

**PRAIRIE-HILLS ELEMENTARY
SCHOOL DISTRICT 144**

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2012
AND
INDEPENDENT AUDITOR'S REPORT**

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

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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, 2012, 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 2011 financial statements. In our report dated December 13, 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 previously 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, 2012, 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.

Board of Education
Prairie-Hills Elementary School District 144

In accordance with Government Auditing Standards, we have also issued a report dated November 12, 2012 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 or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Barbara Tilly Vichow Krouse, LLP

Oak Brook, Illinois
November 12, 2012

Prairie-Hills Elementary School District 144 Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2012

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, 2012. 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 decreased from \$21.9 to \$20.9 or a decrease of \$1.0. This represents a 5% decrease from FY 2011.
- > General revenues accounted for \$27.0 in revenue or 70% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$11.3 or 30% of total revenues of \$38.3.
- > The District had \$39.3 in expenses related to government activities. However, only \$11.3 of these expenses was offset by program specific charges and grants.
- > The Operating Cost per Pupil for fiscal year 2012 was \$12,902 (dollars). This is an increase over fiscal year 2011 of \$270 (dollars) or 2.1%.
- > The Tuition Charge per Pupil, based on the Average Daily Attendance for fiscal year 2012 was \$10,551 (dollars). This was a decrease from fiscal year 2011 of \$97 (dollars) or 0.1%.
- > The Average Daily Attendance of 2,527 for FY 2011 is an increase of 60 from FY 2011.
- > Property taxes accounted for a large portion of the District's revenue, contributing \$12.3.
- > General State Aid contributed \$14.5 of the District's revenue.
- > Instruction made up the largest portion of all expenditures with \$22.7 or 57% of all expenditures.
- > Pupil and instructional staff service accounted for \$3.6 or 9.0% of all expenditures.
- > Administration and business services accounted for \$5.5 or 14% 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, 2012

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, 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, 2012**

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 lower on June 30, 2012, than they were the year before, decreasing 5% to \$20.9.

Table 1		
Condensed Statements of Net Assets		
(in millions of dollars)		
	<u>2011</u>	<u>2012</u>
Assets:		
Current and other assets	\$ 33.6	\$ 10.8
Deferred charges	0.3	1.0
Capital assets	<u>25.2</u>	<u>46.4</u>
Total assets	<u>59.1</u>	<u>58.2</u>
Liabilities:		
Long-term debt outstanding	<u>37.2</u>	<u>37.3</u>
Total liabilities	<u>37.2</u>	<u>37.3</u>
Net assets:		
Invested in capital assets, net of related debt	11.1	10.1
Restricted	1.2	2.2
Unassigned	<u>9.6</u>	<u>8.6</u>
Total net assets	<u>\$ 21.9</u>	<u>\$ 20.9</u>

Expenses in the governmental activities of the District of \$39.3 exceeded revenues by \$1.0. This was attributable primarily to an increase in pupil and instructional staff services as well as operations and maintenance.

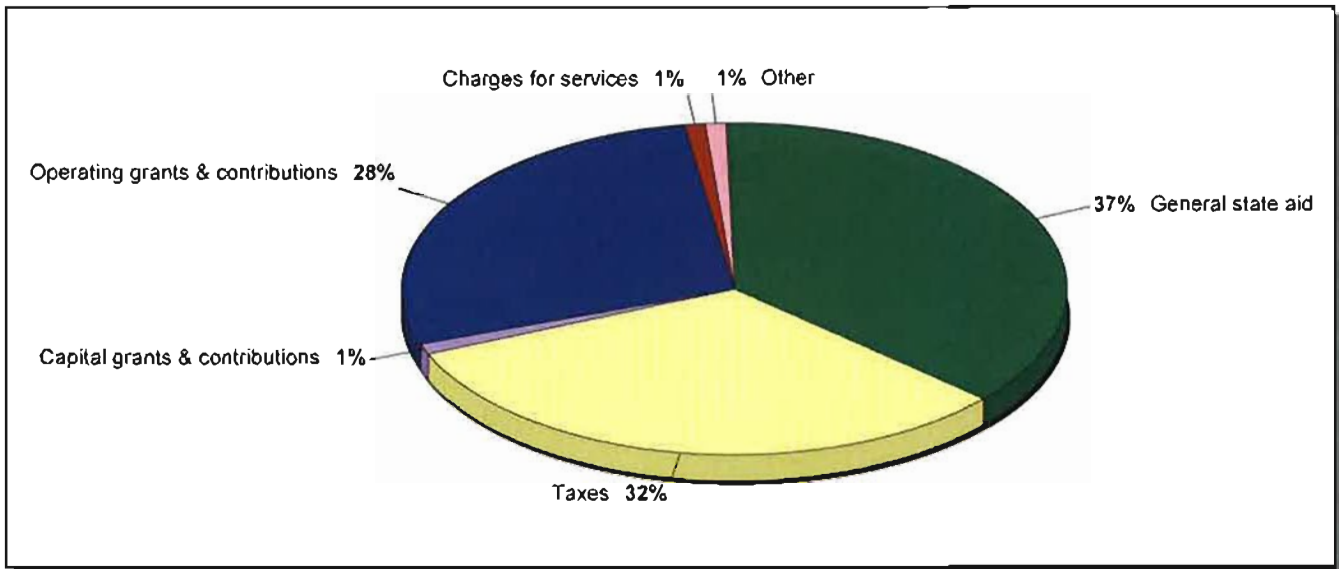
**Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2012**

<i>Table 2</i>		
<i>Changes in Net Assets</i>		
<i>(in millions of dollars)</i>		
	<u>2011</u>	<u>2012</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 0.4	\$ 0.3
Operating grants & contributions	11.7	10.8
Capital grants & contributions	-	0.2
<i>General revenues:</i>		
Taxes	11.5	12.3
General state aid	14.7	14.5
Other	0.4	0.2
Total revenues	<u>38.7</u>	<u>38.3</u>
Expenses:		
Instruction	22.5	22.7
Pupil & instructional staff services	2.9	3.6
Administration & business	5.2	5.5
Transportation	1.6	1.4
Operations & maintenance	1.9	3.1
Other	4.2	3.0
Total expenses	<u>38.3</u>	<u>39.3</u>
Increase (decrease) in net assets	<u>\$ 0.4</u>	<u>\$ (1.0)</u>

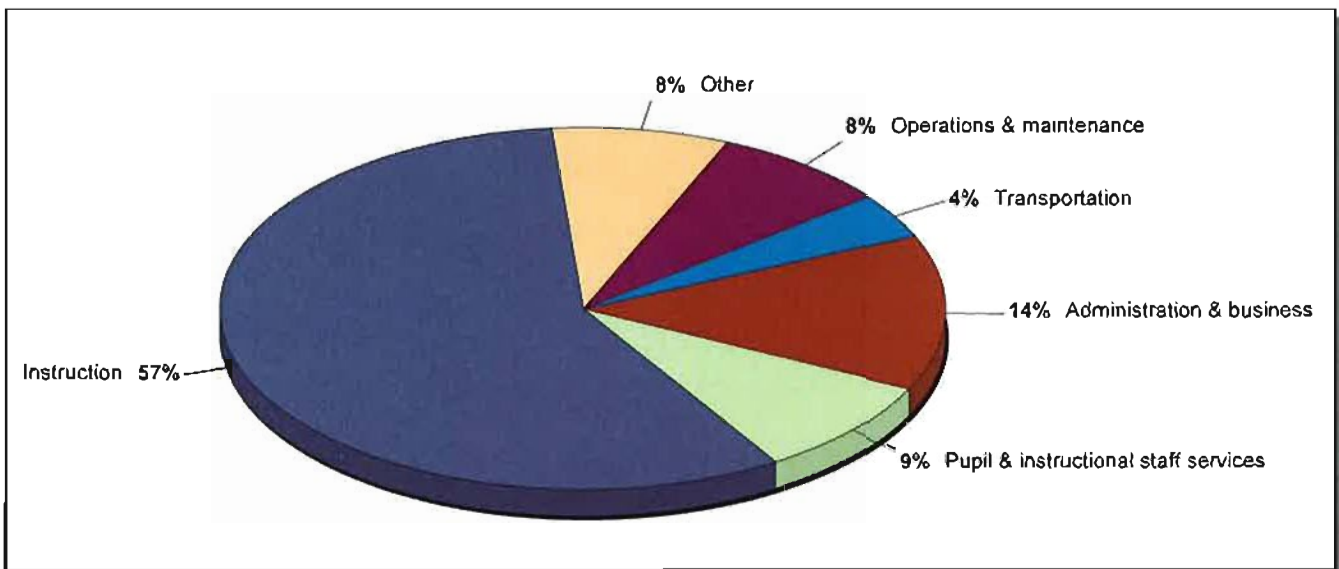
Taxes accounted for the second largest portion of the District's revenues, contributing 32%. The remainder of revenues came from state and federal grants and other sources.

**Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2012**

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, 2012**

Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$33.7 to \$10.8.

- > Fund balances decreased by \$22.9. 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 24.5%, the District scored three (3) points out of four (4) points possible from the Illinois State Board of Education's financial profile summary.
- > The District attained appropriate year-end fund balance to provide 86 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 two (2) points out of four (4) points possible on the financial profile summary.
- > The District has eliminated the deficit fund balance in the Transportation Fund by increasing the local levy for this fund.

General Fund Budgetary Highlights

- > The District received \$14.1 in General State Aid. For the fourth and final year, the District received additional funding through Federal ARRA resources. The District received \$0.2 in multiple ARRA funded programs during the fiscal year.
- > The District expended \$0.8 less than what was budgeted for in instruction. While regular instructional programs were under budget by \$1.0, special education programs were over budget by \$0.3.
- > Overall General Fund expenditures were under budget by \$1.4. 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 \$1.0 from 2011.

Capital Assets and Debt Administration

Capital assets

By the end of 2012, the District had compiled a total investment of \$64.2 (\$46.4 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 4 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	<u>2011</u>	<u>2012</u>
Land	\$ 0.3	\$ 0.3
Land improvements	0.2	0.2
Buildings	8.6	8.3
Construction in progress	12.1	34.1
Equipment	<u>4.0</u>	<u>3.5</u>
Total	<u>\$ 25.2</u>	<u>\$ 46.4</u>

**Prairie-Hills Elementary School District 144
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2012**

Long-term debt

The District retired/defeased \$36.8 in bonds/general obligation lease obligations and issued \$42.8 in bonds and general lease obligations in 2012. At the end of fiscal 2012, the District had a debt margin of \$0.5. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

	<u>2011</u>	<u>2012</u>
General obligation bonds	\$ 28.6	\$ 26.4
Capital Appreciation Bonds	-	17.8
General obligation lease obligations	10.0	-
Deferred amount on refunding	(1.0)	(7.2)
Unamortized premium	3.0	0.3
Unamortized discount	(3.4)	-
Total	\$ 37.2	\$ 37.3

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 2011 increased modestly to 3.0%. This increase in CPI will modestly increase revenues locally through taxes for 2012 payable in 2013.
- > The IMRF rate has declined over the past several years (i.e. 2007-11.32%, 2008-10.21%, 2009- 9.76%, 2010-12.98%, 2011-12.46%). The declining rate pattern changed significantly for 2010 due to the poor return on investments at the State level. The IMRF rate for 2013 did not change drastically when compared to 12.35% rate for 2012. The rate for 2013 is 12.73%.
- > The District's Equalized Assessed Value declined considerably for the tax year 2011. The EAV decreased \$79,366,582 to \$302,364,684 due primarily to reassessments associated with the mortgage crisis.
- > The District has a Life Safety Fund balance of \$1.4 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. However, the District will be working on many life safety projects during fiscal year 2013.
- > 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, 2012**

- > 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 Districts has taken steps to adjust its spending to accommodate the possible negative cash flow implications.
- > In FY 2012 the District issued \$24,645,000 in General Obligation Bonds with an average interest rate of 3.82% and \$35,515,000 in Capital Appreciation Bonds, to advance refund \$25,940,000 of outstanding 2010 Series Limited School Bonds and perform a current refunding of \$10,000,000 of the 2011 General Obligation Lease Obligations. As a result of the financing activities, the 2010 Series Limited School Bonds are considered to be defeased and the 2011 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 60428

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
 STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
 AS OF JUNE 30, 2012

	GOVERNMENTAL ACTIVITIES
Assets	
Cash	\$ 10,837,658
Deferred charges	987,706
Capital assets:	
Land	251,294
Construction in progress	34,124,260
Depreciable buildings, property and equipment, net	<u>12,037,695</u>
Total assets	<u>58,238,613</u>
Liabilities	
Payroll deductions payable	21,639
Long-term liabilities:	
Other long-term liabilities - due within one year	770,000
Other long-term liabilities - due after one year	<u>36,580,488</u>
Total liabilities	<u>37,372,127</u>
Net assets	
Invested in capital assets, net of related debt	10,084,311
Restricted for:	
Operations and maintenance	966,730
Student transportation	366,704
Debt service	828,596
Unrestricted	<u>8,620,145</u>
Total net assets	<u>\$ 20,866,486</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, 2012

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Governmental activities					
Instruction:					
Regular programs	\$ 14,317,716	\$ 288,687	\$ 2,587,951	\$ 204,945	\$ (11,236,133)
Special programs	4,377,274	-	2,048,290	-	(2,328,984)
Other instructional programs	497,566	-	24,690	-	(472,876)
State retirement contributions	3,502,440	-	3,502,440	-	-
Support Services:					
Pupils	2,054,655	-	-	-	(2,054,655)
Instructional staff	1,506,088	-	157,826	-	(1,348,262)
General administration	1,802,864	-	-	-	(1,802,864)
School administration	1,933,977	-	-	-	(1,933,977)
Business	1,746,627	31,770	1,366,584	-	(348,273)
Transportation	1,453,377	-	1,095,921	-	(357,456)
Operations and maintenance	3,112,136	15,863	-	-	(3,096,273)
Central	1,454,989	-	-	-	(1,454,989)
Other supporting services	100,104	-	-	-	(100,104)
Community services	20,257	-	-	-	(20,257)
Payments to other districts and gov't units - excluding special education	3,468	-	-	-	(3,468)
Interest and fees	<u>1,405,898</u>	-	-	-	<u>(1,405,898)</u>
Total governmental activities	<u>\$ 39,289,436</u>	<u>\$ 336,320</u>	<u>\$ 10,783,702</u>	<u>\$ 204,945</u>	<u>(27,964,469)</u>
General revenues:					
Taxes:					
Real estate taxes, levied for general purposes					7,520,177
Real estate taxes, levied for specific purposes					2,236,166
Real estate taxes, levied for debt service					2,271,319
Personal property replacement taxes					164,067
State aid-formula grants					14,448,423
Investment income					209,091
Miscellaneous					<u>22,465</u>
Total general revenues					<u>26,871,708</u>
Change in net assets					(1,092,761)
Net assets, beginning of year					<u>21,959,247</u>
Net assets, end of year					<u>\$ 20,866,486</u>

See Notes to Basic Financial Statements

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

GOVERNMENTAL FUNDS

BALANCE SHEET - MODIFIED CASH BASIS

AS OF JUNE 30, 2012

WITH COMPARATIVE TOTALS FOR JUNE 30, 2011

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash	\$ 6,313,330	\$ 966,730	\$ 365,608	\$ -
Total assets	<u>\$ 6,313,330</u>	<u>\$ 966,730</u>	<u>\$ 365,608</u>	<u>\$ -</u>
Liabilities and fund balance				
Cash deficit	\$ -	\$ -	\$ -	\$ 27,794
Payroll deductions payable	<u>22,540</u>	<u>-</u>	<u>(1,096)</u>	<u>215</u>
Total liabilities	<u>22,540</u>	<u>-</u>	<u>(1,096)</u>	<u>28,009</u>
Fund balance				
Restricted	-	966,730	366,704	-
Assigned	-	-	-	-
Unassigned	<u>6,290,790</u>	<u>-</u>	<u>-</u>	<u>(28,009)</u>
Total fund balance (deficit)	<u>6,290,790</u>	<u>966,730</u>	<u>366,704</u>	<u>(28,009)</u>
Total liabilities and fund balance	<u>\$ 6,313,330</u>	<u>\$ 966,730</u>	<u>\$ 365,608</u>	<u>\$ -</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2012	2011
\$ 828,596	\$ 1,018,323	\$ 1,372,865	\$ 10,865,452	\$ 33,669,889
<u>\$ 828,596</u>	<u>\$ 1,018,323</u>	<u>\$ 1,372,865</u>	<u>\$ 10,865,452</u>	<u>\$ 33,669,889</u>
\$ -	\$ -	\$ -	\$ 27,794	\$ -
<u>-</u>	<u>-</u>	<u>(20)</u>	<u>21,639</u>	<u>708</u>
<u>-</u>	<u>-</u>	<u>(20)</u>	<u>49,433</u>	<u>708</u>
828,596	1,018,323	1,372,885	4,553,238	25,280,541
-	-	-	-	1,103,196
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,262,781</u>	<u>7,285,444</u>
<u>828,596</u>	<u>1,018,323</u>	<u>1,372,885</u>	<u>10,816,019</u>	<u>33,669,181</u>
<u>\$ 828,596</u>	<u>\$ 1,018,323</u>	<u>\$ 1,372,865</u>	<u>\$ 10,865,452</u>	<u>\$ 33,669,889</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
AS OF JUNE 30, 2012

Total fund balances - governmental funds	\$ 10,816,019
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.	46,413,249
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.	(37,350,488)
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>987,706</u>
Net assets of governmental activities	<u>\$ 20,866,486</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, 2012
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 7,520,177	\$ 1,017,222	\$ 340,357	\$ 878,587
Corporate personal property replacement taxes	140,437	-	-	23,630
State aid	20,097,387	-	1,245,921	100,000
Federal aid	3,688,817	-	-	-
Investment income	50,645	6,254	2,503	347
Other	<u>342,403</u>	<u>-</u>	<u>16,382</u>	<u>-</u>
Total revenues	<u>31,839,866</u>	<u>1,023,476</u>	<u>1,605,163</u>	<u>1,002,564</u>
Expenditures				
Current:				
Instruction:				
Regular programs	12,569,703	-	-	225,249
Special programs	3,118,937	-	-	147,471
Other instructional programs	475,002	-	-	22,564
State retirement contributions	3,502,440	-	-	-
Support Services:				
Pupils	1,995,169	-	-	59,486
Instructional staff	1,400,642	-	-	59,297
General administration	1,744,300	-	-	53,428
School administration	1,840,082	-	-	78,488
Business	1,703,183	-	-	89,332
Transportation	-	-	1,453,100	277
Operations and maintenance	1,281,949	846,454	-	219,968
Central	1,681,292	-	-	84,136
Other supporting services	100,104	-	-	-
Community services	19,818	-	-	439
Payments to other districts and gov't units	1,096,973	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>304,926</u>	<u>97,630</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>32,834,520</u>	<u>944,084</u>	<u>1,453,100</u>	<u>1,040,135</u>
Excess (deficiency) of revenues over expenditures	<u>(994,654)</u>	<u>79,392</u>	<u>152,063</u>	<u>(37,571)</u>
Other financing sources (uses)				
Principal on bonds sold/lease proceeds	-	-	-	-
Premium on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	-	-	-
Payment to escrow for refunded bonds	-	-	-	-
Payment on current refunding	-	-	-	-
Discount on bonds sold	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(994,654)	79,392	152,063	(37,571)
Fund balance, beginning of year	<u>7,285,444</u>	<u>887,338</u>	<u>214,641</u>	<u>9,562</u>
Fund balance (deficit), end of year	<u>\$ 6,290,790</u>	<u>\$ 966,730</u>	<u>\$ 366,704</u>	<u>\$ (28,009)</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2012	2011
\$ 2,271,319	\$ -	\$ -	\$ 12,027,662	\$ 11,316,235
-	-	-	164,067	186,022
-	-	100,000	21,543,308	21,673,678
-	-	-	3,688,817	4,772,321
3,084	134,169	12,089	209,091	360,165
-	-	-	358,785	439,275
<u>2,274,403</u>	<u>134,169</u>	<u>112,089</u>	<u>37,991,730</u>	<u>38,747,696</u>
-	-	-	12,794,952	12,977,716
-	-	-	3,266,408	3,098,296
-	-	-	497,566	874,553
-	-	-	3,502,440	3,201,068
-	-	-	2,054,655	1,823,669
-	-	-	1,459,939	1,056,273
-	-	-	1,797,728	1,799,664
-	-	-	1,918,570	1,677,672
-	-	-	1,792,515	1,695,004
-	-	-	1,453,377	1,632,654
-	422,954	238,979	3,010,304	4,081,154
-	-	-	1,765,428	1,791,255
-	-	-	100,104	254,298
-	-	-	20,257	40,407
-	-	-	1,096,973	1,638,094
11,205,000	-	-	11,205,000	1,865,000
1,995,586	-	-	1,995,586	1,383,590
-	21,597,823	337,835	22,338,214	10,614,705
<u>13,200,586</u>	<u>22,020,777</u>	<u>576,814</u>	<u>72,070,016</u>	<u>51,505,072</u>
<u>(10,926,183)</u>	<u>(21,886,608)</u>	<u>(464,725)</u>	<u>(34,078,286)</u>	<u>(12,757,376)</u>
42,843,607	-	-	42,843,607	38,580,000
9,892,000	-	-	9,892,000	3,137,480
14,712	-	-	14,712	2,979
(31,633,195)	-	-	(31,633,195)	(3,495,000)
-	-	-	-	(2,569,615)
(9,892,000)	-	-	(9,892,000)	(25,461,457)
<u>11,225,124</u>	<u>-</u>	<u>-</u>	<u>11,225,124</u>	<u>10,194,387</u>
298,941	(21,886,608)	(464,725)	(22,853,162)	(2,562,989)
529,655	22,904,931	1,837,610	33,669,181	36,232,170
<u>\$ 828,596</u>	<u>\$ 1,018,323</u>	<u>\$ 1,372,885</u>	<u>\$ 10,816,019</u>	<u>\$ 33,669,181</u>

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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, 2012

Net change in fund balances - total governmental funds	\$ (22,853,162)
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.	21,190,837
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.	(5,699,493)
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>6,269,057</u>
Change in net assets of governmental activities	<u>\$ (1,092,761)</u>

See Notes to Basic Financial Statements

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - MODIFIED CASH BASIS
AS OF JUNE 30, 2012

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash and investments	\$ <u>14,644</u>
Total assets	\$ <u><u>14,644</u></u>
Liabilities	
Liabilities, Due to student groups	\$ <u>14,644</u>
Total liabilities	\$ <u><u>14,644</u></u>

See Notes to Basic Financial Statements

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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 2011 levy resolution was approved during the December 19, 2011 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
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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 2011 and 2010 tax levies were 1.5% and 2.7%, 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:

<i>Assets</i>	<i>Years</i>
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
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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

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 in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

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, 2011, 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

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified 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.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (CONTINUED)

The Board of Education amended the budget on May 21, 2012.

Budget Reconciliations

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

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 28,337,426	\$ 29,332,080
To adjust for on-behalf payments received	3,502,440	-
To adjust for on-behalf payments made	-	3,502,440
General Fund Modified Cash Basis	<u>\$ 31,839,866</u>	<u>\$ 32,834,520</u>

Excess of Expenditures over Budget

For the year ended June 30, 2012, expenditures exceeded budget in the Municipal Retirement/Social Security Fund by \$102,540 and in the Debt Service Fund by \$10,682,569. These excesses were funded by available fund balances and bond proceeds.

Deficit Fund Equity

The Municipal Retirement/Social Security Fund had a deficit fund balance of \$28,009 as of June 30, 2012. District management expects to fund this deficit through property tax revenues collected in the subsequent fiscal year.

NOTE 3 - 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
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 3 - 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 0.66 years at June 30, 2012. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2012, the fair value of all investments held by the Treasurer's office was \$96,773,732 and the fair value of the District's proportionate share of the pool was \$10,834,658, with a cost value of \$10,862,452.

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

Cash & Investments in the custody of the District

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

	<i>Carrying Value</i>	<i>Bank Balance</i>
Deposits with financial institutions	\$ 17,644	\$ 19,206
Total	<u>\$ 17,644</u>	<u>\$ 19,206</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, 2012, the bank balance of the District's deposits with financial institutions totaled \$19,206 and was fully insured.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2012, 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	12,184,587	21,939,673	-	34,124,260
Total capital assets not being depreciated	<u>12,435,881</u>	<u>21,939,673</u>	<u>-</u>	<u>34,375,554</u>
<u>Capital assets being depreciated:</u>				
Land improvements	607,292	-	-	607,292
Buildings	18,563,421	78,358	-	18,641,779
Equipment	11,286,817	357,107	1,049,910	10,594,014
Total capital assets being depreciated	<u>30,457,530</u>	<u>435,465</u>	<u>1,049,910</u>	<u>29,843,085</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	430,290	16,505	-	446,795
Buildings	9,921,669	340,541	-	10,262,210
Equipment	7,319,040	827,255	1,049,910	7,096,385
Total accumulated depreciation	<u>17,670,999</u>	<u>1,184,301</u>	<u>1,049,910</u>	<u>17,805,390</u>
Net capital assets being depreciated	<u>12,786,531</u>	<u>(748,836)</u>	<u>-</u>	<u>12,037,695</u>
Net governmental activities capital assets	<u>\$ 25,222,412</u>	<u>\$ 21,190,837</u>	<u>\$ -</u>	<u>\$ 46,413,249</u>

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

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 1,138,507
Special programs	12,925
District administration	5,136
School administration	15,407
Business	4,109
Operations and maintenance	<u>8,217</u>
Total depreciation expense - governmental activities	<u>\$ 1,184,301</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 5 - 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, 2012:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 28,580,000	\$ 24,645,000	\$ 26,785,000	\$ 26,440,000	\$ 770,000
Capital appreciation bonds	-	18,199,493	360,000	17,839,493	-
Deferred amount on refunding	(1,019,998)	(6,605,454)	(401,340)	(7,224,112)	-
Unamortized premium	2,980,606	9,892,000	12,520,582	352,024	-
Unamortized discount	(3,315,361)	(9,892,000)	(13,150,444)	(56,917)	-
Total bonds payable	27,225,247	36,239,039	26,113,798	37,350,488	770,000
General obligation lease obligations	10,000,000	-	10,000,000	-	-
Total long-term liabilities - governmental activities	\$ 37,225,247	\$ 36,239,039	\$ 36,113,798	\$ 37,350,488	\$ 770,000

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>Face Amount</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	\$ 2,445,000	\$ 2,445,000
Series 2010B Limited Refunding School Bonds dated July 15, 2010 are due in annual installments through December 1, 2029	2.00% - 5.25%	6,120,000	120,000	120,000
Series 2011A Limited Refunding School Bonds dated September 20, 2012 are due in annual installments through December 1, 2030	2.00% - 5.00%	22,525,000	21,755,000	21,755,000
Series 2011B Limited Refunding School Bonds dated September 20, 2012 are due in annual installments through September 1, 2031	5.00%	2,120,000	2,120,000	2,120,000
Series 2011C Capital Appreciation Bonds dated September 20, 2012 are due in annual installments through December 1, 2030	1.25% - 6.39%	35,875,000	35,515,000	17,839,493
Total		\$ 89,100,000	\$ 61,955,000	\$ 44,279,493

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 5 - LONG TERM LIABILITIES - (CONTINUED)

During the year, the District issued \$24,645,000 in General Obligation Bonds and \$35,875,000 in Capital Appreciation Bonds with an average interest rate of 4.42%, and, to advance refund \$25,940,000 of outstanding 2010A and 2010B Series Limited School Bonds and currently refund \$10,000,000 of the 2011 General Obligation Lease Obligations with an average interest rate of 2.96%. The net proceeds of \$41,633,195 (after payment of \$1,012,753 in underwriting fees, insurance, and other insurance costs) were used to call the 2011 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 2010A and 2010B Series Limited School Bonds. As a result, the 2010A and 2010B Series Limited School Bonds are considered to be defeased and the 2011 General Obligation Lease obligations have been retired. The liability for the 2010A and 2010B Series Limited School Bonds and the 2011 General Obligation Lease Obligations have been removed from the Statement of Net Assets.

The advance refunding of the 2010A and 2010B Series Limited School Bonds and the current refunding of the 2011 General Obligation Lease Obligations increased the District's total debt service payments over the next 19 years by \$22,503,870. This transaction resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$7,119,593. The District performed the advanced refunding and the current refunding to restructure outstanding debt and to complete the new school building.

At June 30, 2012, \$26,860,000 of bonds outstanding are considered defeased.

The cumulative accretion on the Series 2011C Capital Appreciation Bonds as of June 30, 2012 was \$644,991.

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>
2013	\$ 770,000	\$ 1,199,009	\$ 1,969,009
2014	845,000	1,133,456	1,978,456
2015	875,000	1,111,631	1,986,631
2016	910,000	1,084,744	1,994,744
2017	2,550,000	1,056,281	3,606,281
2018 - 2022	14,450,000	4,638,313	19,088,313
2023 - 2027	20,770,000	3,195,488	23,965,488
2028 - 2032	<u>20,785,000</u>	<u>1,234,566</u>	<u>22,019,566</u>
Total	<u>\$ 61,955,000</u>	<u>\$ 14,653,488</u>	<u>\$ 76,608,488</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, 2012, the statutory debt limit for the District was \$20,863,163. As of June 30, 2012 the total amount of debt outstanding by the District subject to the statutory debt limitation was \$20,404,493, providing a debt margin of \$458,670. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2012, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: 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 7 - 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 8 - 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

The percentage of employer required contributions in the future will 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, 2012. State of Illinois contributions were \$124,797, 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, 2011 and June 30, 2010 were 0.88 and 0.84 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$124,464 and \$113,561, respectively.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 8 - 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 years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$93,597 to the THIS Fund. For the years ended June 30, 2011 and 2010, the District paid \$93,348 and \$85,171 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 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 at 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 2012, the District contributed \$263,740 to the plan. Administrative costs of the Retiree's Health Plan are financed through District operating revenues as costs are incurred.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) 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	<u>-</u>
Annual OPEB cost	79,624
Contributions made	<u>(263,740)</u>
Decrease in net OPEB obligation (asset)	(184,116)
Net OPEB Obligation (Asset) - Beginning of Year	<u>(161,197)</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ (345,313)</u></u>

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, 2012 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, 2012	\$ 79,624	331.23 %	\$ (345,313)
June 30, 2011	79,624	229.20 %	(161,197)
June 30, 2010	99,898	159.55 %	(58,326)

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><u>\$ 1,526,211</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 18,685,262
UAAL as a percentage of covered payroll	8.17%

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

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

In the June 30, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after 8 years. Both rates include a - percent 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 remaining amortization period at June 30, 2012 is 30 years.

NOTE 9 - 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, 2012 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on 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, 2011 and 2010.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

On Behalf Contributions. The State of Illinois also makes contributions directly to TRS on behalf of the District's TRS-covered employees. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$3,377,643 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and 2010, the State of Illinois contributions rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$3,076,604) and 23.38 percent (\$2,977,600), respectively.

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

2.2 Formula Contributions. For the years ended June 30, 2012, 2011 and 2010, 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 \$82,252, \$82,033 and \$78,411, 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, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer pension contribution was 23.10 and 23.38 percent of salaries paid from those funds, respectively. For the year ended June 30, 2012, salaries totaling \$622,020 were paid from federal and special trust funds that required employer contributions of \$154,945, which was equal to the District's actual contribution. For the years ended June 30, 2011 and 2010, required District contributions were \$190,587 and \$183,175, respectively.

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, 2012, the District paid \$68,491 to TRS for District contributions under the ERO program. For the year ended June 30, 2011, the District made no ERO contributions. For the year ended June 30, 2010, the District paid \$21,594 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, 2012, 2011 and 2010, the District did not submit an amount 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 rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012). For the years ended June 30, 2012, 2011 and 2010, the District did not submit an amount to TRS for sick leave days granted in excess of the normal annual allotment.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Further Information on TRS. 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, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 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 <http://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 2011 was 12.46 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 12.46 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost and Net Pension Obligation. The District's required contribution for calendar year 2011 was \$550,175. The District's annual pension cost, percentage of annual pension cost contributed, and net pension obligation for for the current year and each of the two preceding years were as follows:

<i>Fiscal Year Ended</i>	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
June 30, 2012	\$ 550,175	100 %	\$ -
June 30, 2011	549,113	100 %	-
June 30, 2010	383,456	100 %	-

The required contribution for fiscal year 2012 was determined as part of the December 31, 2009, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2009, 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, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 74.40 percent funded. The actuarial accrued liability for benefits was \$8,452,591 and the actuarial value of assets was \$6,288,771, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,163,820. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$4,415,531 and the ratio of the UAAL to the covered payroll was 49.00 percent.

The schedule of funding progress, presented as other information 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 10 - 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 11 - STATE AND FEDERAL AID CONTINGENCIES

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

NOTE 12 - CONSTRUCTION COMMITMENTS

As of June 30, 2012, the District is committed to approximately \$3,456,236 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances.

NOTE 13 - STATE OF ILLINOIS FUNDING

The District receives approximately 57% 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, 2012, the state has acknowledged \$935,756 in amounts owed to the District in past due grant funds. Of this amount, \$894,402 was received by August 31, 2012.

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

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

**NOTE 14 - EFFECT OF NEW ACCOUNTING STANDARDS ON
CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment to GASB Statement No. 27*. Application of these standards may restate portions of these financial statements.

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PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND ANALYSIS OF FUNDING PROGRESS
AS OF JUNE 30, 2012

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	\$ 550,175	100%	\$ -
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%	-

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)
12/31/11	\$ 6,288,771	\$ 8,452,591	\$ 2,163,820	74.40%	\$ 4,415,531	49.00%
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%

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 RETIREE'S HEALTH PLAN
AS OF JUNE 30, 2012

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)
7/1/10	\$ -	\$ 1,526,211	\$ 1,526,211	N/A	\$ 18,685,262	8.17%
7/1/08	-	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. As such, only two year's information is applicable.

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 - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012					2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		
Revenues						
Local sources						
General levy	\$ 6,984,123	\$ 7,784,123	\$ 7,520,177	\$ (263,946)	\$	7,132,779
Corporate personal property replacement taxes	160,630	160,630	140,437	(20,193)		161,711
Investment income	65,000	28,000	50,645	22,645		87,544
Sales to pupils - lunch	32,000	32,000	27,339	(4,661)		33,151
Sales to pupils - other	600	600	682	82		673
Sales to adults	20	11	11	-		16
Other food service	-	-	3,738	3,738		-
Rentals - regular textbook	40,000	20,000	20,608	608		20,740
Rentals	-	-	15,863	15,863		20,798
Contributions and donations from private sources	500	1,875	1,875	-		800
Refund of prior years' expenditures	20,000	13,000	20,002	7,002		55,040
Other local fees	960,538	5,650	6,190	540		-
Other	50,000	10,000	246,095	236,095		238,294
Total local sources	8,313,411	8,055,889	8,053,662	(2,227)		7,751,546
Flow-through revenue from one LEA to another LEA						
Flow-through revenue from state sources	-	-	-	-		225
Total flow-through	-	-	-	-		225
State sources						
General state aid	14,098,660	13,996,754	14,098,423	101,669		14,246,313
Special education - private facility tuition	4,879	4,879	5,955	1,076		25,044
Special education - extraordinary	474,590	474,590	469,135	(5,455)		649,964
Special education - personnel	45,000	103,895	144,563	40,668		165,623
Special education - orphanage - individual	130,217	304,556	304,556	-		305,628
Special education - orphanage - summer	3,000	350	350	-		5,940
CTE - Secondary program improvement	2,631	2,631	-	(2,631)		5,614
CTE - Other	-	-	2,613	2,613		-
Bilingual education - downstate - TPI	28,550	28,550	17,270	(11,280)		16,604
State free lunch & breakfast	39,982	39,982	62,628	22,646		50,568
Early childhood - block grant	493,358	493,358	446,303	(47,055)		707,654
Reading improvement block grant	-	-	-	-		79,085

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 - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			VARIANCE WITH FINAL BUDGET	2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
School safety & educational improvement block grant	\$ -	\$ -	\$ -	\$ -	\$ 12,462
Summer bridges	-	-	-	-	111,661
Other restricted revenue from state sources	<u>977,000</u>	<u>1,043,151</u>	<u>1,043,151</u>	<u>-</u>	<u>2,083</u>
Total state sources	<u>16,297,867</u>	<u>16,492,696</u>	<u>16,594,947</u>	<u>102,251</u>	<u>16,384,243</u>
Federal sources					
National school lunch program	789,775	789,775	951,030	161,255	920,336
School breakfast program	165,041	179,271	233,969	54,698	191,996
Summer food service admin/program	24,528	24,528	24,525	(3)	21,714
Food service - other	-	-	94,432	94,432	74,320
Title I - Low income	903,493	1,515,696	1,092,294	(423,402)	834,961
Title I - Low income - neglected, private	-	1,800	-	(1,800)	-
Title I - Comprehensive school reform	-	-	2,900	2,900	-
Title IV - Safe & drug free schools - formula	3,000	-	-	-	4,622
Federal - special education - preschool flow-through	24,999	41,094	48,384	7,290	22,810
Federal - special education - IDEA - flow-through/low incident	567,837	800,532	551,016	(249,516)	246,102
Federal - special education - IDEA - room & board	-	-	4,649	4,649	252
Title I - low income	67,008	67,008	67,008	-	203,246
IDEA - part b - preschool	-	4,179	4,179	-	18,437
IDEA - part b - flow-through	-	77,464	77,464	-	340,565
Title IID - technology-competitive	6,203	6,203	6,203	-	54,846
ARRA - Education jobs fund program	-	-	-	-	1,352,248
Title III - English language acquisition	-	13,300	4,807	(8,493)	-
Title II - Teacher quality	205,116	205,116	157,826	(47,290)	181,033
Medicaid matching funds - administrative outreach	243,855	307,430	113,938	(193,492)	180,275
Medicaid matching funds - fee-for-service program	30,000	30,000	254,193	224,193	122,918
Other restricted revenue from federal sources	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>	<u>1,640</u>
Total federal sources	<u>3,032,355</u>	<u>4,064,896</u>	<u>3,688,817</u>	<u>(376,079)</u>	<u>4,772,321</u>
Total revenues	<u>27,643,633</u>	<u>28,613,481</u>	<u>28,337,426</u>	<u>(276,055)</u>	<u>28,908,335</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 - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012					2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		
Expenditures						
Instruction						
Regular programs						
Salaries	\$ 9,130,999	\$ 9,192,638	\$ 8,927,527	\$ 265,111	\$ 8,806,504	
Employee benefits	2,764,676	2,144,152	1,892,779	251,373	2,772,083	
Purchased services	517,000	882,428	406,555	475,873	287,778	
Supplies and materials	787,792	1,192,252	1,217,288	(25,036)	861,135	
Capital outlay	490,143	234,318	179,312	55,006	27,704	
Other objects	5,500	1,500	-	1,500	81	
Non-capitalized equipment	2,209	65,229	74,804	(9,575)	1,557	
Termination benefits	-	51,000	50,750	250	28,700	
Total	13,698,319	13,763,517	12,749,015	1,014,502	12,785,542	
Pre-K programs						
Salaries	172,677	187,957	178,253	9,704	400,947	
Employee benefits	50,066	36,572	20,144	16,428	77,330	
Purchased services	7,000	7,500	8,177	(677)	9,951	
Supplies and materials	6,041	6,041	4,727	1,314	21,102	
Total	235,784	238,070	211,301	26,769	509,330	
Special education programs						
Salaries	1,749,538	2,136,305	2,431,623	(295,318)	2,231,659	
Employee benefits	45,840	228,318	354,822	(126,504)	228,083	
Purchased services	10,577	54,716	7,113	47,603	18,004	
Supplies and materials	41,067	206,517	104,709	101,808	303,330	
Capital outlay	10,000	8,436	4,436	4,000	9,167	
Other objects	-	2,337	-	2,337	-	
Termination benefits	-	-	-	-	7,000	
Total	1,857,022	2,636,629	2,902,703	(266,074)	2,797,243	
Special education programs Pre-K						
Salaries	166,250	166,250	193,027	(26,777)	159,848	
Employee benefits	2,380	17,630	23,395	(5,765)	2,285	
Supplies and materials	-	1,200	4,248	(3,048)	7,332	
Total	168,630	185,080	220,670	(35,590)	169,465	
CTE programs						
Supplies and materials	2,631	4,500	4,124	376	347	
Total	2,631	4,500	4,124	376	347	

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 - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Interscholastic programs					
Purchased services	\$ 3,000	\$ 3,200	\$ 4,627	\$ (1,427)	\$ 2,222
Other objects	-	1,000	725	275	-
Non-capitalized equipment	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,500</u>	<u>4,200</u>	<u>5,352</u>	<u>(1,152)</u>	<u>2,222</u>
Summer school programs					
Salaries	151,628	130,900	89,590	41,310	162,001
Employee benefits	352	17,357	13,593	3,764	11,290
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,544</u>
Total	<u>151,980</u>	<u>148,257</u>	<u>103,183</u>	<u>45,074</u>	<u>182,835</u>
Gifted programs					
Salaries	6,370	4,500	2,244	2,256	6,125
Employee benefits	<u>40</u>	<u>40</u>	<u>13</u>	<u>27</u>	<u>36</u>
Total	<u>6,410</u>	<u>4,540</u>	<u>2,257</u>	<u>2,283</u>	<u>6,161</u>
Bilingual programs					
Salaries	137,350	137,350	127,637	9,713	128,925
Employee benefits	<u>1,770</u>	<u>16,870</u>	<u>21,148</u>	<u>(4,278)</u>	<u>4,698</u>
Total	<u>139,120</u>	<u>154,220</u>	<u>148,785</u>	<u>5,435</u>	<u>133,623</u>
Total instruction	<u>16,263,396</u>	<u>17,139,013</u>	<u>16,347,390</u>	<u>791,623</u>	<u>16,586,768</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	511,950	512,400	505,996	6,404	492,730
Employee benefits	7,305	64,336	71,343	(7,007)	8,022
Purchased services	79,500	72,860	49,172	23,688	62,386
Supplies and materials	<u>2,000</u>	<u>1,010</u>	<u>10,287</u>	<u>(9,277)</u>	<u>958</u>
Total	<u>600,755</u>	<u>650,606</u>	<u>636,798</u>	<u>13,808</u>	<u>564,096</u>
Health services					
Salaries	229,520	221,360	217,545	3,815	213,364
Employee benefits	2,550	27,900	30,401	(2,501)	11,370
Purchased services	117,500	170,091	130,827	39,264	62,422
Supplies and materials	10,000	12,937	12,039	898	7,884
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,904</u>
Total	<u>359,570</u>	<u>432,288</u>	<u>390,812</u>	<u>41,476</u>	<u>297,944</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 - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Psychological services					
Salaries	\$ 243,830	\$ 247,830	\$ 249,977	\$ (2,147)	\$ 236,441
Employee benefits	3,170	139,296	24,873	114,423	3,515
Purchased services	8,000	582	645	(63)	102
Supplies and materials	<u>6,000</u>	<u>7,542</u>	<u>9,718</u>	<u>(2,176)</u>	<u>5,808</u>
Total	<u>261,000</u>	<u>395,250</u>	<u>285,213</u>	<u>110,037</u>	<u>245,866</u>
Speech pathology and audiology services					
Salaries	110,730	114,730	170,822	(56,092)	162,810
Employee benefits	6,709	26,549	35,327	(8,778)	24,575
Purchased services	482,000	476,090	458,868	17,222	446,904
Supplies and materials	<u>4,000</u>	<u>8,479</u>	<u>8,384</u>	<u>95</u>	<u>527</u>
Total	<u>603,439</u>	<u>625,848</u>	<u>673,401</u>	<u>(47,553)</u>	<u>634,816</u>
Other support services - pupils					
Salaries	<u>4,730</u>	<u>6,000</u>	<u>8,945</u>	<u>(2,945)</u>	<u>4,585</u>
Total	<u>4,730</u>	<u>6,000</u>	<u>8,945</u>	<u>(2,945)</u>	<u>4,585</u>
Total pupils	<u>1,829,494</u>	<u>2,109,992</u>	<u>1,995,169</u>	<u>114,823</u>	<u>1,747,307</u>
Instructional staff					
Improvement of instructional services					
Salaries	403,970	651,928	690,381	(38,453)	399,553
Employee benefits	34,072	126,344	136,991	(10,647)	80,001
Purchased services	156,585	280,426	191,331	89,095	166,718
Supplies and materials	<u>62,309</u>	<u>64,548</u>	<u>37,796</u>	<u>26,752</u>	<u>74,229</u>
Total	<u>656,936</u>	<u>1,123,246</u>	<u>1,056,499</u>	<u>66,747</u>	<u>720,501</u>
Educational media services					
Salaries	284,510	285,376	295,097	(9,721)	256,856
Employee benefits	3,970	3,540	40,217	(36,677)	15,111
Purchased services	-	39,312	-	39,312	-
Supplies and materials	10,579	89,950	8,518	81,432	6,634
Capital outlay	<u>-</u>	<u>81,864</u>	<u>46,149</u>	<u>35,715</u>	<u>-</u>
Total	<u>299,059</u>	<u>500,042</u>	<u>389,981</u>	<u>110,061</u>	<u>278,601</u>
Assessment and testing					
Employee benefits	890	-	-	-	855
Purchased services	5,000	3,000	-	3,000	100
Supplies and materials	<u>311</u>	<u>500</u>	<u>311</u>	<u>189</u>	<u>180</u>
Total	<u>6,201</u>	<u>3,500</u>	<u>311</u>	<u>3,189</u>	<u>1,135</u>
Total instructional staff	<u>962,196</u>	<u>1,626,788</u>	<u>1,446,791</u>	<u>179,997</u>	<u>1,000,237</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 - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
General administration					
Board of education services					
Salaries	\$ 3,410	\$ 3,410	\$ 2,812	\$ 598	\$ 3,300
Purchased services	366,000	423,000	419,103	3,897	479,809
Supplies and materials	5,200	4,500	5,344	(844)	6,900
Capital outlay	7,000	1,000	-	1,000	-
Other objects	<u>10,500</u>	<u>15,000</u>	<u>13,405</u>	<u>1,595</u>	<u>11,036</u>
Total	<u>392,110</u>	<u>446,910</u>	<u>440,664</u>	<u>6,246</u>	<u>501,045</u>
Executive administration services					
Salaries	242,390	242,390	220,861	21,529	232,325
Employee benefits	27,313	42,310	40,193	2,117	25,496
Purchased services	13,500	14,500	4,089	10,411	16,318
Supplies and materials	4,000	13,000	9,208	3,792	3,906
Capital outlay	1,500	1,500	-	1,500	-
Other objects	<u>4,000</u>	<u>4,000</u>	<u>4,620</u>	<u>(620)</u>	<u>2,488</u>
Total	<u>292,703</u>	<u>317,700</u>	<u>278,971</u>	<u>38,729</u>	<u>280,533</u>
Special area administration services					
Salaries	504,073	507,933	470,992	36,941	479,944
Employee benefits	39,741	61,718	78,104	(16,386)	38,510
Purchased services	28,369	-	43,677	(43,677)	52,564
Supplies and materials	7,500	-	18,038	(18,038)	17,715
Capital outlay	9,000	-	-	-	2,726
Other objects	3,337	-	1,741	(1,741)	1,893
Non-capitalized equipment	<u>2,415</u>	<u>2,415</u>	<u>2,415</u>	<u>-</u>	<u>26,949</u>
Total	<u>594,435</u>	<u>572,066</u>	<u>614,967</u>	<u>(42,901)</u>	<u>620,301</u>
Tort immunity services					
Purchased services	<u>281,500</u>	<u>247,000</u>	<u>409,698</u>	<u>(162,698)</u>	<u>347,722</u>
Total	<u>281,500</u>	<u>247,000</u>	<u>409,698</u>	<u>(162,698)</u>	<u>347,722</u>
Total general administration	<u>1,560,748</u>	<u>1,583,676</u>	<u>1,744,300</u>	<u>(160,624)</u>	<u>1,749,601</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 - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
School administration					
Office of the principal services					
Salaries	\$ 1,351,445	\$ 1,376,225	\$ 1,345,112	\$ 31,113	\$ 1,298,915
Employee benefits	128,042	220,465	262,831	(42,366)	124,166
Purchased services	4,000	9,700	11,294	(1,594)	5,230
Supplies and materials	4,000	4,000	6,273	(2,273)	1,427
Other objects	4,200	4,175	1,507	2,668	1,504
Total	<u>1,491,687</u>	<u>1,614,565</u>	<u>1,627,017</u>	<u>(12,452)</u>	<u>1,431,242</u>
Other support services - school administration					
Salaries	168,530	168,830	188,465	(19,635)	162,044
Employee benefits	2,360	16,473	24,600	(8,127)	2,260
Total	<u>170,890</u>	<u>185,303</u>	<u>213,065</u>	<u>(27,762)</u>	<u>164,304</u>
Total school administration	<u>1,662,577</u>	<u>1,799,868</u>	<u>1,840,082</u>	<u>(40,214)</u>	<u>1,595,546</u>
Business					
Direction of business support services					
Salaries	311,770	313,270	268,716	44,554	296,553
Employee benefits	8,363	32,360	46,879	(14,519)	8,281
Total	<u>320,133</u>	<u>345,630</u>	<u>315,595</u>	<u>30,035</u>	<u>304,834</u>
Fiscal services					
Purchased services	19,000	19,000	38,540	(19,540)	15,486
Supplies and materials	25,000	30,000	32,833	(2,833)	25,184
Capital outlay	46,000	30,000	28,361	1,639	6,717
Other objects	2,000	1,000	1,070	(70)	1,585
Non-capitalized equipment	-	-	440	(440)	1,650
Total	<u>92,000</u>	<u>80,000</u>	<u>101,244</u>	<u>(21,244)</u>	<u>50,622</u>
Operation and maintenance of plant services					
Salaries	1,059,217	1,059,217	1,089,763	(30,546)	998,271
Employee benefits	32,909	139,060	185,828	(46,568)	28,964
Purchased services	5,000	5,000	6,558	(1,558)	2,019
Total	<u>1,097,126</u>	<u>1,203,277</u>	<u>1,281,949</u>	<u>(78,672)</u>	<u>1,029,254</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 - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Food services					
Salaries	\$ 331,310	\$ 331,591	\$ 351,626	\$ (20,035)	\$ 296,415
Employee benefits	1,000	8,500	13,305	(4,805)	25,223
Purchased services	10,275	8,176	6,195	1,981	379
Supplies and materials	814,000	813,000	943,488	(130,488)	895,219
Capital outlay	20,000	20,000	-	20,000	-
Other objects	<u>1,000</u>	<u>1,000</u>	<u>91</u>	<u>909</u>	<u>-</u>
Total	<u>1,177,585</u>	<u>1,182,267</u>	<u>1,314,705</u>	<u>(132,438)</u>	<u>1,217,236</u>
Internal services					
Purchased services	45,014	45,014	-	45,014	38,883
Supplies and materials	<u>1,500</u>	<u>10,200</u>	<u>-</u>	<u>10,200</u>	<u>3,560</u>
Total	<u>46,514</u>	<u>55,214</u>	<u>-</u>	<u>55,214</u>	<u>42,443</u>
Total business	<u>2,733,358</u>	<u>2,866,388</u>	<u>3,013,493</u>	<u>(147,105)</u>	<u>2,644,389</u>
Central					
Staff services					
Salaries	153,580	156,070	157,605	(1,535)	142,049
Employee benefits	16,298	26,596	29,909	(3,313)	28,595
Purchased services	116,500	66,000	63,166	2,834	57,675
Supplies and materials	65,024	34,525	51,324	(16,799)	44,242
Capital outlay	<u>7,000</u>	<u>16,000</u>	<u>13,794</u>	<u>2,206</u>	<u>509</u>
Total	<u>358,402</u>	<u>299,191</u>	<u>315,798</u>	<u>(16,607)</u>	<u>273,070</u>
Data processing services					
Salaries	330,440	338,630	411,480	(72,850)	315,642
Employee benefits	10,313	50,630	60,988	(10,358)	5,352
Purchased services	540,000	591,000	669,613	(78,613)	634,905
Supplies and materials	150,365	251,438	226,468	24,970	476,232
Capital outlay	-	659,000	32,874	626,126	498,968
Other objects	659,000	1,000	-	1,000	-
Non-capitalized equipment	<u>5,000</u>	<u>50,000</u>	<u>10,739</u>	<u>39,261</u>	<u>9,081</u>
Total	<u>1,695,118</u>	<u>1,941,698</u>	<u>1,412,162</u>	<u>529,536</u>	<u>1,940,180</u>
Total central	<u>2,053,520</u>	<u>2,240,889</u>	<u>1,727,960</u>	<u>512,929</u>	<u>2,213,250</u>
Other supporting services					
Purchased services	90,821	102,960	100,104	2,856	44,298
Other objects	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
Total	<u>300,821</u>	<u>102,960</u>	<u>100,104</u>	<u>2,856</u>	<u>254,298</u>
Total support services	<u>11,102,714</u>	<u>12,330,561</u>	<u>11,867,899</u>	<u>462,662</u>	<u>11,204,628</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 - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Community services					
Salaries	\$ 4,259	\$ 5,400	\$ 5,021	\$ 379	\$ 11,402
Employee benefits	7	13	18	(5)	80
Purchased services	13,500	11,084	4,602	6,482	25,117
Supplies and materials	<u>6,606</u>	<u>7,206</u>	<u>10,177</u>	<u>(2,971)</u>	<u>3,489</u>
Total community services	<u>24,372</u>	<u>23,703</u>	<u>19,818</u>	<u>3,885</u>	<u>40,088</u>
Payments to other districts and governmental units					
Payments for Regular Programs - Tuition					
Other objects	<u>-</u>	<u>650</u>	<u>-</u>	<u>650</u>	<u>-</u>
Total	<u>-</u>	<u>650</u>	<u>-</u>	<u>650</u>	<u>-</u>
Payments for special education programs - tuition					
Other objects	<u>1,172,250</u>	<u>1,172,250</u>	<u>1,093,505</u>	<u>78,745</u>	<u>1,211,506</u>
Total	<u>1,172,250</u>	<u>1,172,250</u>	<u>1,093,505</u>	<u>78,745</u>	<u>1,211,506</u>
Payments for other programs - tuition					
Other objects	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Other payments to in-state govt. units - transfers					
Other objects	<u>-</u>	<u>3,468</u>	<u>3,468</u>	<u>-</u>	<u>36,362</u>
Total	<u>-</u>	<u>3,468</u>	<u>3,468</u>	<u>-</u>	<u>36,362</u>
Payments to other district & govt. units (out of state)					
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,226</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,226</u>
Total payments to other districts and governmental units	<u>1,197,250</u>	<u>1,201,368</u>	<u>1,096,973</u>	<u>104,395</u>	<u>1,638,094</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 - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Total expenditures	<u>\$ 28,587,732</u>	<u>\$ 30,694,645</u>	<u>\$ 29,332,080</u>	<u>\$ 1,362,565</u>	<u>\$ 29,469,578</u>
Net change in fund balance	<u>\$ (944,099)</u>	<u>\$ (2,081,164)</u>	(994,654)	<u>\$ 1,086,510</u>	(561,243)
Fund balance, beginning of year			<u>7,285,444</u>		<u>7,846,687</u>
Fund balance, end of year			<u>\$ 6,290,790</u>		<u>\$ 7,285,444</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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues					
Local sources					
General levy	\$ 1,082,208	\$ 1,052,333	\$ 1,017,222	\$ (35,111)	\$ 928,796
Investment income	<u>7,500</u>	<u>6,254</u>	<u>6,254</u>	<u>-</u>	<u>9,239</u>
Total local sources	<u>1,089,708</u>	<u>1,058,587</u>	<u>1,023,476</u>	<u>(35,111)</u>	<u>938,035</u>
State sources					
Other restricted revenue from state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,306</u>
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,306</u>
Total revenues	<u>1,089,708</u>	<u>1,058,587</u>	<u>1,023,476</u>	<u>(35,111)</u>	<u>969,341</u>
Expenditures					
Support services					
Business					
Operation and maintenance of plant services					
Purchased services	246,500	301,500	237,812	63,688	207,170
Supplies and materials	695,000	655,000	608,642	46,358	576,458
Capital outlay	143,100	143,100	97,630	45,470	114,883
Other objects	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>105</u>
Total	<u>1,086,100</u>	<u>1,101,100</u>	<u>944,084</u>	<u>157,016</u>	<u>898,616</u>
Total business	<u>1,086,100</u>	<u>1,101,100</u>	<u>944,084</u>	<u>157,016</u>	<u>898,616</u>
Total support services	<u>1,086,100</u>	<u>1,101,100</u>	<u>944,084</u>	<u>157,016</u>	<u>898,616</u>
Total expenditures	<u>1,086,100</u>	<u>1,101,100</u>	<u>944,084</u>	<u>157,016</u>	<u>898,616</u>
Net change in fund balance	<u>\$ 3,608</u>	<u>\$ (42,513)</u>	79,392	<u>\$ 121,905</u>	70,725
Fund balance, beginning of year			<u>887,338</u>		<u>816,613</u>
Fund balance, end of year			<u>\$ 966,730</u>		<u>\$ 887,338</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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues					
Local sources					
General levy	\$ 399,591	\$ 356,791	\$ 340,357	\$ (16,434)	\$ 342,934
Investment income	1,234	1,234	2,503	1,269	1,734
Refund of prior years' expenditures	-	-	588	588	-
Other	<u>9,000</u>	<u>5,000</u>	<u>15,794</u>	<u>10,794</u>	<u>14,779</u>
Total local sources	<u>409,825</u>	<u>363,025</u>	<u>359,242</u>	<u>(3,783)</u>	<u>359,447</u>
State sources					
General state aid	150,000	150,000	150,000	-	150,000
Transportation - regular/vocational	402,209	402,209	387,178	(15,031)	499,027
Transportation - special education	<u>804,420</u>	<u>804,420</u>	<u>708,743</u>	<u>(95,677)</u>	<u>889,115</u>
Total state sources	<u>1,356,629</u>	<u>1,356,629</u>	<u>1,245,921</u>	<u>(110,708)</u>	<u>1,538,142</u>
Total revenues	<u>1,766,454</u>	<u>1,719,654</u>	<u>1,605,163</u>	<u>(114,491)</u>	<u>1,897,589</u>
Expenditures					
Support Services					
Business					
Pupil transportation services					
Salaries	20,830	21,797	19,133	2,664	20,120
Employee benefits	325	1,304	1,184	120	117
Purchased services	1,617,050	1,628,308	1,432,783	195,525	1,612,125
Supplies and materials	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,638,705</u>	<u>1,651,409</u>	<u>1,453,100</u>	<u>198,309</u>	<u>1,632,362</u>
Total business	<u>1,638,705</u>	<u>1,651,409</u>	<u>1,453,100</u>	<u>198,309</u>	<u>1,632,362</u>
Total support services	<u>1,638,705</u>	<u>1,651,409</u>	<u>1,453,100</u>	<u>198,309</u>	<u>1,632,362</u>
Total expenditures	<u>1,638,705</u>	<u>1,651,409</u>	<u>1,453,100</u>	<u>198,309</u>	<u>1,632,362</u>
Net change in fund balance	<u>\$ 127,749</u>	<u>\$ 68,245</u>	152,063	<u>\$ 83,818</u>	265,227
Fund balance (deficit), beginning of year			<u>214,641</u>		<u>(50,586)</u>
Fund balance, end of year			<u>\$ 366,704</u>		<u>\$ 214,641</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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012					2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET		
Revenues						
Local sources						
General levy	\$ 499,477	\$ 477,227	\$ 446,472	\$ (30,755)	\$	428,217
Social security/medicare only levy	488,388	442,188	432,115	(10,073)		419,334
Corporate personal property replacement taxes	-	-	23,630	23,630		24,311
Investment income	250	250	347	97		422
Total local sources	<u>988,115</u>	<u>919,665</u>	<u>902,564</u>	<u>(17,101)</u>		<u>872,284</u>
State sources						
General state aid	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>		<u>300,000</u>
Total state sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>		<u>300,000</u>
Total revenues	<u>1,088,115</u>	<u>1,019,665</u>	<u>1,002,564</u>	<u>(17,101)</u>		<u>1,172,284</u>
Expenditures						
Instruction						
Regular programs	208,005	225,702	225,249	453		219,878
Pre-K programs	12,317	12,317	13,012	(695)		25,703
Special education programs	23,718	23,595	144,903	(121,308)		138,561
Special education Pre-K programs	3,940	8,020	2,568	5,452		2,194
Summer school programs	9,109	18,764	3,914	14,850		8,587
Gifted programs	-	26	32	(6)		84
Bilingual programs	<u>8,530</u>	<u>8,530</u>	<u>5,606</u>	<u>2,924</u>		<u>5,661</u>
Total instruction	<u>265,619</u>	<u>296,954</u>	<u>395,284</u>	<u>(98,330)</u>		<u>400,668</u>
Support services						
Pupils						
Attendance and social work services	36,110	36,110	20,777	15,333		35,554
Health services	38,410	25,394	32,243	(6,849)		37,865
Psychological services	3,360	3,360	3,482	(122)		3,289
Speech pathology and audiology services	1,223	1,223	2,300	(1,077)		2,207
Other support services - pupils	<u>370</u>	<u>450</u>	<u>684</u>	<u>(234)</u>		<u>351</u>
Total pupils	<u>79,473</u>	<u>66,537</u>	<u>59,486</u>	<u>7,051</u>		<u>79,266</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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Instructional staff					
Improvement of instructional staff	\$ 3,225	\$ 4,199	\$ 8,968	\$ (4,769)	\$ 7,015
Educational media services	<u>48,050</u>	<u>45,737</u>	<u>50,329</u>	<u>(4,592)</u>	<u>49,021</u>
Total instructional staff	<u>51,275</u>	<u>49,936</u>	<u>59,297</u>	<u>(9,361)</u>	<u>56,036</u>
General administration					
Board of education services	4,990	4,250	4,160	90	4,822
Executive administration services	15,140	15,140	15,454	(314)	14,864
Special area administration services	<u>32,303</u>	<u>32,595</u>	<u>33,814</u>	<u>(1,219)</u>	<u>33,103</u>
Total general administration	<u>52,433</u>	<u>51,985</u>	<u>53,428</u>	<u>(1,443)</u>	<u>52,789</u>
School administration					
Office of the principal services	80,664	81,369	75,891	5,478	79,885
Other support services - school administration	<u>2,310</u>	<u>2,310</u>	<u>2,597</u>	<u>(287)</u>	<u>2,241</u>
Total school administration	<u>82,974</u>	<u>83,679</u>	<u>78,488</u>	<u>5,191</u>	<u>82,126</u>
Business					
Direction of business support services	28,360	24,355	26,089	(1,734)	27,917
Facilities acquisition and construction service	2,950	2,950	2,644	306	2,082
Operations and maintenance of plant services	222,040	222,040	217,324	4,716	219,627
Pupil transportation services	300	300	277	23	292
Food services	<u>59,560</u>	<u>59,560</u>	<u>63,243</u>	<u>(3,683)</u>	<u>58,669</u>
Total business	<u>313,210</u>	<u>309,205</u>	<u>309,577</u>	<u>(372)</u>	<u>308,587</u>
Central					
Staff services	13,160	14,062	12,903	1,159	13,252
Data processing services	<u>65,140</u>	<u>65,140</u>	<u>71,233</u>	<u>(6,093)</u>	<u>64,230</u>
Total central	<u>78,300</u>	<u>79,202</u>	<u>84,136</u>	<u>(4,934)</u>	<u>77,482</u>
Total support services	<u>657,665</u>	<u>640,544</u>	<u>644,412</u>	<u>(3,868)</u>	<u>656,286</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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Community services	\$ 18	\$ 97	\$ 439	\$ (342)	\$ 319
Total expenditures	<u>923,302</u>	<u>937,595</u>	<u>1,040,135</u>	<u>(102,540)</u>	<u>1,057,273</u>
Net change in fund balance	<u>\$ 164,813</u>	<u>\$ 82,070</u>	(37,571)	<u>\$ (119,641)</u>	115,011
Fund balance (deficit), beginning of year			<u>9,562</u>		<u>(105,449)</u>
Fund balance (deficit), end of year			<u>\$ (28,009)</u>		<u>\$ 9,562</u>

See Auditor's Report and Notes to Required Supplementary Information

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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues					
Local sources					
General levy	\$ 2,636,020	\$ 2,266,289	\$ 2,271,319	\$ 5,030	\$ 2,064,175
Investment income	-	3,083	3,084	1	10,857
Total local sources	<u>2,636,020</u>	<u>2,269,372</u>	<u>2,274,403</u>	<u>5,031</u>	<u>2,075,032</u>
Total revenues	<u>2,636,020</u>	<u>2,269,372</u>	<u>2,274,403</u>	<u>5,031</u>	<u>2,075,032</u>
Expenditures					
Debt services					
Payments on long term debt					
Interest on long term debt	1,246,669	786,150	977,833	(191,683)	1,115,571
Principal payments on long term debt	830,000	1,204,114	11,205,000	(10,000,886)	1,865,000
Total	<u>2,076,669</u>	<u>1,990,264</u>	<u>12,182,833</u>	<u>(10,192,569)</u>	<u>2,980,571</u>
Other debt service					
Issuance costs	-	527,753	1,017,753	(490,000)	268,019
Total	<u>-</u>	<u>527,753</u>	<u>1,017,753</u>	<u>(490,000)</u>	<u>268,019</u>
Total debt services	<u>2,076,669</u>	<u>2,518,017</u>	<u>13,200,586</u>	<u>(10,682,569)</u>	<u>3,248,590</u>
Total expenditures	<u>2,076,669</u>	<u>2,518,017</u>	<u>13,200,586</u>	<u>(10,682,569)</u>	<u>3,248,590</u>
Excess (deficiency) of revenues over expenditures	<u>559,351</u>	<u>(248,645)</u>	<u>(10,926,183)</u>	<u>(10,677,538)</u>	<u>(1,173,558)</u>
Other financing sources (uses)					
Principal on bonds sold	-	42,843,607	42,843,607	-	28,580,000
Premium on bonds sold	-	(490,000)	9,892,000	10,382,000	3,137,480
Accrued interest on bonds sold	-	-	14,712	14,712	-
Discount on bonds sold	-	-	(9,892,000)	(9,892,000)	(3,415,000)
Payment to escrow for refunded bonds	-	(41,825,854)	(31,633,195)	10,192,659	(2,569,615)
Payment for current refunding	-	-	-	-	(25,461,457)
Total other financing sources (uses)	<u>-</u>	<u>527,753</u>	<u>11,225,124</u>	<u>10,697,371</u>	<u>271,408</u>
Net change in fund balance	<u>\$ 559,351</u>	<u>\$ 279,108</u>	<u>298,941</u>	<u>\$ 19,833</u>	<u>(902,150)</u>
Fund balance, beginning of year			<u>529,655</u>		<u>1,431,805</u>
Fund balance, end of year			<u>\$ 828,596</u>		<u>\$ 529,655</u>

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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues					
Local sources					
Investment income	\$ 180,000	\$ 130,000	\$ 134,169	\$ 4,169	\$ 229,092
Other	-	-	-	-	54,984
Total local sources	<u>180,000</u>	<u>130,000</u>	<u>134,169</u>	<u>4,169</u>	<u>284,076</u>
Total revenues	<u>180,000</u>	<u>130,000</u>	<u>134,169</u>	<u>4,169</u>	<u>284,076</u>
Expenditures					
Support services					
Business					
Facilities acquisition and construction service					
Salaries	40,000	40,000	34,560	5,440	27,216
Purchased services	202,500	400,000	388,394	11,606	1,808,192
Supplies and materials	5,000	-	-	-	-
Capital outlay	<u>17,000,000</u>	<u>22,539,178</u>	<u>21,597,823</u>	<u>941,355</u>	<u>9,926,838</u>
Total	<u>17,247,500</u>	<u>22,979,178</u>	<u>22,020,777</u>	<u>958,401</u>	<u>11,762,246</u>
Total business	<u>17,247,500</u>	<u>22,979,178</u>	<u>22,020,777</u>	<u>958,401</u>	<u>11,762,246</u>
Total support services	<u>17,247,500</u>	<u>22,979,178</u>	<u>22,020,777</u>	<u>958,401</u>	<u>11,762,246</u>
Total expenditures	<u>17,247,500</u>	<u>22,979,178</u>	<u>22,020,777</u>	<u>958,401</u>	<u>11,762,246</u>
Excess (deficiency) of revenues over expenditures	<u>(17,067,500)</u>	<u>(22,849,178)</u>	<u>(21,886,608)</u>	<u>962,570</u>	<u>(11,478,170)</u>
Other financing sources (uses)					
Lease proceeds	-	-	-	-	10,000,000
Accrued interest on bonds sold	-	-	-	-	2,979
Discount on lease	-	-	-	-	(80,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,922,979</u>
Net change in fund balance	<u>\$ (17,067,500)</u>	<u>\$ (22,849,178)</u>	<u>(21,886,608)</u>	<u>\$ 962,570</u>	<u>(1,555,191)</u>
Fund balance, beginning of year			<u>22,904,931</u>		<u>24,460,122</u>
Fund balance, end of year			<u>\$ 1,018,323</u>		<u>\$ 22,904,931</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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues					
Local sources					
General levy	\$ 238,245	\$ -	\$ -	\$ -	\$ -
Investment income	<u>15,000</u>	<u>12,000</u>	<u>12,089</u>	<u>89</u>	<u>21,277</u>
Total local sources	<u>253,245</u>	<u>12,000</u>	<u>12,089</u>	<u>89</u>	<u>21,277</u>
State sources					
General state aid	100,000	100,000	100,000	-	-
Other restricted revenue from state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,694</u>
Total state sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>218,694</u>
Total revenues	<u>353,245</u>	<u>112,000</u>	<u>112,089</u>	<u>89</u>	<u>239,971</u>
Expenditures					
Support services					
Business					
Operation and maintenance of plant services					
Salaries	50,580	50,540	35,010	15,530	48,660
Employee benefits	7,450	7,450	7,936	(486)	7,186
Purchased services	175,000	140,000	193,950	(53,950)	132,585
Supplies and materials	100,000	2,500	1,447	1,053	22,619
Capital outlay	100,000	992,540	337,835	654,705	24,289
Other objects	<u>250,000</u>	<u>-</u>	<u>636</u>	<u>(636)</u>	<u>-</u>
Total	<u>683,030</u>	<u>1,193,030</u>	<u>576,814</u>	<u>616,216</u>	<u>235,339</u>
Total business	<u>683,030</u>	<u>1,193,030</u>	<u>576,814</u>	<u>616,216</u>	<u>235,339</u>
Total support services	<u>683,030</u>	<u>1,193,030</u>	<u>576,814</u>	<u>616,216</u>	<u>235,339</u>
Total expenditures	<u>683,030</u>	<u>1,193,030</u>	<u>576,814</u>	<u>616,216</u>	<u>235,339</u>
Net change in fund balance	<u>\$ (329,785)</u>	<u>\$ (1,081,030)</u>	<u>(464,725)</u>	<u>\$ 616,305</u>	<u>4,632</u>
Fund balance, beginning of year			<u>1,837,610</u>		<u>1,832,978</u>
Fund balance, end of year			<u>\$ 1,372,885</u>		<u>\$ 1,837,610</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
GENERAL FUND
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 AS OF JUNE 30, 2012

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash	\$ 3,177,325	\$ 3,136,005	\$ 6,313,330
Total assets	<u>\$ 3,177,325</u>	<u>\$ 3,136,005</u>	<u>\$ 6,313,330</u>
Liabilities and fund balance			
Payroll deductions payable	\$ 22,540	\$ -	\$ 22,540
Total liabilities	<u>22,540</u>	<u>-</u>	<u>22,540</u>
Fund balance			
Unassigned	<u>3,154,785</u>	<u>3,136,005</u>	<u>6,290,790</u>
Total fund balance	<u>3,154,785</u>	<u>3,136,005</u>	<u>6,290,790</u>
Total liabilities and fund balance	<u>\$ 3,177,325</u>	<u>\$ 3,136,005</u>	<u>\$ 6,313,330</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, 2012

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 7,520,177	\$ -	\$ 7,520,177
Corporate personal property replacement taxes	140,437	-	140,437
State aid	20,097,387	-	20,097,387
Federal aid	3,688,817	-	3,688,817
Investment income	28,355	22,290	50,645
Other	342,403	-	342,403
Total revenues	<u>31,817,576</u>	<u>22,290</u>	<u>31,839,866</u>
Expenditures			
Current:			
Instruction:			
Regular programs	12,569,703	-	12,569,703
Special programs	3,118,937	-	3,118,937
Other instructional programs	475,002	-	475,002
State retirement contributions	3,502,440	-	3,502,440
Support Services:			
Pupils	1,995,169	-	1,995,169
Instructional staff	1,400,642	-	1,400,642
General administration	1,744,300	-	1,744,300
School administration	1,840,082	-	1,840,082
Business	1,703,183	-	1,703,183
Operations and maintenance	1,281,949	-	1,281,949
Central	1,681,292	-	1,681,292
Other supporting services	100,104	-	100,104
Community services	19,818	-	19,818
Payments to other districts and gov't units	1,096,973	-	1,096,973
Capital outlay	304,926	-	304,926
Total expenditures	<u>32,834,520</u>	<u>-</u>	<u>32,834,520</u>
Net change in fund balance	(1,016,944)	22,290	(994,654)
Fund balance, beginning of year	<u>4,171,729</u>	<u>3,113,715</u>	<u>7,285,444</u>
Fund balance, end of year	<u>\$ 3,154,785</u>	<u>\$ 3,136,005</u>	<u>\$ 6,290,790</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues					
Local sources					
General levy	\$ 6,984,123	\$ 7,784,123	\$ 7,520,177	\$ (263,946)	\$ 7,132,779
Corporate personal property replacement taxes	160,630	160,630	140,437	(20,193)	161,711
Investment income	35,000	28,000	28,355	355	51,008
Sales to pupils - lunch	32,000	32,000	27,339	(4,661)	33,151
Sales to pupils - other	600	600	682	82	673
Sales to adults	20	11	11	-	16
Other food service	-	-	3,738	3,738	-
Rentals - regular textbook	40,000	20,000	20,608	608	20,740
Rentals	-	-	15,863	15,863	20,798
Contributions and donations from private sources	500	1,875	1,875	-	800
Refund of prior years' expenditures	20,000	13,000	20,002	7,002	55,040
Other local fees	960,538	5,650	6,190	540	-
Other	50,000	10,000	246,095	236,095	238,294
Total local sources	8,283,411	8,055,889	8,031,372	(24,517)	7,715,010
Flow-through revenue from one LEA to another LEA					
Flow-through revenue from state sources	-	-	-	-	225
Total flow-through	-	-	-	-	225
State sources					
General state aid	14,098,660	13,996,754	14,098,423	101,669	14,246,313
Special education - private facility tuition	4,879	4,879	5,955	1,076	25,044
Special education - extraordinary	474,590	474,590	469,135	(5,455)	649,964
Special education - personnel	45,000	103,895	144,563	40,668	165,623
Special education - orphanage - individual	130,217	304,556	304,556	-	305,628
Special education - orphanage - summer	3,000	350	350	-	5,940
CTE - Secondary program improvement	2,631	2,631	-	(2,631)	5,614
CTE - Other	-	-	2,613	2,613	-
Bilingual education - downstate - TPI	28,550	28,550	17,270	(11,280)	16,604
State free lunch & breakfast	39,982	39,982	62,628	22,646	50,568
Early childhood - block grant	493,358	493,358	446,303	(47,055)	707,654

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
 BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2012
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Reading Improvement block grant	\$ -	\$ -	\$ -	\$ -	\$ 79,085
School safety & educational improvement block grant	-	-	-	-	12,462
Summer bridges	-	-	-	-	111,661
Other restricted revenue from state sources	<u>977,000</u>	<u>1,043,151</u>	<u>1,043,151</u>	<u>-</u>	<u>2,083</u>
Total state sources	<u>16,297,867</u>	<u>16,492,696</u>	<u>16,594,947</u>	<u>102,251</u>	<u>16,384,243</u>
Federal sources					
National school lunch program	789,775	789,775	951,030	161,255	920,336
School breakfast program	165,041	179,271	233,969	54,698	191,996
Summer food service admin/program	24,528	24,528	24,525	(3)	21,714
Food service - other	-	-	94,432	94,432	74,320
Title I - Low income	903,493	1,515,696	1,092,294	(423,402)	834,961
Title I - Low income - neglected, private	-	1,800	-	(1,800)	-
Title I - Comprehensive school reform	-	-	2,900	2,900	-
Title IV - Safe & drug free schools - formula	3,000	-	-	-	4,622
Federal - special education - preschool flow-through	24,999	41,094	48,384	7,290	22,810
Federal - special education - IDEA - flow-through/low incident	567,837	800,532	551,016	(249,516)	246,102
Federal - special education - IDEA - room & board	-	-	4,649	4,649	252
Title I - low income	67,008	67,008	67,008	-	203,246
IDEA - part b - preschool	-	4,179	4,179	-	18,437
IDEA - part b - flow-through	-	77,464	77,464	-	340,565
Title IID - technology-competitive	6,203	6,203	6,203	-	54,846
ARRA - Education jobs fund program	-	-	-	-	1,352,248
Title III - English language acquisition	-	13,300	4,807	(8,493)	-
Title II - Teacher quality	205,116	205,116	157,826	(47,290)	181,033
Medicaid matching funds - administrative outreach	243,855	307,430	113,938	(193,492)	180,275
Medicaid matching funds - fee-for-service program	30,000	30,000	254,193	224,193	122,918

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Other restricted revenue from federal sources	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)	\$ 1,640
Total federal sources	<u>3,032,355</u>	<u>4,064,896</u>	<u>3,688,817</u>	<u>(376,079)</u>	<u>4,772,321</u>
Total revenues	<u>27,613,633</u>	<u>28,613,481</u>	<u>28,315,136</u>	<u>(298,345)</u>	<u>28,871,799</u>
Expenditures					
Instruction					
Regular programs					
Salaries	9,130,999	9,192,638	8,927,527	265,111	8,806,504
Employee benefits	2,764,676	2,144,152	1,892,779	251,373	2,772,083
Purchased services	517,000	882,428	406,555	475,873	287,778
Supplies and materials	787,792	1,192,252	1,217,288	(25,036)	861,135
Capital outlay	490,143	234,318	179,312	55,006	27,704
Other objects	5,500	1,500	-	1,500	81
Non-capitalized equipment	2,209	65,229	74,804	(9,575)	1,557
Termination benefits	-	51,000	50,750	250	28,700
Total	<u>13,698,319</u>	<u>13,763,517</u>	<u>12,749,015</u>	<u>1,014,502</u>	<u>12,785,542</u>
Pre-K programs					
Salaries	172,677	187,957	178,253	9,704	400,947
Employee benefits	50,066	36,572	20,144	16,428	77,330
Purchased services	7,000	7,500	8,177	(677)	9,951
Supplies and materials	6,041	6,041	4,727	1,314	21,102
Total	<u>235,784</u>	<u>238,070</u>	<u>211,301</u>	<u>26,769</u>	<u>509,330</u>
Special education programs					
Salaries	1,749,538	2,136,305	2,431,623	(295,318)	2,231,659
Employee benefits	45,840	228,318	354,822	(126,504)	228,083
Purchased services	10,577	54,716	7,113	47,603	18,004
Supplies and materials	41,067	206,517	104,709	101,808	303,330
Capital outlay	10,000	8,436	4,436	4,000	9,167
Other objects	-	2,337	-	2,337	-
Termination benefits	-	-	-	-	7,000
Total	<u>1,857,022</u>	<u>2,636,629</u>	<u>2,902,703</u>	<u>(266,074)</u>	<u>2,797,243</u>
Special education programs Pre-K					
Salaries	166,250	166,250	193,027	(26,777)	159,848
Employee benefits	2,380	17,630	23,395	(5,765)	2,285
Supplies and materials	-	1,200	4,248	(3,048)	7,332
Total	<u>168,630</u>	<u>185,080</u>	<u>220,670</u>	<u>(35,590)</u>	<u>169,465</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			VARIANCE WITH FINAL BUDGET	2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
CTE programs					
Supplies and materials	\$ 2,631	\$ 4,500	\$ 4,124	\$ 376	\$ 347
Total	<u>2,631</u>	<u>4,500</u>	<u>4,124</u>	<u>376</u>	<u>347</u>
Interscholastic programs					
Purchased services	3,000	3,200	4,627	(1,427)	2,222
Other objects	-	1,000	725	275	-
Non-capitalized equipment	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,500</u>	<u>4,200</u>	<u>5,352</u>	<u>(1,152)</u>	<u>2,222</u>
Summer school programs					
Salaries	151,628	130,900	89,590	41,310	162,001
Employee benefits	352	17,357	13,593	3,764	11,290
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,544</u>
Total	<u>151,980</u>	<u>148,257</u>	<u>103,183</u>	<u>45,074</u>	<u>182,835</u>
Gifted programs					
Salaries	6,370	4,500	2,244	2,256	6,125
Employee benefits	<u>40</u>	<u>40</u>	<u>13</u>	<u>27</u>	<u>36</u>
Total	<u>6,410</u>	<u>4,540</u>	<u>2,257</u>	<u>2,283</u>	<u>6,161</u>
Bilingual programs					
Salaries	137,350	137,350	127,637	9,713	128,925
Employee benefits	<u>1,770</u>	<u>16,870</u>	<u>21,148</u>	<u>(4,278)</u>	<u>4,698</u>
Total	<u>139,120</u>	<u>154,220</u>	<u>148,785</u>	<u>5,435</u>	<u>133,623</u>
Total instruction	<u>16,263,396</u>	<u>17,139,013</u>	<u>16,347,390</u>	<u>791,623</u>	<u>16,586,768</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	511,950	512,400	505,996	6,404	492,730
Employee benefits	7,305	64,336	71,343	(7,007)	8,022
Purchased services	79,500	72,860	49,172	23,688	62,386
Supplies and materials	<u>2,000</u>	<u>1,010</u>	<u>10,287</u>	<u>(9,277)</u>	<u>958</u>
Total	<u>600,755</u>	<u>650,606</u>	<u>636,798</u>	<u>13,808</u>	<u>564,096</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Health services					
Salaries	\$ 229,520	\$ 221,360	\$ 217,545	\$ 3,815	\$ 213,364
Employee benefits	2,550	27,900	30,401	(2,501)	11,370
Purchased services	117,500	170,091	130,827	39,264	62,422
Supplies and materials	10,000	12,937	12,039	898	7,884
Capital outlay	-	-	-	-	2,904
Total	<u>359,570</u>	<u>432,288</u>	<u>390,812</u>	<u>41,476</u>	<u>297,944</u>
Psychological services					
Salaries	243,830	247,830	249,977	(2,147)	236,441
Employee benefits	3,170	139,296	24,873	114,423	3,515
Purchased services	8,000	582	645	(63)	102
Supplies and materials	<u>6,000</u>	<u>7,542</u>	<u>9,718</u>	<u>(2,176)</u>	<u>5,808</u>
Total	<u>261,000</u>	<u>395,250</u>	<u>285,213</u>	<u>110,037</u>	<u>245,866</u>
Speech pathology and audiology services					
Salaries	110,730	114,730	170,822	(56,092)	162,810
Employee benefits	6,709	26,549	35,327	(8,778)	24,575
Purchased services	482,000	476,090	458,868	17,222	446,904
Supplies and materials	<u>4,000</u>	<u>8,479</u>	<u>8,384</u>	<u>95</u>	<u>527</u>
Total	<u>603,439</u>	<u>625,848</u>	<u>673,401</u>	<u>(47,553)</u>	<u>634,816</u>
Other support services - pupils					
Salaries	<u>4,730</u>	<u>6,000</u>	<u>8,945</u>	<u>(2,945)</u>	<u>4,585</u>
Total	<u>4,730</u>	<u>6,000</u>	<u>8,945</u>	<u>(2,945)</u>	<u>4,585</u>
Total pupils	<u>1,829,494</u>	<u>2,109,992</u>	<u>1,995,169</u>	<u>114,823</u>	<u>1,747,307</u>
Instructional staff					
Improvement of instructional services					
Salaries	403,970	651,928	690,381	(38,453)	399,553
Employee benefits	34,072	126,344	136,991	(10,647)	80,001
Purchased services	156,585	280,426	191,331	89,095	166,718
Supplies and materials	<u>62,309</u>	<u>64,548</u>	<u>37,796</u>	<u>26,752</u>	<u>74,229</u>
Total	<u>656,936</u>	<u>1,123,246</u>	<u>1,056,499</u>	<u>66,747</u>	<u>720,501</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Educational media services					
Salaries	\$ 284,510	\$ 285,376	\$ 295,097	\$ (9,721)	\$ 256,856
Employee benefits	3,970	3,540	40,217	(36,677)	15,111
Purchased services	-	39,312	-	39,312	-
Supplies and materials	10,579	89,950	8,518	81,432	6,634
Capital outlay	-	81,864	46,149	35,715	-
Total	<u>299,059</u>	<u>500,042</u>	<u>389,981</u>	<u>110,061</u>	<u>278,601</u>
Assessment and testing					
Employee benefits	890	-	-	-	855
Purchased services	5,000	3,000	-	3,000	100
Supplies and materials	311	500	311	189	180
Total	<u>6,201</u>	<u>3,500</u>	<u>311</u>	<u>3,189</u>	<u>1,135</u>
Total instructional staff	<u>962,196</u>	<u>1,626,788</u>	<u>1,446,791</u>	<u>179,997</u>	<u>1,000,237</u>
General administration					
Board of education services					
Salaries	3,410	3,410	2,812	598	3,300
Purchased services	366,000	423,000	419,103	3,897	479,809
Supplies and materials	5,200	4,500	5,344	(844)	6,900
Capital outlay	7,000	1,000	-	1,000	-
Other objects	10,500	15,000	13,405	1,595	11,036
Total	<u>392,110</u>	<u>446,910</u>	<u>440,664</u>	<u>6,246</u>	<u>501,045</u>
Executive administration services					
Salaries	242,390	242,390	220,861	21,529	232,325
Employee benefits	27,313	42,310	40,193	2,117	25,496
Purchased services	13,500	14,500	4,089	10,411	16,318
Supplies and materials	4,000	13,000	9,208	3,792	3,906
Capital outlay	1,500	1,500	-	1,500	-
Other objects	4,000	4,000	4,620	(620)	2,488
Total	<u>292,703</u>	<u>317,700</u>	<u>278,971</u>	<u>38,729</u>	<u>280,533</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Special area					
administration services					
Salaries	\$ 504,073	\$ 507,933	\$ 470,992	\$ 36,941	\$ 479,944
Employee benefits	39,741	61,718	78,104	(16,386)	38,510
Purchased services	28,369	-	43,677	(43,677)	52,564
Supplies and materials	7,500	-	18,038	(18,038)	17,715
Capital outlay	9,000	-	-	-	2,726
Other objects	3,337	-	1,741	(1,741)	1,893
Non-capitalized equipment	<u>2,415</u>	<u>2,415</u>	<u>2,415</u>	<u>-</u>	<u>26,949</u>
Total	<u>594,435</u>	<u>572,066</u>	<u>614,967</u>	<u>(42,901)</u>	<u>620,301</u>
Tort immunity services					
Purchased services	<u>281,500</u>	<u>247,000</u>	<u>409,698</u>	<u>(162,698)</u>	<u>347,701</u>
Total	<u>281,500</u>	<u>247,000</u>	<u>409,698</u>	<u>(162,698)</u>	<u>347,701</u>
Total general administration	<u>1,560,748</u>	<u>1,583,676</u>	<u>1,744,300</u>	<u>(160,624)</u>	<u>1,749,580</u>
School administration					
Office of the principal services					
Salaries	1,351,445	1,376,225	1,345,112	31,113	1,298,915
Employee benefits	128,042	220,465	262,831	(42,366)	124,166
Purchased services	4,000	9,700	11,294	(1,594)	5,230
Supplies and materials	4,000	4,000	6,273	(2,273)	1,427
Other objects	<u>4,200</u>	<u>4,175</u>	<u>1,507</u>	<u>2,668</u>	<u>1,504</u>
Total	<u>1,491,687</u>	<u>1,614,565</u>	<u>1,627,017</u>	<u>(12,452)</u>	<u>1,431,242</u>
Other support services - school administration					
Salaries	168,530	168,830	188,465	(19,635)	162,044
Employee benefits	<u>2,360</u>	<u>16,473</u>	<u>24,600</u>	<u>(8,127)</u>	<u>2,260</u>
Total	<u>170,890</u>	<u>185,303</u>	<u>213,065</u>	<u>(27,762)</u>	<u>164,304</u>
Total school administration	<u>1,662,577</u>	<u>1,799,868</u>	<u>1,840,082</u>	<u>(40,214)</u>	<u>1,595,546</u>
Business					
Direction of business support services					
Salaries	311,770	313,270	268,716	44,554	296,553
Employee benefits	<u>8,363</u>	<u>32,360</u>	<u>46,879</u>	<u>(14,519)</u>	<u>8,281</u>
Total	<u>320,133</u>	<u>345,630</u>	<u>315,595</u>	<u>30,035</u>	<u>304,834</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Fiscal services					
Purchased services	\$ 19,000	\$ 19,000	\$ 38,540	\$ (19,540)	\$ 15,486
Supplies and materials	25,000	30,000	32,833	(2,833)	25,184
Capital outlay	46,000	30,000	28,361	1,639	6,717
Other objects	2,000	1,000	1,070	(70)	1,585
Non-capitalized equipment	-	-	440	(440)	1,650
Total	92,000	80,000	101,244	(21,244)	50,622
Operation and maintenance of plant services					
Salaries	1,059,217	1,059,217	1,089,763	(30,546)	998,271
Employee benefits	32,909	139,060	185,628	(46,568)	28,964
Purchased services	5,000	5,000	6,558	(1,558)	2,019
Total	1,097,126	1,203,277	1,281,949	(78,672)	1,029,254
Food services					
Salaries	331,310	331,591	351,626	(20,035)	296,415
Employee benefits	1,000	8,500	13,305	(4,805)	25,223
Purchased services	10,275	8,176	6,195	1,981	379
Supplies and materials	814,000	813,000	943,488	(130,488)	895,219
Capital outlay	20,000	20,000	-	20,000	-
Other objects	1,000	1,000	91	909	-
Total	1,177,585	1,182,267	1,314,705	(132,438)	1,217,236
Internal services					
Purchased services	45,014	45,014	-	45,014	38,883
Supplies and materials	1,500	10,200	-	10,200	3,560
Total	46,514	55,214	-	55,214	42,443
Total business	2,733,358	2,866,388	3,013,493	(147,105)	2,644,389
Central					
Staff services					
Salaries	153,580	156,070	157,605	(1,535)	142,049
Employee benefits	16,298	26,596	29,909	(3,313)	28,595
Purchased services	116,500	66,000	63,166	2,834	57,675
Supplies and materials	65,024	34,525	51,324	(16,799)	44,242
Capital outlay	7,000	16,000	13,794	2,206	509
Total	358,402	299,191	315,798	(16,607)	273,070

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Data processing services					
Salaries	\$ 330,440	\$ 338,630	\$ 411,480	\$ (72,850)	\$ 315,642
Employee benefits	10,313	50,630	60,988	(10,358)	5,352
Purchased services	540,000	591,000	669,613	(78,613)	634,905
Supplies and materials	150,365	251,438	226,468	24,970	476,232
Capital outlay	-	659,000	32,874	626,126	498,968
Other objects	659,000	1,000	-	1,000	-
Non-capitalized equipment	5,000	50,000	10,739	39,261	9,081
Total	<u>1,695,118</u>	<u>1,941,698</u>	<u>1,412,162</u>	<u>529,536</u>	<u>1,940,180</u>
Total central	<u>2,053,520</u>	<u>2,240,889</u>	<u>1,727,960</u>	<u>512,929</u>	<u>2,213,250</u>
Other supporting services					
Purchased services	90,821	102,960	100,104	2,856	44,298
Other objects	210,000	-	-	-	210,000
Total	<u>300,821</u>	<u>102,960</u>	<u>100,104</u>	<u>2,856</u>	<u>254,298</u>
Total support services	<u>11,102,714</u>	<u>12,330,561</u>	<u>11,867,899</u>	<u>462,662</u>	<u>11,204,607</u>
Community services					
Salaries	4,259	5,400	5,021	379	11,402
Employee benefits	7	13	18	(5)	80
Purchased services	13,500	11,084	4,602	6,482	25,117
Supplies and materials	6,606	7,206	10,177	(2,971)	3,489
Total community services	<u>24,372</u>	<u>23,703</u>	<u>19,818</u>	<u>3,885</u>	<u>40,088</u>
Payments to other districts and governmental units					
Payments for Regular Programs - Tuition					
Other objects	-	650	-	650	-
Total	<u>-</u>	<u>650</u>	<u>-</u>	<u>650</u>	<u>-</u>
Payments for special education programs - tuition					
Other objects	1,172,250	1,172,250	1,093,505	78,745	1,211,506
Total	<u>1,172,250</u>	<u>1,172,250</u>	<u>1,093,505</u>	<u>78,745</u>	<u>1,211,506</u>
Payments for other programs - tuition					
Other objects	25,000	25,000	-	25,000	-
Total	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS -
BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Other payments to in- state govt. units - transfers					
Other objects	\$ -	\$ 3,468	\$ 3,468	\$ -	\$ 36,362
Total	-	3,468	3,468	-	36,362
Payments to other district & govt. units (out of state)					
Other objects	-	-	-	-	390,226
Total	-	-	-	-	390,226
Total payments to other districts and governmental units	1,197,250	1,201,368	1,096,973	104,395	1,638,094
Total expenditures	28,587,732	30,694,645	29,332,080	1,362,565	29,469,557
Net change in fund balance	\$ (974,099)	\$ (2,081,164)	(1,016,944)	\$ 1,064,220	(597,758)
Fund balance, beginning of year			4,171,729		4,769,487
Fund balance, end of year			\$ 3,154,785		\$ 4,171,729

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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues					
Local sources					
Investment income	\$ 30,000	\$ 22,000	\$ 22,290	\$ 290	\$ 36,515
Total local sources	<u>30,000</u>	<u>22,000</u>	<u>22,290</u>	<u>290</u>	<u>36,515</u>
Total revenues	<u>30,000</u>	<u>22,000</u>	<u>22,290</u>	<u>290</u>	<u>36,515</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 30,000</u>	<u>\$ 22,000</u>	22,290	<u>\$ 290</u>	36,515
Fund balance, beginning of year			<u>3,113,715</u>		<u>3,077,200</u>
Fund balance, end of year			<u>\$ 3,136,005</u>		<u>\$ 3,113,715</u>

PRAIRIE-HILLS ELEMENTARY SCHOOL DISTRICT 144

OPERATING COST AND TUITION CHARGE

FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>2,527</u>	<u>2,467</u>
Operating Costs:		
Educational	\$ 29,332,080	\$ 29,469,557
Operations and maintenance	944,084	898,616
Debt service	13,200,586	3,248,590
Transportation	1,453,100	1,632,362
Municipal retirement/social security	1,040,135	1,057,273
Tort	<u>-</u>	<u>21</u>
Subtotal	<u>45,969,985</u>	<u>36,306,419</u>
Less Revenues/Expenditures of Nonregular Programs:		
Pre-K programs	447,551	706,692
Summer school	107,097	191,422
Capital outlay	402,556	663,578
Non-capitalized equipment	88,398	39,237
Debt principal retired	11,205,000	1,865,000
Community services	20,257	40,407
Payments to other districts & governmental units	<u>1,096,973</u>	<u>1,638,094</u>
Subtotal	<u>13,367,832</u>	<u>5,144,430</u>
Operating costs	<u>\$ 32,602,153</u>	<u>\$ 31,161,989</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 12,902</u>	<u>\$ 12,632</u>
Tuition Charge		
Operating Costs	\$ 32,602,153	\$ 31,161,989
Less - revenues from specific programs, such as special education or lunch programs	<u>6,856,827</u>	<u>7,562,952</u>
Net operating costs	25,745,326	23,599,037
Depreciation allowance	<u>915,170</u>	<u>2,667,946</u>
Allowable Tuition Costs	<u>\$ 26,660,496</u>	<u>\$ 26,266,983</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 10,550</u>	<u>\$ 10,648</u>

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