\$ 31,966	\$ 314,496
Employee benefits	102,521	77,330	25,191	67,519
Purchased services	9,204	9,951	(747)	16,563
Supplies and materials	10,000	21,102	(11,102)	18,449
Total	<u>554,638</u>	<u>509,330</u>	<u>45,308</u>	<u>417,027</u>
Special education programs				
Salaries	1,491,515	2,231,659	(740,144)	1,826,338
Employee benefits	303,201	228,083	75,118	228,403
Purchased services	30,000	18,004	11,996	19,305
Supplies and materials	62,000	303,330	(241,330)	123,163
Capital outlay	10,000	9,167	833	27,226
Termination benefits	-	7,000	(7,000)	-
Total	<u>1,896,716</u>	<u>2,797,243</u>	<u>(900,527)</u>	<u>2,224,435</u>
Special education programs Pre-K				
Salaries	59,042	159,848	(100,806)	56,901
Employee benefits	1,687	2,285	(598)	1,664
Supplies and materials	1,373	7,332	(5,959)	4,240
Total	<u>62,102</u>	<u>169,465</u>	<u>(107,363)</u>	<u>62,805</u>
CTE programs				
Supplies and materials	2,871	347	2,524	5,235
Total	<u>2,871</u>	<u>347</u>	<u>2,524</u>	<u>5,235</u>
Interscholastic programs				
Purchased services	3,000	2,222	778	2,688
Other objects	500	-	500	-
Total	<u>3,500</u>	<u>2,222</u>	<u>1,278</u>	<u>2,688</u>
Summer school programs				
Salaries	125,572	162,001	(36,429)	166,499
Employee benefits	11,302	11,290	12	19,588
Supplies and materials	16,000	9,544	6,456	-
Total	<u>152,874</u>	<u>182,835</u>	<u>(29,961)</u>	<u>186,087</u>
Gifted programs				
Salaries	5,379	6,125	(746)	1,704
Employee benefits	30	36	(6)	10
Total	<u>5,409</u>	<u>6,161</u>	<u>(752)</u>	<u>1,714</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Bilingual programs				
Salaries	\$ 138,645	\$ 128,925	\$ 9,720	\$ 16,169
Employee benefits	1,822	4,698	(2,876)	-
Supplies and materials	-	-	-	18,892
Total	<u>140,467</u>	<u>133,623</u>	<u>6,844</u>	<u>35,061</u>
Total instruction	<u>18,920,104</u>	<u>19,787,836</u>	<u>(867,732)</u>	<u>19,809,550</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	549,450	492,730	56,720	533,019
Employee benefits	10,099	8,022	2,077	10,440
Purchased services	79,500	62,386	17,114	71,211
Supplies and materials	<u>10,000</u>	<u>958</u>	<u>9,042</u>	<u>2,714</u>
Total	<u>649,049</u>	<u>564,096</u>	<u>84,953</u>	<u>617,384</u>
Health services				
Salaries	230,634	213,364	17,270	221,853
Employee benefits	8,400	11,370	(2,970)	8,400
Purchased services	55,000	62,422	(7,422)	83,130
Supplies and materials	15,000	7,884	7,116	16,788
Capital outlay	<u>80,000</u>	<u>2,904</u>	<u>77,096</u>	<u>17,045</u>
Total	<u>389,034</u>	<u>297,944</u>	<u>91,090</u>	<u>347,216</u>
Psychological services				
Salaries	235,910	236,441	(531)	231,354
Employee benefits	4,610	3,515	1,095	5,378
Purchased services	8,000	102	7,898	519
Supplies and materials	<u>10,000</u>	<u>5,808</u>	<u>4,192</u>	<u>3,444</u>
Total	<u>258,520</u>	<u>245,866</u>	<u>12,654</u>	<u>240,695</u>
Speech pathology and audiology services				
Salaries	127,941	162,810	(34,869)	128,556
Employee benefits	2,258	24,575	(22,317)	9,242
Purchased services	282,874	446,904	(164,030)	396,426
Supplies and materials	<u>10,000</u>	<u>527</u>	<u>9,473</u>	<u>5,299</u>
Total	<u>423,073</u>	<u>634,816</u>	<u>(211,743)</u>	<u>539,523</u>
Other support services - pupils				
Salaries	<u>6,477</u>	<u>4,585</u>	<u>1,892</u>	<u>6,169</u>
Total	<u>6,477</u>	<u>4,585</u>	<u>1,892</u>	<u>6,169</u>
Total pupils	<u>1,726,153</u>	<u>1,747,307</u>	<u>(21,154)</u>	<u>1,750,987</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Instructional staff				
Improvement of instructional services				
Salaries	\$ 356,308	\$ 399,553	\$ (43,245)	\$ 301,424
Employee benefits	47,989	80,001	(32,012)	69,612
Purchased services	85,000	166,718	(81,718)	186,850
Supplies and materials	51,354	74,229	(22,875)	18,551
Capital outlay	-	-	-	2,888
Total	<u>540,651</u>	<u>720,501</u>	<u>(179,850)</u>	<u>579,325</u>
Educational media services				
Salaries	254,181	256,856	(2,675)	226,959
Employee benefits	20,112	15,111	5,001	20,189
Supplies and materials	<u>139,700</u>	<u>6,634</u>	<u>133,066</u>	<u>96,216</u>
Total	<u>413,993</u>	<u>278,601</u>	<u>135,392</u>	<u>343,364</u>
Assessment and testing				
Employee benefits	-	855	(855)	277
Purchased services	5,000	100	4,900	199
Supplies and materials	<u>-</u>	<u>180</u>	<u>(180)</u>	<u>3,953</u>
Total	<u>5,000</u>	<u>1,135</u>	<u>3,865</u>	<u>4,429</u>
Total instructional staff	<u>959,644</u>	<u>1,000,237</u>	<u>(40,593)</u>	<u>927,118</u>
General administration				
Board of education services				
Salaries	3,000	3,300	(300)	300
Employee benefits	-	-	-	3,978
Purchased services	366,000	479,809	(113,809)	420,761
Supplies and materials	5,200	6,900	(1,700)	1,626
Capital outlay	7,000	-	7,000	-
Other objects	<u>10,500</u>	<u>11,036</u>	<u>(536)</u>	<u>10,721</u>
Total	<u>391,700</u>	<u>501,045</u>	<u>(109,345)</u>	<u>437,386</u>
Executive administration services				
Salaries	231,088	232,325	(1,237)	223,781
Employee benefits	25,664	25,496	168	25,242
Purchased services	13,500	16,318	(2,818)	10,420
Supplies and materials	4,000	3,906	94	4,468
Capital outlay	1,500	-	1,500	-
Other objects	<u>4,000</u>	<u>2,488</u>	<u>1,512</u>	<u>380</u>
Total	<u>279,752</u>	<u>280,533</u>	<u>(781)</u>	<u>264,291</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Special area administration services				
Salaries	\$ 455,847	\$ 479,944	\$ (24,097)	\$ 440,950
Employee benefits	97,063	38,510	58,553	94,960
Purchased services	27,500	52,564	(25,064)	25,035
Supplies and materials	7,500	17,715	(10,215)	15,454
Capital outlay	14,000	2,726	11,274	8,294
Other objects	2,000	1,893	107	-
Non-capitalized equipment	-	26,949	(26,949)	-
Total	<u>603,910</u>	<u>620,301</u>	<u>(16,391)</u>	<u>584,693</u>
Tort immunity services				
Purchased services	<u>281,500</u>	<u>347,722</u>	<u>(66,222)</u>	<u>325,393</u>
Total	<u>281,500</u>	<u>347,722</u>	<u>(66,222)</u>	<u>325,393</u>
Total general administration	<u>1,556,862</u>	<u>1,749,601</u>	<u>(192,739)</u>	<u>1,611,763</u>
School administration				
Office of the principal services				
Salaries	1,123,176	1,298,915	(175,739)	1,058,757
Employee benefits	156,848	124,166	32,682	153,132
Purchased services	4,000	5,230	(1,230)	2,104
Supplies and materials	4,000	1,427	2,573	1,139
Other objects	<u>4,200</u>	<u>1,504</u>	<u>2,696</u>	<u>2,260</u>
Total	<u>1,292,224</u>	<u>1,431,242</u>	<u>(139,018)</u>	<u>1,217,392</u>
Other support services - school administration				
Salaries	179,611	162,044	17,567	173,097
Employee benefits	<u>3,181</u>	<u>2,260</u>	<u>921</u>	<u>2,986</u>
Total	<u>182,792</u>	<u>164,304</u>	<u>18,488</u>	<u>176,083</u>
Total school administration	<u>1,475,016</u>	<u>1,595,546</u>	<u>(120,530)</u>	<u>1,393,475</u>
Business				
Direction of business support services				
Salaries	293,611	296,553	(2,942)	283,520
Employee benefits	<u>26,312</u>	<u>8,281</u>	<u>18,031</u>	<u>26,071</u>
Total	<u>319,923</u>	<u>304,834</u>	<u>15,089</u>	<u>309,591</u>
Fiscal services				
Purchased services	19,000	15,486	3,514	55,021
Supplies and materials	25,000	25,184	(184)	20,893
Capital outlay	5,000	6,717	(1,717)	4,529
Other objects	2,000	1,585	415	250
Non-capitalized equipment	-	<u>1,650</u>	<u>(1,650)</u>	-
Total	<u>51,000</u>	<u>50,622</u>	<u>378</u>	<u>80,693</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Operation and maintenance of plant services				
Salaries	\$ 997,696	\$ 998,271	\$ (575)	\$ 958,890
Employee benefits	38,484	28,964	9,520	38,484
Purchased services	5,000	2,019	2,981	4,013
Total	<u>1,041,180</u>	<u>1,029,254</u>	<u>11,926</u>	<u>1,001,387</u>
Food services				
Salaries	291,967	296,415	(4,448)	279,946
Employee benefits	27,900	25,223	2,677	27,900
Purchased services	8,250	379	7,871	10,734
Supplies and materials	875,000	895,219	(20,219)	851,364
Capital outlay	20,000	-	20,000	5,691
Other objects	1,000	-	1,000	-
Total	<u>1,224,117</u>	<u>1,217,236</u>	<u>6,881</u>	<u>1,175,635</u>
Internal services				
Purchased services	60,000	38,883	21,117	37,500
Supplies and materials	2,500	3,560	(1,060)	2,058
Capital outlay	-	-	-	169,186
Total	<u>62,500</u>	<u>42,443</u>	<u>20,057</u>	<u>208,744</u>
Total business	<u>2,698,720</u>	<u>2,644,389</u>	<u>54,331</u>	<u>2,776,050</u>
Central				
Staff services				
Salaries	185,751	142,049	43,702	152,146
Employee benefits	18,775	28,595	(9,820)	23,559
Purchased services	136,500	57,675	78,825	106,252
Supplies and materials	100,500	44,242	56,258	56,371
Capital outlay	7,000	509	6,491	1,923
Total	<u>448,526</u>	<u>273,070</u>	<u>175,456</u>	<u>340,251</u>
Data processing services				
Salaries	316,719	315,642	1,077	304,810
Employee benefits	208	5,352	(5,144)	5,368
Purchased services	540,000	634,905	(94,905)	614,535
Supplies and materials	129,000	476,232	(347,232)	91,334
Capital outlay	800,000	498,968	301,032	212,817
Other objects	5,000	-	5,000	-
Non-capitalized equipment	-	9,081	(9,081)	-
Total	<u>1,790,927</u>	<u>1,940,180</u>	<u>(149,253)</u>	<u>1,228,864</u>
Total central	<u>2,239,453</u>	<u>2,213,250</u>	<u>26,203</u>	<u>1,569,115</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other supporting services				
Purchased services	\$ 91,000	\$ 44,298	\$ 46,702	\$ 44,187
Other objects	<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>-</u>
Total	<u>301,000</u>	<u>254,298</u>	<u>46,702</u>	<u>44,187</u>
Total support services	<u>10,956,848</u>	<u>11,204,628</u>	<u>(247,780)</u>	<u>10,072,695</u>
Community services				
Salaries	-	11,402	(11,402)	65,415
Employee benefits	-	80	(80)	7,997
Purchased services	27,500	25,117	2,383	42,145
Supplies and materials	<u>16,000</u>	<u>3,489</u>	<u>12,511</u>	<u>6,354</u>
Total community services	<u>43,500</u>	<u>40,088</u>	<u>3,412</u>	<u>121,911</u>
Payments to other districts and governmental units				
Payments for special education programs - tuition				
Other objects	<u>1,172,250</u>	<u>1,211,506</u>	<u>(39,256)</u>	<u>1,290,106</u>
Total	1,172,250	1,211,506	(39,256)	1,290,106
Other payments to in-state govt. units - transfers				
Other objects	<u>25,000</u>	<u>36,362</u>	<u>(11,362)</u>	<u>-</u>
Total	25,000	36,362	(11,362)	-
Payments to other district & govt. units (out of state)				
Other objects	<u>-</u>	<u>390,226</u>	<u>(390,226)</u>	<u>-</u>
Total	<u>-</u>	<u>390,226</u>	<u>(390,226)</u>	<u>-</u>
Total payments to other districts and governmental units	<u>1,197,250</u>	<u>1,638,094</u>	<u>(440,844)</u>	<u>1,290,106</u>
Provision for contingencies				
	<u>1,161,867</u>	<u>-</u>	<u>1,161,867</u>	<u>-</u>
Total expenditures	<u>32,279,569</u>	<u>32,670,646</u>	<u>(391,077)</u>	<u>31,294,262</u>
Net change in fund balance	<u>\$ 40,767</u>	<u>(561,243)</u>	<u>\$ (602,010)</u>	<u>890,193</u>
Fund balance, beginning of year		<u>7,846,687</u>		<u>6,956,494</u>
Fund balance, end of year		<u>\$ 7,285,444</u>		<u>\$ 7,846,687</u>

See Auditor's Report and Notes to Required Supplementary Information

**PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,271,972	\$ 928,796	\$ (343,176)	\$ 977,394
Investment income	18,000	9,239	(8,761)	16,325
Total local sources	<u>1,289,972</u>	<u>938,035</u>	<u>(351,937)</u>	<u>993,719</u>
State sources				
Other restricted revenue from state sources	-	31,306	31,306	-
Total state sources	-	31,306	31,306	-
Total revenues	<u>1,289,972</u>	<u>969,341</u>	<u>(320,631)</u>	<u>993,719</u>
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Purchased services	259,000	207,170	51,830	208,033
Supplies and materials	695,000	576,458	118,542	613,722
Capital outlay	165,000	114,883	50,117	60,489
Other objects	1,500	105	1,395	435
Total	<u>1,120,500</u>	<u>898,616</u>	<u>221,884</u>	<u>882,679</u>
Total business	<u>1,120,500</u>	<u>898,616</u>	<u>221,884</u>	<u>882,679</u>
Total support services	<u>1,120,500</u>	<u>898,616</u>	<u>221,884</u>	<u>882,679</u>
Total expenditures	<u>1,120,500</u>	<u>898,616</u>	<u>221,884</u>	<u>882,679</u>
Excess (deficiency) of revenues over expenditures	<u>169,472</u>	<u>70,725</u>	<u>(98,747)</u>	<u>111,040</u>
Other financing sources (uses)				
Permanent transfer of interest	29,650	-	(29,650)	23,228
Total other financing sources (uses)	<u>29,650</u>	<u>-</u>	<u>(29,650)</u>	<u>23,228</u>
Net change in fund balance	<u>\$ 199,122</u>	<u>70,725</u>	<u>\$ (128,397)</u>	<u>134,268</u>
Fund balance, beginning of year		<u>816,613</u>		<u>682,345</u>
Fund balance, end of year		<u>\$ 887,338</u>		<u>\$ 816,613</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

TRANSPORTATION FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 339,304	\$ 342,934	\$ 3,630	\$ 361,329
Investment income	2,000	1,734	(266)	1,797
Other	-	14,779	14,779	-
Total local sources	<u>341,304</u>	<u>359,447</u>	<u>18,143</u>	<u>363,126</u>
State sources				
General state aid	150,000	150,000	-	-
Transportation - regular/vocational	550,000	499,027	(50,973)	338,176
Transportation - special education	<u>840,000</u>	<u>889,115</u>	<u>49,115</u>	<u>872,724</u>
Total state sources	<u>1,540,000</u>	<u>1,538,142</u>	<u>(1,858)</u>	<u>1,210,900</u>
Total revenues	<u>1,881,304</u>	<u>1,897,589</u>	<u>16,285</u>	<u>1,574,026</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	44,368	20,120	24,248	36,043
Employee benefits	-	117	(117)	100
Purchased services	1,620,825	1,612,125	8,700	1,439,542
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total	<u>1,665,693</u>	<u>1,632,362</u>	<u>33,331</u>	<u>1,475,685</u>
Total business	<u>1,665,693</u>	<u>1,632,362</u>	<u>33,331</u>	<u>1,475,685</u>
Total support services	<u>1,665,693</u>	<u>1,632,362</u>	<u>33,331</u>	<u>1,475,685</u>
Total expenditures	<u>1,665,693</u>	<u>1,632,362</u>	<u>33,331</u>	<u>1,475,685</u>
Net change in fund balance	<u>\$ 215,611</u>	265,227	<u>\$ 49,616</u>	98,341
Fund balance (deficit), beginning of year		<u>(50,586)</u>		<u>(148,927)</u>
Fund balance (deficit), end of year		<u>\$ 214,641</u>		<u>\$ (50,586)</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ -	\$ 428,217	\$ 428,217	\$ 448,931
Social security/medicare only levy	855,906	419,334	(436,572)	454,047
Corporate personal property replacement taxes	-	24,311	24,311	22,432
Investment income	2,000	422	(1,578)	924
Total local sources	<u>857,906</u>	<u>872,284</u>	<u>14,378</u>	<u>926,334</u>
State sources				
General state aid	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Total state sources	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,157,906</u>	<u>1,172,284</u>	<u>14,378</u>	<u>926,334</u>
Expenditures				
Instruction				
Regular programs	196,992	219,878	(22,886)	224,412
Pre-K programs	23,563	25,703	(2,140)	21,049
Special education programs	16,971	138,561	(121,590)	136,392
Special education Pre-K programs	863	2,194	(1,331)	832
Summer school programs	1,550	8,587	(7,037)	8,172
Gifted programs	88	84	4	22
Bilingual programs	4,981	5,661	(680)	3,336
Total instruction	<u>245,008</u>	<u>400,668</u>	<u>(155,660)</u>	<u>394,215</u>
Support services				
Pupils				
Attendance and social work services	32,846	35,554	(2,708)	29,929
Health services	49,767	37,865	11,902	44,538
Psychological services	3,322	3,289	33	3,260
Speech pathology and audiology services	1,412	2,207	(795)	1,788
Other support services - pupils	491	351	140	472
Total pupils	<u>87,838</u>	<u>79,266</u>	<u>8,572</u>	<u>79,987</u>
Instructional staff				
Improvement of instructional staff	1	7,015	(7,014)	5,841
Educational media services	42,871	49,021	(6,150)	47,000
Total instructional staff	<u>42,872</u>	<u>56,036</u>	<u>(13,164)</u>	<u>52,841</u>

See Auditor's Report and Notes to Required Supplementary Information

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
General administration				
Board of education services	\$ 4,812	\$ 4,822	\$ (10)	\$ 62
Executive administration services	14,660	14,864	(204)	13,346
Special area administration services	<u>31,553</u>	<u>33,103</u>	<u>(1,550)</u>	<u>28,432</u>
Total general administration	<u>51,025</u>	<u>52,789</u>	<u>(1,764)</u>	<u>41,840</u>
School administration				
Office of the principal services	69,909	79,885	(9,976)	61,308
Other support services - school administration	<u>7,850</u>	<u>2,241</u>	<u>5,609</u>	<u>2,405</u>
Total school administration	<u>77,759</u>	<u>82,126</u>	<u>(4,367)</u>	<u>63,713</u>
Business				
Direction of business support services	29,318	27,917	1,401	26,518
Facilities acquisition and construction service	4,300	2,082	2,218	-
Operations and maintenance of plant services	211,972	219,627	(7,655)	192,330
Pupil transportation services	300	292	8	4,129
Food services	<u>59,520</u>	<u>58,669</u>	<u>851</u>	<u>53,572</u>
Total business	<u>305,410</u>	<u>308,587</u>	<u>(3,177)</u>	<u>276,549</u>
Central				
Staff services	15,022	13,252	1,770	14,009
Data processing services	<u>63,462</u>	<u>64,230</u>	<u>(768)</u>	<u>56,963</u>
Total central	<u>78,484</u>	<u>77,482</u>	<u>1,002</u>	<u>70,972</u>
Total support services	<u>643,388</u>	<u>656,286</u>	<u>(12,898)</u>	<u>585,902</u>
Community services				
	<u>-</u>	<u>319</u>	<u>(319)</u>	<u>2,111</u>
Total expenditures	<u>888,396</u>	<u>1,057,273</u>	<u>(168,877)</u>	<u>982,228</u>
Net change in fund balance	<u>\$ 269,510</u>	<u>115,011</u>	<u>\$ (154,499)</u>	<u>(55,894)</u>
Fund balance (deficit), beginning of year		<u>(105,449)</u>		<u>(49,555)</u>
Fund balance (deficit), end of year		<u>\$ 9,562</u>		<u>\$ (105,449)</u>

See Auditor's Report and Notes to Required Supplementary Information

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the modified cash basis, which is consistent with the modified cash basis of accounting prescribed by the program accounting manual for Illinois school districts.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

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

Excess of Expenditures over Budget

For the year ended June 30, 2011, expenditures exceeded budget in the General Fund and the Illinois Municipal Retirement Fund by \$391,077 and \$168,877 respectively. These excesses were funded by available fund balance or current year revenues.

See Auditor's Report

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

DEBT SERVICE FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,202,762	\$ 2,064,175	\$ (138,587)	\$ 2,352,232
Investment income	<u>29,650</u>	<u>10,857</u>	<u>(18,793)</u>	<u>23,227</u>
Total local sources	<u>2,232,412</u>	<u>2,075,032</u>	<u>(157,380)</u>	<u>2,375,459</u>
Total revenues	<u>2,232,412</u>	<u>2,075,032</u>	<u>(157,380)</u>	<u>2,375,459</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	1,115,572	1,115,571	1	217,047
Principal payments on long term debt	<u>1,865,000</u>	<u>1,865,000</u>	<u>-</u>	<u>1,825,000</u>
Total	<u>2,980,572</u>	<u>2,980,571</u>	<u>1</u>	<u>2,042,047</u>
Other debt service				
Issuance costs	<u>268,019</u>	<u>268,019</u>	<u>-</u>	<u>-</u>
Total	<u>268,019</u>	<u>268,019</u>	<u>-</u>	<u>-</u>
Total debt services	<u>3,248,591</u>	<u>3,248,590</u>	<u>1</u>	<u>2,042,047</u>
Total expenditures	<u>3,248,591</u>	<u>3,248,590</u>	<u>1</u>	<u>2,042,047</u>
Excess (deficiency) of revenues over expenditures	<u>(1,016,179)</u>	<u>(1,173,558)</u>	<u>(157,379)</u>	<u>333,412</u>
Other financing sources (uses)				
Principal on bonds sold	28,580,000	28,580,000	-	-
Premium on bonds sold	(277,521)	3,137,480	3,415,001	-
Permanent transfer of interest	(29,650)	-	29,650	(23,228)
Discount on bonds sold	-	(3,415,000)	(3,415,000)	-
Payment to escrow for refunded bonds	<u>(28,031,072)</u>	<u>(28,031,072)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>241,757</u>	<u>271,408</u>	<u>29,651</u>	<u>(23,228)</u>
Net change in fund balance	<u>\$ (774,422)</u>	<u>(902,150)</u>	<u>\$ (127,728)</u>	<u>310,184</u>
Fund balance, beginning of year		<u>1,431,805</u>		<u>1,121,621</u>
Fund balance, end of year		<u>\$ 529,655</u>		<u>\$ 1,431,805</u>

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

CAPITAL PROJECTS FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Local sources				
Investment income	\$ 375,000	\$ 229,092	\$ (145,908)	\$ -
Other	-	54,984	54,984	-
Total local sources	<u>375,000</u>	<u>284,076</u>	<u>(90,924)</u>	<u>-</u>
Total revenues	<u>375,000</u>	<u>284,076</u>	<u>(90,924)</u>	<u>-</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Salaries	40,000	27,216	12,784	-
Purchased services	1,202,500	1,808,192	(605,692)	526,500
Supplies and materials	5,000	-	5,000	-
Capital outlay	<u>15,000,000</u>	<u>9,926,838</u>	<u>5,073,162</u>	<u>-</u>
Total	<u>16,247,500</u>	<u>11,762,246</u>	<u>4,485,254</u>	<u>526,500</u>
Total business	<u>16,247,500</u>	<u>11,762,246</u>	<u>4,485,254</u>	<u>526,500</u>
Other supporting services				
Other objects	-	-	-	13,378
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,378</u>
Total support services	<u>16,247,500</u>	<u>11,762,246</u>	<u>4,485,254</u>	<u>539,878</u>
Total expenditures	<u>16,247,500</u>	<u>11,762,246</u>	<u>4,485,254</u>	<u>539,878</u>
Excess (deficiency) of revenues over expenditures	<u>(15,872,500)</u>	<u>(11,478,170)</u>	<u>4,394,330</u>	<u>(539,878)</u>
Other financing sources (uses)				
Lease proceeds	-	10,000,000	10,000,000	25,000,000
Accrued interest on bonds sold	-	2,979	2,979	-
Discount on lease	-	(80,000)	(80,000)	-
Total other financing sources (uses)	<u>-</u>	<u>9,922,979</u>	<u>9,922,979</u>	<u>25,000,000</u>
Net change in fund balance	<u>\$ (15,872,500)</u>	<u>(1,555,191)</u>	<u>\$ 14,317,309</u>	<u>24,460,122</u>
Fund balance, beginning of year		<u>24,460,122</u>		<u>-</u>
Fund balance, end of year		<u>\$ 22,904,931</u>		<u>\$ 24,460,122</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

FIRE PREVENTION AND LIFE SAFETY FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Investment income	\$ 27,000	\$ 21,277	\$ (5,723)	\$ 10,625
Total local sources	<u>27,000</u>	<u>21,277</u>	<u>(5,723)</u>	<u>10,625</u>
State sources				
Other restricted revenue from state sources	<u>-</u>	<u>218,694</u>	<u>218,694</u>	<u>-</u>
Total state sources	<u>-</u>	<u>218,694</u>	<u>218,694</u>	<u>-</u>
Total revenues	<u>27,000</u>	<u>239,971</u>	<u>212,971</u>	<u>10,625</u>
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	27,000	48,660	(21,660)	11,007
Employee benefits	10,200	7,186	3,014	540
Purchased services	670,000	132,585	537,415	54,142
Supplies and materials	100,000	22,619	77,381	15,502
Capital outlay	<u>270,000</u>	<u>24,289</u>	<u>245,711</u>	<u>-</u>
Total	<u>1,077,200</u>	<u>235,339</u>	<u>841,861</u>	<u>81,191</u>
Total business	<u>1,077,200</u>	<u>235,339</u>	<u>841,861</u>	<u>81,191</u>
Other supporting services				
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Total support services	<u>1,077,200</u>	<u>235,339</u>	<u>841,861</u>	<u>88,191</u>
Total expenditures	<u>1,077,200</u>	<u>235,339</u>	<u>841,861</u>	<u>88,191</u>
Excess (deficiency) of revenues over expenditures	<u>(1,050,200)</u>	<u>4,632</u>	<u>1,054,832</u>	<u>(77,566)</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

FIRE PREVENTION AND LIFE SAFETY FUND

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other financing sources (uses)				
Principal on bonds sold	\$ -	\$ -	\$ -	\$ 1,865,000
Discount on bonds sold	-	-	-	(19,583)
Total other financing sources (uses)	-	-	-	1,845,417
Net change in fund balance	<u>\$ (1,050,200)</u>	4,632	<u>\$ 1,054,832</u>	1,767,851
Fund balance, beginning of year		<u>1,832,978</u>		<u>65,127</u>
Fund balance, end of year		<u>\$ 1,837,610</u>		<u>\$ 1,832,978</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
GENERAL FUND
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 JUNE 30, 2011

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash	\$ 4,172,437	\$ 3,113,715	\$ 7,286,152
Total assets	<u>\$ 4,172,437</u>	<u>\$ 3,113,715</u>	<u>\$ 7,286,152</u>
Liabilities and fund balance			
Payroll deductions payable	\$ 708	\$ -	\$ 708
Total liabilities	<u>708</u>	<u>-</u>	<u>708</u>
Fund balance			
Unassigned	<u>4,171,729</u>	<u>3,113,715</u>	<u>7,285,444</u>
Total fund balance	<u>4,171,729</u>	<u>3,113,715</u>	<u>7,285,444</u>
Total liabilities and fund balance	<u>\$ 4,172,437</u>	<u>\$ 3,113,715</u>	<u>\$ 7,286,152</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH
BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 7,132,779	\$ -	\$ 7,132,779
Corporate personal property replacement taxes	161,711	-	161,711
State aid	19,585,536	-	19,585,536
Federal aid	4,772,321	-	4,772,321
Investment income	51,008	36,515	87,523
Other	<u>369,512</u>	<u>-</u>	<u>369,512</u>
Total revenues	<u>32,072,867</u>	<u>36,515</u>	<u>32,109,382</u>
Expenditures			
Current:			
Instruction:			
Regular programs	12,757,838	-	12,757,838
Special programs	2,957,541	-	2,957,541
Other instructional programs	834,518	-	834,518
State retirement contributions	3,201,068	-	3,201,068
Support Services:			
Pupils	1,744,403	-	1,744,403
Instructional staff	1,000,237	-	1,000,237
General administration	1,746,854	-	1,746,854
School administration	1,595,546	-	1,595,546
Business	1,608,418	-	1,608,418
Operations and maintenance	1,029,254	-	1,029,254
Central	1,713,773	-	1,713,773
Other supporting services	254,298	-	254,298
Community services	40,088	-	40,088
Payments to other districts and gov't units	1,638,094	-	1,638,094
Capital outlay	<u>548,695</u>	<u>-</u>	<u>548,695</u>
Total expenditures	<u>32,670,625</u>	<u>-</u>	<u>32,670,625</u>
Net change in fund balance	(597,758)	36,515	(561,243)
Fund balance, beginning of year	<u>4,769,487</u>	<u>3,077,200</u>	<u>7,846,687</u>
Fund balance, end of year	<u>\$ 4,171,729</u>	<u>\$ 3,113,715</u>	<u>\$ 7,285,444</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Local sources				
General levy	\$ 7,728,558	\$ 7,132,779	\$ (595,779)	\$ 7,725,147
Corporate personal property replacement taxes	183,185	161,711	(21,474)	128,364
Investment income	95,000	51,008	(43,992)	94,210
Sales to pupils - lunch	45,000	33,151	(11,849)	45,034
Sales to pupils - breakfast	600	-	(600)	-
Sales to pupils - a la carte	70	-	(70)	-
Sales to pupils - other	10	673	663	562
Sales to adults	-	16	16	73
Rentals - regular textbook	25,000	20,740	(4,260)	27,084
Rentals	20,000	20,798	798	19,134
Contributions and donations from private sources	10,000	800	(9,200)	800
Refund of prior years' expenditures	125,000	55,040	(69,960)	50,257
Other local fees	706,480	-	(706,480)	-
Other	90,000	238,294	148,294	229,834
Total local sources	9,028,903	7,715,010	(1,313,893)	8,320,499
Flow-through revenue from one LEA to another LEA				
Flow-through revenue from state sources	-	225	225	34,671
Total flow-through	-	225	225	34,671
State sources				
General state aid	14,402,556	14,246,313	(156,243)	11,966,317
Special education - private facility tuition	15,000	25,044	10,044	7,391
Special education - extraordinary	400,000	649,964	249,964	409,037
Special education - personnel	260,000	165,623	(94,377)	261,748
Special education - orphanage - individual	90,000	305,628	215,628	90,765
Special education - orphanage - summer	3,000	5,940	2,940	-
CTE - Secondary program improvement	2,871	5,614	2,743	-
Bilingual education - downstate - TPI	16,389	16,604	215	10,772
State free lunch & breakfast	8,000	50,568	42,568	45,039
School breakfast initiative	-	-	-	1,699
Early childhood - block grant	938,206	707,654	(230,552)	537,688
Reading improvement block grant	-	79,085	79,085	79,086
School safety & educational improvement block grant	-	12,462	12,462	12,461
Summer bridges	111,661	111,661	-	111,661
Other restricted revenue from state sources	2,200	2,083	(117)	-
On behalf payment to TRS from the state	2,100,000	3,201,068	1,101,068	3,091,160
Total state sources	18,349,883	19,585,311	1,235,428	16,624,824

**PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Federal sources				
National school lunch program	\$ 950,000	\$ 920,336	\$ (29,664)	\$ 924,180
Special milk program	300	-	(300)	314
School breakfast program	200,000	191,996	(8,004)	191,166
Summer food service admin/program	30,000	21,714	(8,286)	30,566
Food service - other	-	74,320	74,320	19,932
Title I - Low income	914,656	834,961	(79,695)	1,077,031
Title IV - Safe & drug free schools - formula	10,243	4,622	(5,621)	12,693
Federal - special education - preschool flow-through	25,048	22,810	(2,238)	41,176
Federal - special education - IDEA - flow-through/low incident	586,466	246,102	(340,364)	955,603
Federal - special education - IDEA - room & board	-	252	252	1,725
General state aid - education stabilization	-	-	-	1,984,650
Title I - low income	489,211	203,246	(285,965)	218,957
IDEA - part b - preschool	1,373	18,437	17,064	4,240
IDEA - part b - flow-through	2,000	340,565	338,565	291,243
Title IID - technology-competitive	40,204	54,846	14,642	274,931
ARRA - General state aid - government stabilization	-	-	-	661,383
ARRA - Education jobs fund program	-	1,352,248	1,352,248	-
Title II - Teacher quality	181,368	181,033	(335)	202,754
Medicaid matching funds - administrative outreach	90,000	180,275	90,275	55,539
Medicaid matching funds - fee-for-service program	-	122,918	122,918	97,009
Other restricted revenue from federal sources	<u>1,375,681</u>	<u>1,640</u>	<u>(1,374,041)</u>	<u>88,104</u>
Total federal sources	<u>4,896,550</u>	<u>4,772,321</u>	<u>(124,229)</u>	<u>7,133,196</u>
Total revenues	<u>32,275,336</u>	<u>32,072,867</u>	<u>(202,469)</u>	<u>32,113,190</u>
Expenditures				
Instruction				
Regular programs				
Salaries	9,232,898	8,806,504	426,394	9,324,231
Employee benefits	3,403,672	2,772,083	631,589	2,747,523
On-behalf payments to TRS from the state	2,100,000	3,201,068	(1,101,068)	3,091,160
Purchased services	295,711	287,778	7,933	338,343
Supplies and materials	910,942	861,135	49,807	1,005,821
Capital outlay	158,304	27,704	130,600	367,420
Other objects	-	81	(81)	-
Non-capitalized equipment	-	1,557	(1,557)	-
Termination benefits	-	28,700	(28,700)	-
Total	<u>16,101,527</u>	<u>15,986,610</u>	<u>114,917</u>	<u>16,874,498</u>

**PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Pre-K programs				
Salaries	\$ 432,913	\$ 400,947	\$ 31,966	\$ 314,496
Employee benefits	102,521	77,330	25,191	67,519
Purchased services	9,204	9,951	(747)	16,563
Supplies and materials	10,000	21,102	(11,102)	18,449
Total	<u>554,638</u>	<u>509,330</u>	<u>45,308</u>	<u>417,027</u>
Special education programs				
Salaries	1,491,515	2,231,659	(740,144)	1,826,338
Employee benefits	303,201	228,083	75,118	228,403
Purchased services	30,000	18,004	11,996	19,305
Supplies and materials	62,000	303,330	(241,330)	123,163
Capital outlay	10,000	9,167	833	27,226
Termination benefits	-	7,000	(7,000)	-
Total	<u>1,896,716</u>	<u>2,797,243</u>	<u>(900,527)</u>	<u>2,224,435</u>
Special education programs Pre-K				
Salaries	59,042	159,848	(100,806)	56,901
Employee benefits	1,687	2,285	(598)	1,664
Supplies and materials	1,373	7,332	(5,959)	4,240
Total	<u>62,102</u>	<u>169,465</u>	<u>(107,363)</u>	<u>62,805</u>
CTE programs				
Supplies and materials	2,871	347	2,524	5,235
Total	<u>2,871</u>	<u>347</u>	<u>2,524</u>	<u>5,235</u>
Interscholastic programs				
Purchased services	3,000	2,222	778	2,688
Other objects	500	-	500	-
Total	<u>3,500</u>	<u>2,222</u>	<u>1,278</u>	<u>2,688</u>
Summer school programs				
Salaries	125,572	162,001	(36,429)	166,499
Employee benefits	11,302	11,290	12	19,588
Supplies and materials	16,000	9,544	6,456	-
Total	<u>152,874</u>	<u>182,835</u>	<u>(29,961)</u>	<u>186,087</u>
Gifted programs				
Salaries	5,379	6,125	(746)	1,704
Employee benefits	30	36	(6)	10
Total	<u>5,409</u>	<u>6,161</u>	<u>(752)</u>	<u>1,714</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Bilingual programs				
Salaries	\$ 138,645	\$ 128,925	\$ 9,720	\$ 16,169
Employee benefits	1,822	4,698	(2,876)	-
Supplies and materials	-	-	-	18,892
Total	<u>140,467</u>	<u>133,623</u>	<u>6,844</u>	<u>35,061</u>
Total instruction	<u>18,920,104</u>	<u>19,787,836</u>	<u>(867,732)</u>	<u>19,809,550</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	549,450	492,730	56,720	533,019
Employee benefits	10,099	8,022	2,077	10,440
Purchased services	79,500	62,386	17,114	71,211
Supplies and materials	<u>10,000</u>	<u>958</u>	<u>9,042</u>	<u>2,714</u>
Total	<u>649,049</u>	<u>564,096</u>	<u>84,953</u>	<u>617,384</u>
Health services				
Salaries	230,634	213,364	17,270	221,853
Employee benefits	8,400	11,370	(2,970)	8,400
Purchased services	55,000	62,422	(7,422)	83,130
Supplies and materials	15,000	7,884	7,116	16,788
Capital outlay	<u>80,000</u>	<u>2,904</u>	<u>77,096</u>	<u>17,045</u>
Total	<u>389,034</u>	<u>297,944</u>	<u>91,090</u>	<u>347,216</u>
Psychological services				
Salaries	235,910	236,441	(531)	231,354
Employee benefits	4,610	3,515	1,095	5,378
Purchased services	8,000	102	7,898	519
Supplies and materials	<u>10,000</u>	<u>5,808</u>	<u>4,192</u>	<u>3,444</u>
Total	<u>258,520</u>	<u>245,866</u>	<u>12,654</u>	<u>240,695</u>
Speech pathology and audiology services				
Salaries	127,941	162,810	(34,869)	128,556
Employee benefits	2,258	24,575	(22,317)	9,242
Purchased services	282,874	446,904	(164,030)	396,426
Supplies and materials	<u>10,000</u>	<u>527</u>	<u>9,473</u>	<u>5,299</u>
Total	<u>423,073</u>	<u>634,816</u>	<u>(211,743)</u>	<u>539,523</u>
Other support services - pupils				
Salaries	<u>6,477</u>	<u>4,585</u>	<u>1,892</u>	<u>6,169</u>
Total	<u>6,477</u>	<u>4,585</u>	<u>1,892</u>	<u>6,169</u>
Total pupils	<u>1,726,153</u>	<u>1,747,307</u>	<u>(21,154)</u>	<u>1,750,987</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Instructional staff				
Improvement of instructional services				
Salaries	\$ 356,308	\$ 399,553	\$ (43,245)	\$ 301,424
Employee benefits	47,989	80,001	(32,012)	69,612
Purchased services	85,000	166,718	(81,718)	186,850
Supplies and materials	51,354	74,229	(22,875)	18,551
Capital outlay	-	-	-	2,888
Total	<u>540,651</u>	<u>720,501</u>	<u>(179,850)</u>	<u>579,325</u>
Educational media services				
Salaries	254,181	256,856	(2,675)	226,959
Employee benefits	20,112	15,111	5,001	20,189
Supplies and materials	<u>139,700</u>	<u>6,634</u>	<u>133,066</u>	<u>96,216</u>
Total	<u>413,993</u>	<u>278,601</u>	<u>135,392</u>	<u>343,364</u>
Assessment and testing				
Employee benefits	-	855	(855)	277
Purchased services	5,000	100	4,900	199
Supplies and materials	-	180	(180)	3,953
Total	<u>5,000</u>	<u>1,135</u>	<u>3,865</u>	<u>4,429</u>
Total instructional staff	<u>959,644</u>	<u>1,000,237</u>	<u>(40,593)</u>	<u>927,118</u>
General administration				
Board of education services				
Salaries	3,000	3,300	(300)	300
Employee benefits	-	-	-	3,978
Purchased services	366,000	479,809	(113,809)	420,761
Supplies and materials	5,200	6,900	(1,700)	1,626
Capital outlay	7,000	-	7,000	-
Other objects	<u>10,500</u>	<u>11,036</u>	<u>(536)</u>	<u>10,721</u>
Total	<u>391,700</u>	<u>501,045</u>	<u>(109,345)</u>	<u>437,386</u>
Executive administration services				
Salaries	231,088	232,325	(1,237)	223,781
Employee benefits	25,664	25,496	168	25,242
Purchased services	13,500	16,318	(2,818)	10,420
Supplies and materials	4,000	3,906	94	4,468
Capital outlay	1,500	-	1,500	-
Other objects	<u>4,000</u>	<u>2,488</u>	<u>1,512</u>	<u>380</u>
Total	<u>279,752</u>	<u>280,533</u>	<u>(781)</u>	<u>264,291</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Special area administration services				
Salaries	\$ 455,847	\$ 479,944	\$ (24,097)	\$ 440,950
Employee benefits	97,063	38,510	58,553	94,960
Purchased services	27,500	52,564	(25,064)	25,035
Supplies and materials	7,500	17,715	(10,215)	15,454
Capital outlay	14,000	2,726	11,274	8,294
Other objects	2,000	1,893	107	-
Non-capitalized equipment	-	26,949	(26,949)	-
Total	<u>603,910</u>	<u>620,301</u>	<u>(16,391)</u>	<u>584,693</u>
Tort immunity services				
Purchased services	<u>281,500</u>	<u>347,701</u>	<u>(66,201)</u>	<u>312,756</u>
Total	<u>281,500</u>	<u>347,701</u>	<u>(66,201)</u>	<u>312,756</u>
Total general administration	<u>1,556,862</u>	<u>1,749,580</u>	<u>(192,718)</u>	<u>1,599,126</u>
School administration				
Office of the principal services				
Salaries	1,123,176	1,298,915	(175,739)	1,058,757
Employee benefits	156,848	124,166	32,682	153,132
Purchased services	4,000	5,230	(1,230)	2,104
Supplies and materials	4,000	1,427	2,573	1,139
Other objects	<u>4,200</u>	<u>1,504</u>	<u>2,696</u>	<u>2,260</u>
Total	<u>1,292,224</u>	<u>1,431,242</u>	<u>(139,018)</u>	<u>1,217,392</u>
Other support services - school administration				
Salaries	179,611	162,044	17,567	173,097
Employee benefits	<u>3,181</u>	<u>2,260</u>	<u>921</u>	<u>2,986</u>
Total	<u>182,792</u>	<u>164,304</u>	<u>18,488</u>	<u>176,083</u>
Total school administration	<u>1,475,016</u>	<u>1,595,546</u>	<u>(120,530)</u>	<u>1,393,475</u>
Business				
Direction of business support services				
Salaries	293,611	296,553	(2,942)	283,520
Employee benefits	<u>26,312</u>	<u>8,281</u>	<u>18,031</u>	<u>26,071</u>
Total	<u>319,923</u>	<u>304,834</u>	<u>15,089</u>	<u>309,591</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		VARIANCE WITH FINAL BUDGET	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Fiscal services				
Purchased services	\$ 19,000	\$ 15,486	\$ 3,514	\$ 55,021
Supplies and materials	25,000	25,184	(184)	20,893
Capital outlay	5,000	6,717	(1,717)	4,529
Other objects	2,000	1,585	415	250
Non-capitalized equipment	-	1,650	(1,650)	-
Total	<u>51,000</u>	<u>50,622</u>	<u>378</u>	<u>80,693</u>
Operation and maintenance of plant services				
Salaries	997,696	998,271	(575)	958,890
Employee benefits	38,484	28,964	9,520	38,484
Purchased services	<u>5,000</u>	<u>2,019</u>	<u>2,981</u>	<u>4,013</u>
Total	<u>1,041,180</u>	<u>1,029,254</u>	<u>11,926</u>	<u>1,001,387</u>
Food services				
Salaries	291,967	296,415	(4,448)	279,946
Employee benefits	27,900	25,223	2,677	27,900
Purchased services	8,250	379	7,871	10,734
Supplies and materials	875,000	895,219	(20,219)	851,364
Capital outlay	20,000	-	20,000	5,691
Other objects	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total	<u>1,224,117</u>	<u>1,217,236</u>	<u>6,881</u>	<u>1,175,635</u>
Internal services				
Purchased services	60,000	38,883	21,117	37,500
Supplies and materials	2,500	3,560	(1,060)	2,058
Capital outlay	-	-	-	169,186
Total	<u>62,500</u>	<u>42,443</u>	<u>20,057</u>	<u>208,744</u>
Total business	<u>2,698,720</u>	<u>2,644,389</u>	<u>54,331</u>	<u>2,776,050</u>
Central				
Staff services				
Salaries	185,751	142,049	43,702	152,146
Employee benefits	18,775	28,595	(9,820)	23,559
Purchased services	136,500	57,675	78,825	106,252
Supplies and materials	100,500	44,242	56,258	56,371
Capital outlay	<u>7,000</u>	<u>509</u>	<u>6,491</u>	<u>1,923</u>
Total	<u>448,526</u>	<u>273,070</u>	<u>175,456</u>	<u>340,251</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Data processing services				
Salaries	\$ 316,719	\$ 315,642	\$ 1,077	\$ 304,810
Employee benefits	208	5,352	(5,144)	5,368
Purchased services	540,000	634,905	(94,905)	614,535
Supplies and materials	129,000	476,232	(347,232)	91,334
Capital outlay	800,000	498,968	301,032	212,817
Other objects	5,000	-	5,000	-
Non-capitalized equipment	-	9,081	(9,081)	-
Total	<u>1,790,927</u>	<u>1,940,180</u>	<u>(149,253)</u>	<u>1,228,864</u>
Total central	<u>2,239,453</u>	<u>2,213,250</u>	<u>26,203</u>	<u>1,569,115</u>
Other supporting services				
Purchased services	91,000	44,298	46,702	44,187
Other objects	<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>-</u>
Total	<u>301,000</u>	<u>254,298</u>	<u>46,702</u>	<u>44,187</u>
Total support services	<u>10,956,848</u>	<u>11,204,607</u>	<u>(247,759)</u>	<u>10,060,058</u>
Community services				
Salaries	-	11,402	(11,402)	65,415
Employee benefits	-	80	(80)	7,997
Purchased services	27,500	25,117	2,383	42,145
Supplies and materials	<u>16,000</u>	<u>3,489</u>	<u>12,511</u>	<u>6,354</u>
Total community services	<u>43,500</u>	<u>40,088</u>	<u>3,412</u>	<u>121,911</u>
Payments to other districts and governmental units				
Payments for special education programs - tuition				
Other objects	<u>1,172,250</u>	<u>1,211,506</u>	<u>(39,256)</u>	<u>1,290,106</u>
Total	1,172,250	1,211,506	(39,256)	1,290,106
Other payments to in-state govt. units - transfers				
Other objects	<u>25,000</u>	<u>36,362</u>	<u>(11,362)</u>	<u>-</u>
Total	25,000	36,362	(11,362)	-
Payments to other district & govt. units (out of state)				
Other objects	<u>-</u>	<u>390,226</u>	<u>(390,226)</u>	<u>-</u>
Total	<u>-</u>	<u>390,226</u>	<u>(390,226)</u>	<u>-</u>
Total payments to other districts and governmental units	<u>1,197,250</u>	<u>1,638,094</u>	<u>(440,844)</u>	<u>1,290,106</u>

**PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
EDUCATIONAL ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Provision for contingencies	\$ 1,161,867	\$ -	\$ 1,161,867	\$ -
Total expenditures	<u>32,279,569</u>	<u>32,670,625</u>	<u>(391,056)</u>	<u>31,281,625</u>
Net change in fund balance	<u>\$ (4,233)</u>	<u>(597,758)</u>	<u>\$ (593,525)</u>	831,565
Fund balance, beginning of year		<u>4,769,487</u>		<u>3,937,922</u>
Fund balance, end of year		<u>\$ 4,171,729</u>		<u>\$ 4,769,487</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

WORKING CASH ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Investment income	\$ 45,000	\$ 36,515	\$ (8,485)	\$ 69,080
Total local sources	<u>45,000</u>	<u>36,515</u>	<u>(8,485)</u>	<u>69,080</u>
Total revenues	<u>45,000</u>	<u>36,515</u>	<u>(8,485)</u>	<u>69,080</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 45,000</u>	36,515	<u>\$ (8,485)</u>	69,080
Fund balance, beginning of year		<u>3,077,200</u>		<u>3,008,120</u>
Fund balance, end of year		<u>\$ 3,113,715</u>		<u>\$ 3,077,200</u>

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

OPERATING COST AND TUITION CHARGE

JUNE 30, 2011

	2011	2010
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>2,467</u>	<u>2,706</u>
Operating Costs:		
Educational	\$ 29,469,557	\$ 28,190,465
Operations and Maintenance	898,616	882,679
Debt Service	3,248,590	2,042,047
Transportation	1,632,362	1,475,685
Municipal Retirement/Social Security	1,057,273	982,228
Tort	<u>21</u>	<u>12,637</u>
Subtotal	<u>36,306,419</u>	<u>33,585,741</u>
Less Revenues/Expenditures of Nonregular Programs:		
Pre-K programs	706,692	501,713
Summer school	191,422	194,259
Capital outlay	663,578	877,508
Non-capitalized equipment	39,237	-
Debt principal retired	1,865,000	1,825,000
Community services	40,407	124,022
Payments to other districts & governmental units	<u>1,638,094</u>	<u>1,290,106</u>
Subtotal	<u>5,144,430</u>	<u>4,812,608</u>
Operating costs	<u>\$ 31,161,989</u>	<u>\$ 28,773,133</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 12,632</u>	<u>\$ 10,634</u>
Tuition Charge		
Operating Costs	\$ 31,161,989	\$ 28,773,133
Less - revenues from specific programs, such as special education or lunch programs	<u>7,562,952</u>	<u>6,666,772</u>
Net operating costs	23,599,037	22,106,361
Depreciation allowance	<u>2,667,946</u>	<u>2,643,615</u>
Allowable Tuition Costs	<u>\$ 26,266,983</u>	<u>\$ 24,749,976</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 10,648</u>	<u>\$ 9,147</u>

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