

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

TOWNSHIP HIGH SCHOOL DISTRICT 211

PALATINE, ILLINOIS

For the Fiscal Year Ended June 30, 2005

Officials Issuing Report

David S. Torres, Assistant Superintendent for Business
Christopher Kontney, Director of Business Services

Department Issuing Report

Business Office

TOWNSHIP HIGH SCHOOL DISTRICT 211

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TOWNSHIP HIGH SCHOOL DISTRICT 211

Principal Officers and Advisors

June 30, 2005

Board of Education Members

Debra Strauss	President
Martha Swierczewski	Vice President
Charles Fritz	Secretary
Lynn Davis	Member
Anna Klimkowicz	Member
Robert LeFevre	Member
Bill Lloyd	Member

District Administration

Superintendent	Roger Thornton
Associate Superintendent/Business and District Treasurer	David Torres
Associate Superintendent/Instruction	Nancy Robb
Assistant Superintendent/Curriculum	Jeffrey Butzen
Assistant Superintendent/Administration	Shirley Mertz
Director of Personnel	Robert Grimm
Assistant to the Superintendent/Assistant for Personnel	Kathe Lingl
Community Relations Coordinator	Thomas Petersen
Director/Educational Technology	Robert Small
Director/Business Services	Christopher Kontney
Director/Instructional Improvement	Lisa Small
Director/Athletics, Activities, & Career Development	Otis Price
Director/Technology Services	Charles Peterson
Director/Student Extended Educational & Special Services	Carl Garrison
Director/Food Services	Ruth Jonen
Director/Purchasing and Facilities	Steven East
Director/Special Education	Daniel Cates
Director/Transportation	Raymond Gawron
Assistant to the Director of Special Education	Jennifer Pearson
Personnel Assistant	Anita Seaholm

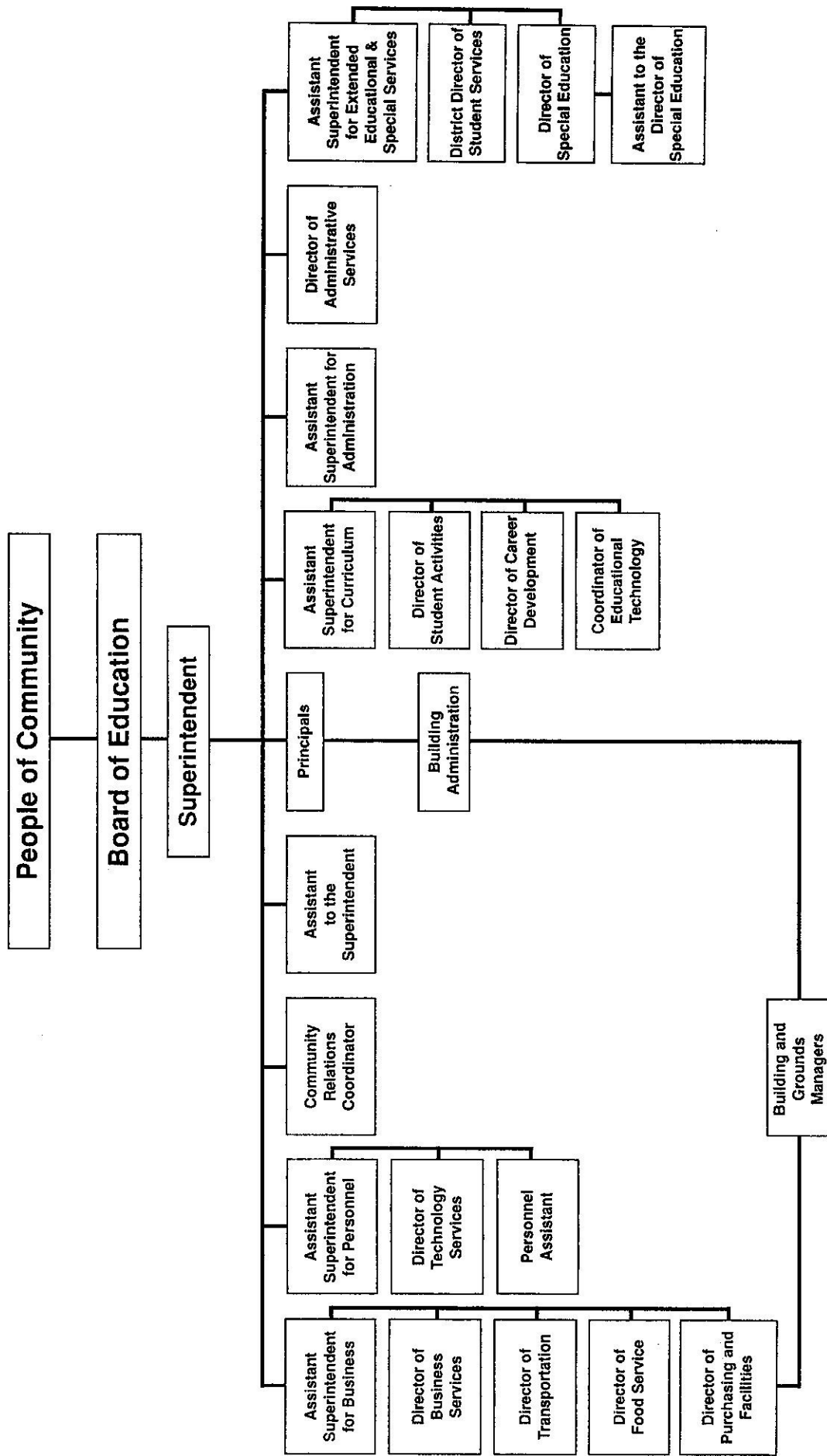
Principals

Palatine High School	Gary Steiger
William Fremd High School	Marina Scott
James B. Conant High School	Joseph Schlender
Schaumburg High School	Sharon Cross
Hoffman Estates High School	Theresa Busch



TOWNSHIP HIGH SCHOOL DISTRICT 211 ORGANIZATION CHART

Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2005



President and Members of the
Board of Education
Township High School District 211
1750 South Roselle Road,
Palatine, IL 60067

Dear Members of the Board:

The Comprehensive Annual Financial Report of Township High School District 211 (the District), for the fiscal year ended June 30, 2005, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter and the District's organizational chart. The Financial Section includes the basic financial statements, the Management's Discussion and Analysis (MD&A) and Required Supplementary Information (other than MD&A), as well as the independent auditors' report on the basic financial statements. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

REPORTING ENTITY AND SERVICES

Palatine/Schaumburg Township High School District 211 is located in Cook County, Illinois, approximately 25 miles northwest of Chicago. Comprising an area of 62 square miles within Palatine and Schaumburg Townships. The District serves the communities of Hoffman Estates, Inverness, Palatine, and Schaumburg, as well as portions of Elk Grove Village, and Hanover Park. Township High School District 211 is the largest high school district in the State of Illinois. Serving grades 9-12, the District's five high school campuses have a combined student enrollment of approximately 13,014. The District's population is currently estimated at 240,000.

The governing body consists of a seven-member Board of Education elected from within the District's boundaries for four year overlapping terms. The Superintendent and staff administer day-to-day operations. Based on the legislative authority codified in Illinois School Code, the Board of Education has the following powers:

- The corporate power to sue and be sued in all courts.
- The power to levy and collect taxes and to issue bonds.
- The power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.

The District defines its reporting entity by applying the criteria set forth in GASB 39 to potential component units. Briefly, a component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. These criteria are discussed in more detail in the financial statements. Using these criteria, management has determined that the District has no component units, nor is it a component unit of any other organization.

The District currently provides educational services at five high school locations. Each high school provides a comprehensive curriculum with over 270 courses in all subject areas; over 89 clubs and extracurricular organizations; social, personal, academic, career, and college counseling services; an auditorium; dance and music practice rooms; computer reading, science and vocational laboratories; comprehensive program of 28 inter-scholastic sports with facilities, including a swimming pool, a gymnasium, an athletic stadium, baseball, softball and soccer fields, running tracks and tennis courts; and a school cafeteria which serves hot lunch, breakfast and snacks. A network of 5,000 internet-ready computers assists students and teachers at each school in the engaged learning process required to meet the Illinois State Learning Goals and Standards.

Recap of Initiatives - The primary purpose of the District is to provide each student within the District the educational opportunities to master those skills which are necessary to function efficiently and effectively in our society. During the 2004-2005 school year, the primary accomplishments were as follows:

Curriculum:

- The District received the results of the 2004 Prairie State Achievement Examination in which District 211 out-performed students across the state in all five core academic areas.
- The Board authorized the superintendent to establish an Incoming Freshman Academy.
- The Board approved mathematics initiatives designed to improve student performance from subgroups that were not meeting standards established by the No Child Left Behind Act.
- The Board approved late start proposals for all five high schools in order to focus on plans to increase student achievement.
- The Board created its own special education alternative school program to serve District students.
- The PLAN test was administered to all sophomores.
- Placement tests were administered to 3,020 incoming freshmen.
- The Board accepted curriculum committee reports and approved textbooks.

Technology:

- The District offered in-district coursework in the areas of software application, interactive technology across the curriculum, and introduction to macromedia flash.
- The Board entered into an agreement for the purpose of paying costs of acquiring technology equipment and authorized the issuance of General Obligation Limited Tax Debt Certificates in the amount of \$2.5 million for a three-year period at a total interest rate of 3.08%.

Finance/Budget:

- The Board of Education adopted a resolution submitting a proposition to the voters to increase the District's maximum Education Fund tax rate from 1.59% to 1.99% at the April 5, 2005 Consolidated Election. On April 21, 2005 the Board completed an abstract of votes and certified favorable passage of the Education Fund tax rate increase with the following results: Yes-20,863; No-17,138.
- The Board adopted a supplemental budget and tax levy as required following a favorable referendum.
- The Board of Education approved resolutions authorizing intervention in proceedings before the state property tax appeal board which seek assessed valuation reductions in excess of \$100,000 for property tax years 2002 and 2003.
- The Board approved the salary and benefit structure for non-union employees. All non-union employees received a 1.9% salary increase. A new health insurance plan structure was approved for non-union employees and retirees effective January 1, 2005. Health insurance options and incentives were developed to include five plan choices in addition to a cash-out option.
- The Board of Education adopted resolutions to transfer interest earnings between operating funds and permanently transfer \$4.0 million from the Transportation Fund to the Educational Fund.
- The Board of Education adopted a resolution authorizing the issuance of General Obligation Limited Refunding Bonds of \$4.06 million. This represented a refinancing of existing life safety bonded indebtedness.

Facilities:

- The Board of Education approved the implementation of an energy management program.
- The new alternative high school facility was officially named District 211 Academy North.
- The District completed planned life-safety improvement projects.

ECONOMIC CONDITION AND OUTLOOK

The economic outlook for the District 211 communities indicates continued gradual growth. The financial, commercial, and industrial enterprises represent a diversity, which should withstand difficulties in any one area, and long-term planning by all of the community's promises to provide a smooth and effective transition into the future. Significant commercial development in the Greater Woodfield Area of Schaumburg, continued redevelopment of housing developments throughout the District, and continued attention to public works/roadways all emphasize the comprehensive activity and preparation of the District 211 communities.

TAX RATE INCREASE

On April 5, 2005, the voters of Township High School District 211 approved an increase in the Education Fund tax rate. The approved referendum property tax rate increase in the Education Fund from \$1.59 to \$1.99 (40 cents per \$100 of equalized assessed valuation) will result in a favorable restoration of Education Fund reserves and retains strong instructional programs now in place. Cost reductions and controlled expenditures will be in place to ensure a lasting effect of the referendum. The approved tax rate increase will be implemented in two steps. The first increase of approximately 25 cents begins in 2005 with the fall property tax installment (as amended with the 2004 levy) will generate approximately \$16.8 million of additional tax revenue. The residual amount of increase of 15 cents (total of 40 cents) would occur in 2006 (final installment determined with the 2005 levy in December) is projected to generate an additional \$28.8 million. Future property tax levy increases will be increased proportionately by tax cap law limitations.

INTERNAL ACCOUNTING AND BUDGETARY CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, Special Revenue Funds, Debt Service Fund, and Expendable Trust – Working Cash Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All outstanding encumbered amounts are cancelled at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

FINANCIAL INFORMATION

General Government Functions – The following schedule presents a summary of revenues of all Governmental Fund Types revenues for the fiscal year ended June 30, 2005 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue Source	Fiscal 2005	% of Total	Fiscal 2004	\$ Inc. (Dec.)	% Inc. (Dec.)
Property Taxes	\$143,788,738	78.7%	\$138,521,347	\$5,267,391	3.8%
Replacement Taxes	\$2,352,527	1.3%	\$1,944,142	\$408,385	21.0%
State Aid*	\$21,812,289	11.9%	\$23,982,265	(\$2,169,976)	(9.0%)
Federal Aid	\$2,864,173	1.6%	\$2,703,818	\$160,355	5.9%
Interest	\$2,292,414	1.3%	\$1,659,333	\$633,081	38.2%
Other	\$9,520,056	5.2%	\$8,997,993	\$522,063	5.8%
Total	\$182,630,197	100.0%	\$177,808,898	\$4,821,299	2.7%

*Includes TRS on-behalf contributions.

Taxes continue to represent the largest source of revenue for the District. Tax revenues are a combination of local property taxes and Illinois Commercial Personal Property Replacement Taxes. The local property taxes received by the District is the result of the following three factors: state multiplier set by the Illinois Department of Revenue used to equalize property throughout the state; tax levy by account adopted by the District Board of Education; and the maximum tax rate set by the residents of the District. Tax collections in the District generally occur in March and September, causing the District to receive the tax revenue from the tax levy in two separate fiscal years.

The following schedule presents a summary of all Governmental Fund Types for the fiscal year ended June 30, 2005, and the percentage of increases and decreases in relation to prior year amounts.

Expenditure Source	Fiscal 2005	% of Total	Fiscal 2004	\$ Inc. (Dec.)	% Inc. (Dec.)
Instruction*	\$101,291,119	50.9%	\$103,487,197	(\$2,196,078)	(2.1%)
Support Services	\$66,340,642	33.7%	\$68,638,091	(\$2,297,449)	(3.3%)
Non-Programmed Charges	\$4,043,393	1.9%	\$3,807,185	\$236,208	24.0%
Debt Services	\$13,664,421	6.6%	\$13,500,420	\$164,001	4.3%
Capital Outlay	\$15,134,852	6.9%	\$13,942,447	\$1,192,405	(48.7%)
Total	\$200,474,427	100.0%	\$203,375,340	(\$2,900,913)	(1.4%)

*Includes TRS on-behalf contributions.

The Instruction expenditures represent the costs of the regular and special education instructional programs and are naturally the single largest type of expenditure the District incurs, representing 50.9% of the total.

The District's expenditures for instructional support, operations and maintenance of the District's six buildings, and the pupil transportation costs are reflected in the Supporting Services line item.

Fund Balances – The District's governmental funds reported a combined fund balance of \$82.1 million, below last year's ending fund balance of \$94.0 million. This represents a 12.7 percent decrease.

Fund Balances	Fiscal 2005	% of Total	Fiscal 2004	\$ Inc. (Dec.)	% Inc. (Dec.)
Educational Fund	\$25,486,272	31.1%	\$22,409,274	\$3,076,998	13.7%
Operations/Maintenance	\$19,526,116	23.8%	\$20,131,811	(\$605,695)	(3.0%)
Transportation	\$4,033,399	4.9%	\$8,125,789	(\$4,092,390)	(50.4%)
IMRF/Social Security	(\$442,329)	(0.5%)	\$1,582,652	(\$2,024,981)	(127.9%)
Working Cash	\$14,010,165	17.1%	\$14,006,255	\$3,910	0.0%
Debt Service	\$10,008,873	12.2%	\$9,504,128	\$504,745	5.3%
Fire Prevention & Safety	\$9,453,523	11.5%	\$18,237,084	(\$8,783,561)	(48.2%)
Total	\$82,076,019	100.0%	\$93,996,993	(\$11,920,974)	(12.7%)

Debt Administration – At June 30, 2005 the District's long-term debt was \$32,371,204. The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of total equalized assessed valuation of the District. As of June 30, 2005, the statutory debt limit for the District was \$524,014,686, providing a debt margin of \$494,723,022.

The District's total annual debt service requirement to maturity for general obligation bonds is \$30,187,007. During the fiscal year 2005, the District issued \$2,500,000 in limited debt tax certificates to purchase certain real property and equipment (technology equipment). As of June 30, 2005, the related annual debt service requirements to maturity is \$2,218,955.

Cash Management – Cash and Investments of the District, including the Agency fund, are maintained by the District Treasurer.

At the nonpartisan election held on November 4, 1997, voters approved a referendum to abolish the offices of the Schaumburg Township Board of School Trustees and Township School Treasurer effective July 1, 1998. District 211, which encompasses all of Schaumburg Township and most of Palatine Township, was subject to the referendum in Schaumburg Township because the Board of Education many years ago opted to be under the jurisdiction of the Schaumburg Township Board of School Trustees and Treasurer.

In accordance with the Illinois School Code, the Boards of Education of the school districts affected by the abolition of these offices were required to appoint their own school treasurers and designate authorized depositories of school district funds.

The Board of Education appointed the associate superintendent for business to serve as District Treasurer. The Treasurer is responsible for investing the funds temporarily idle during the year in demand deposits, certificates of deposit, obligations of the U.S. Treasury, repurchase agreements and commercial paper. The Treasurer maintains investment relationships with several major local and Chicago-based commercial banks and commercial paper brokerage firms. Investment strategies are structured to obtain the best yield for all invested funds, which may require rapid turnover of investments among several depositories. Except for cash in certain restricted and special funds, the District consolidates cash balances from all funds to maximize investment earnings. Investment income is allocated to the various funds based on their

respective participation. The Treasurer complies with the requirements of the Illinois School Code in making investments. It is the policy of the District to diversify its investment portfolio. Diversification strategies are determined and revised periodically by the Treasurer. Time deposits in excess of Federal Depository Insurance Corporation (FDIC) insurable limits are secured by an approved form of collateral or private insurance to protect public deposits in the event a single financial institution was to default. Third party safekeeping is required for all securities and commercial paper. The Treasurer submits monthly investment reports to the Board of Education describing the portfolio in terms of investment securities, maturities, and earnings for the current period and the name of the respective institutions where the investments have been placed.

RISK MANAGEMENT

Since 1989, Township High School District 211 has been a member of the Secondary School Cooperative Risk Management Program, (SSCRMP), a property and liability insurance pool comprised of High School Districts 207 (Maine Township), 211, 214 (Wheeling and Elk Grove Township), and 225 (Northfield Township). The goal of the pool is to provide more comprehensive insurance coverage at a lower cost than the school districts can obtain individually. A board of directors made up of the business officials from each school district governs the pool.

SSCRMP has maintained a comprehensive program that provides insurance coverage for claims in excess of a specific self-insured retention (shared deductible) of \$100,000 for property claims and \$1,000,000 for liability claims. Each member district is responsible for paying an initial \$1,000 deductible for its own property claims. SSCRMP loss-fund reserves are used to pay claims within the self-insured retention for property or liability claims.

The pool contracts with various service providers. The service providers for fiscal year 2005 are: Arthur J. Gallagher for insurance brokerage services; Gallagher Bassett Services for claims administration and loss control services; and Nugent Risk Management Services for administration and risk management.

SSCRMP uses an actuarial formula to determine the annual contribution allocation of each member school district for insurance coverage, administration, and loss funding. Member costs are based on risk exposure elements such as property values, number of vehicles, number of employees, student enrollment, and past claims experience. The SSCRMP program was designed to accumulate surplus funds over time to give the pool flexibility when the insurance market experiences excessive cost increases by applying a surplus credit to premium allocations. SSCRMP continues to provide District 211 with comprehensive insurance coverage and quality services in a cost effective manner.

OTHER INFORMATION

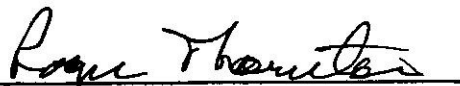
Independent Audit – The School Code of Illinois and the District's adopted policy require an annual audit by independent certified public accountants. The accounting firm of William F. Gurrie & Co., Ltd. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of

the federal Single Audit Act of 1984 and related OMB Circular A-128. The auditors' report on the general purpose financial statements is included in the financial section of this report.

Awards - The District and its high schools have been recognized nationally for a number of achievements. Township High School District 211 was ranked among the nations' best school districts by *Expansion Management* magazine in 1998, 2001, 2003, and 2005, and the District's Transportation Department was named as one of the "Great Fleets Across America" by *School Bus Fleet* magazine in 2000. Each of the District's five high schools has been recognized for excellence with the United States Department of Education's National Secondary School Recognition Program's Blue Ribbon Award. Palatine, William Fremd, and Schaumburg High Schools have been named among the nation's "Top High Schools" by *U.S. News & World Report*, and Palatine High School was one of only 10 schools in the country to be named a "New American High School" by the United States Department of Education in 2000. Schaumburg High School was also nationally recognized in 1996 as one of America's Best Schools by *Redbook* magazine.

Acknowledgments - We would like to extend our appreciation to the Board of Education for their support and direction in planning and conducting the financial affairs of the District for the 2005 fiscal year.

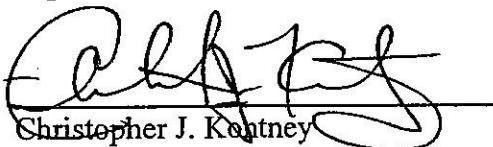
Respectfully submitted,



Roger W. Thornton
Superintendent



David S. Torres
Associate Superintendent for Business



Christopher J. Kontney
Director of Business Services

INDEPENDENT AUDITORS' REPORT

September 27, 2005

To the Board of Education
Township High School District 211
1750 South Roselle Road
Palatine, Illinois 60067

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Township High School District 211, as of and for the year ended June 30, 2005, which collectively comprise Township High School District 211's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Township High School District 211's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information in the Statement of Net Assets has been derived from Township High School District 211's financial statements for the year ended June 30, 2004 and, in our report dated September 27, 2004, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Township High School District 211, as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements include prior-year comparative information in the Statement of Net Assets. 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 government's financial statements for the year ended June 30, 2004, from which such partial information was derived.

In accordance with Government Auditing Standards, we have also issued a report dated September 27, 2005 on our consideration of Township High School District 211'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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Township High School District 211's basic financial statements. The financial information listed as supplementary schedules 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 been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

William F. Gurrie & Co., Ltd.

WILLIAM F. GURRIE & CO., LTD.

This section of Palatine/Schaumburg Township High School District 211's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2005. Please read it in conjunction with the transmittal letter found in the introductory section and the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior is presented in the MD&A.

Financial Highlights

- Total net assets of governmental activities decreased \$3.5 million, which represents a 2.5 percent decrease from fiscal year 2004. The primary changes in net assets for 2005 resulted from an increase in deferred revenue from property taxes.
- General revenues accounted for \$153.5 million in revenue, or 83.8 percent of all fiscal year 2005 revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$29.6 million or 16.2 percent of total revenues of \$183.1 million.
- The District had \$186.4 million in expenses related to governmental activities, of which \$29.6 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$153.5 million were not adequate to provide for the remaining costs of these programs. The deficiency was funded by operating reserves and restricted bond proceeds for approved life safety capital improvements.
- Among major funds, the Educational Fund had \$142.3 million in fiscal year 2005 revenues, which primarily consisted of property taxes and state aid, and \$146.8 million in expenditures (excluding transfers-in and lease-loan proceeds). The Operations/Maintenance fund had \$16.8 million in fiscal year 2005 revenues, compared to \$20.1 million in expenditures (excluding transfers-in). Combined, the fund balance for the Educational and Operations/Maintenance Funds increased from \$42.5 million as of June 30, 2004 to \$45.0 million as of June 30, 2005.
- During the year, the Board of Education authorized the permanent transfer of \$4.0 million from the Transportation Fund to the Educational Fund. The permanent transfer was authorized by proper resolution and public hearing.
- The following factors have contributed to the fund balance increase in the Educational and Operations/Maintenance Funds:

- Budget salary reductions/controls implemented in all support staff areas (1.9% non-union support staff salary increases); reductions in administrative positions, limited overtime and part-time work and lower retirement incentives than projected.
 - Property tax assessment reductions/refunds from current year tax collections of \$2.7 million. Over the past several years, refunds have been significantly higher. Tax refunds are assessed to taxing districts after final adjudication by the Circuit Court or Property Tax Appeal Board (PTAB). Many tax appeals may take 2 or 3 years to adjudicate in the appeal system. Timing of refunds is not predictable.
 - Health/dental insurance claim costs (self-funded program) increased only 1.1% for 2004-2005 compared to 13.7% for 2003-2004. This minimal increase is attributed to a health plan design change implemented on January 1, 2005 for approximately one-third of health insurance program participants (non-union employees and retirees).
 - Planned levy reductions for 2003 and 2004 (Tax Cap limitation) in the Operations/Maintenance Fund to accommodate a greater need in the Educational Fund.
- During the year, \$9.3 million of planned life safety projects were completed. Limited Tax School Fire Prevention and Safety Bonds were issued in 2002 to fund these multi-year state approved projects.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of Township High School District 211 Annual Financial Report

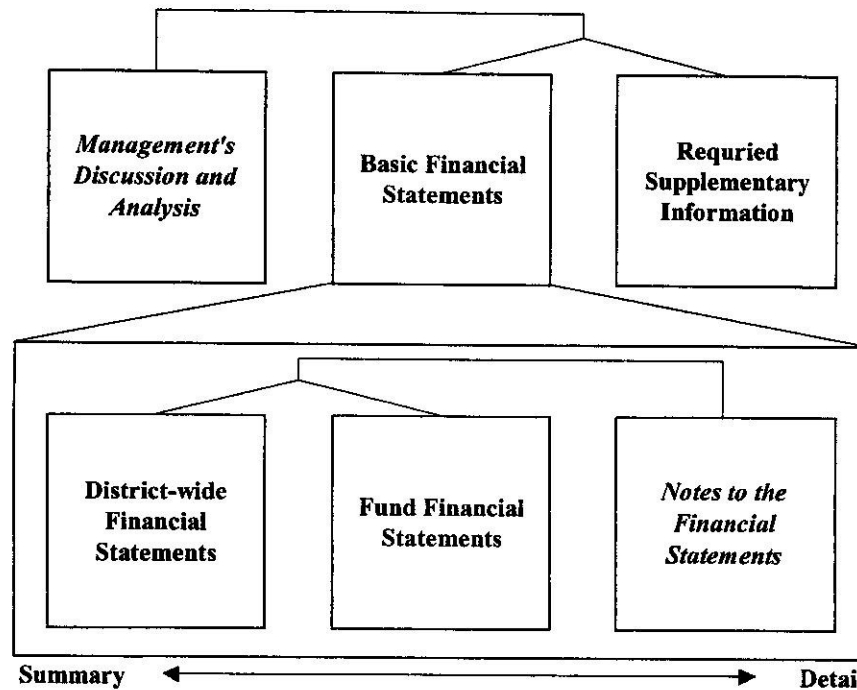


Figure A-2 summarizes the major features of the District's financial statements; including the remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

<i>Major Features of the District-Wide and Fund Financial Statements</i>			
	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	¹⁾ Statement of net assets	¹⁾ Balance sheet	¹⁾ Statement of fiduciary net assets
	²⁾ Statement of activities	²⁾ Statement of revenues, expenditures, and changes in fund balances	²⁾ Statement of changes in fiduciary net assets
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year of soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are all categorized as *governmental activities*. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

District 211's fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Working Cash).

The District has two categories of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are greater or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the

additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net assets: The District's combined net assets were lower on June 30, 2005 than they were the year before, decreasing 2.5 percent to \$135.9 million. (See Figure A-3.)

Figure A-3
Condensed Statement of Net Assets (in millions of dollars)

	Governmental Activities 2005	Governmental Activities 2004	% Inc. (Dec.)
Current and other assets	\$182.9	\$181.6	0.7%
Capital assets	\$84.1	\$84.7	(0.7%)
Total assets	\$267.0	\$266.3	0.3%
Long-term debt outstanding	\$32.4	\$42.3	(23.4%)
Other liabilities	\$98.7	\$84.6	16.7%
Total liabilities	\$131.1	\$126.9	3.3%
Net assets invested in capital assets, net of related debt	\$67.5	\$74.4	(9.3%)
Restricted	\$23.4	\$42.0	(44.3%)
Unrestricted	\$45.0	\$23.0	95.7%
Total net assets	\$135.9	\$139.4	(2.5%)

Note: totals may not add due to rounding.

Changes in net assets: The District's total revenues were \$183.1 million (See Figure A-4.)

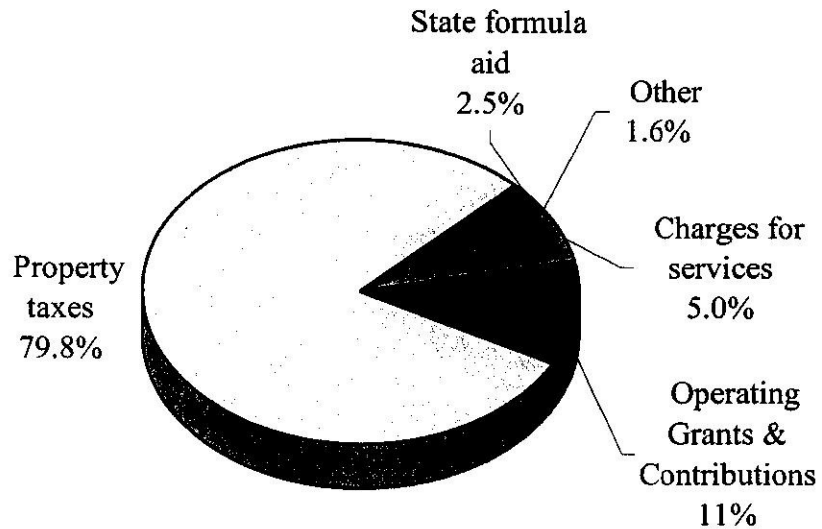
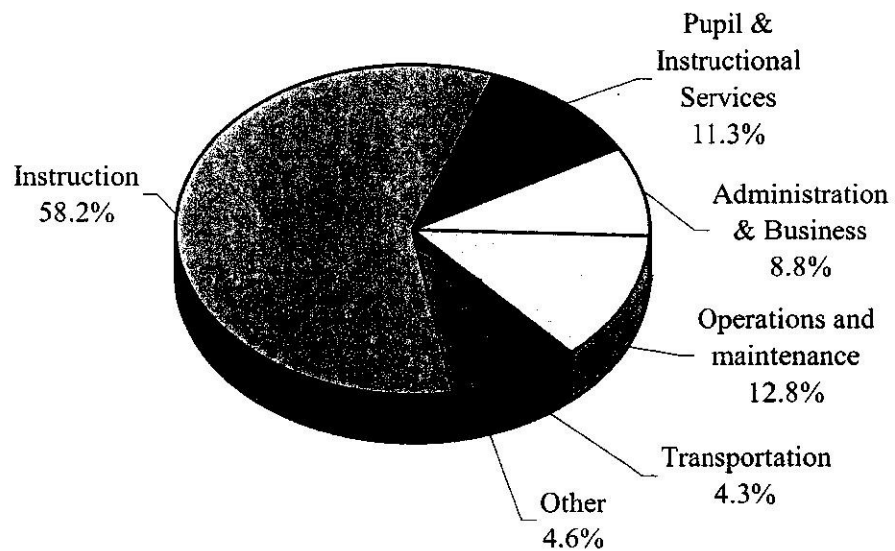
Figure A-4
Changes in Net Assets from Operating Results (in millions of dollars)

	Governmental Activities 2005	% of Total	Governmental Activities 2004	% Inc. (Dec.)
Revenues				
Program revenues				
Charges for services	\$9.4	5.1%	\$8.5	10.6%
Operating Grants & Contributions	\$20.2	11.0%	\$22.3	(9.4%)
General revenues				
Property taxes	\$146.1	79.8%	\$140.5	4.0%
State formula aid	\$4.5	2.5%	\$4.4	2.3%
Other	\$2.9	1.6%	\$2.2	31.8%
Total revenues	\$183.1	100%	\$177.9	2.9%
Expenses				
Instruction	\$108.5	58.2%	\$109.3	(0.7%)
Pupil & Instructional Services	\$21.1	11.3%	\$21.4	(1.4%)
Administration & Business	\$16.4	8.8%	\$17.3	(5.2%)
Operations and maintenance	\$23.8	12.8%	\$21.2	12.3%
Transportation	\$8.0	4.3%	\$7.8	2.6%
Other	\$8.6	4.6%	\$8.7	(1.1%)
Total expenses	\$186.4	100%	\$185.7	0.4%
Excess (deficiency) of revenues over expenses before special items	(\$3.3)		(\$7.8)	
Special items-gain/loss on disposition	(\$0.2)		\$0.0	
Increase (decrease) in net assets	(\$3.5)		(\$7.8)	
Net Assets				
Net Assets as of June 30	\$135.9		\$139.4	(2.5%)

Note: totals may not add due to rounding.

Property taxes accounted for most of the District's revenue, contributing about 80 cents of every dollar raised. (See figure A-5.) The remainder came from state and federal aid for specific programs, and fees charged for services and miscellaneous sources. The total cost of all programs and services was \$186.4 million. The District's expenses are predominately related to instructing, caring for (pupil services) and transporting students (73.8 percent). (See Figure A-6.)

The District's administrative and business activities accounted for 8.8 percent of total costs. Total expenses surpassed revenues, decreasing net assets \$3.5 million from last year.

Figure A-5 Sources of Revenues for Fiscal Year 2005*Figure A-6 Expenses for Fiscal Year 2005*

Governmental Activities

Revenues for the District's governmental activities were \$183.1 million (excluding the special items – loss on disposition of capital assets) and total expenses were \$186.4 million, resulting in net assets decreasing \$3.5 million in 2005.

Though net assets continue to decrease, the ongoing stability of the District's finances can be credited both to a strong real estate tax base and budgetary controls put in place by the Board of Education.

- Rising real estate values led to continued strong property tax revenues in 2005, despite the fact that property tax appeals continue to result in refunds assessed against current year tax collections. Operating grants and contributions for governmental activities continue to remain consistent with no new significant funding initiatives (state/federal) realized in 2005.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-7 <i>Net Cost of Governmental Activities (in millions of dollars)</i>				
	<u>Total Cost</u> of Services	<u>Net Cost</u> of Services	<u>Total Cost</u> of Services	<u>Net Cost</u> of Services
	<u>2005</u>		<u>2004</u>	
Instruction	\$108.5	\$87.9	\$109.3	\$87.5
Pupil & Instructional Services	\$21.1	\$20.7	\$21.4	\$20.8
Administration & Business	\$16.4	\$11.2	\$17.3	\$12.4
Operations & Maintenance	\$23.8	\$23.6	\$21.2	\$21.0
Transportation	\$8.0	\$4.8	\$7.8	\$4.5
Other	\$8.6	\$8.6	\$8.7	\$8.7
Total	\$186.4	\$156.8	\$185.7	\$154.9
<i>Note: totals may not add due to rounding.</i>				

- The cost of all governmental activities this year was \$186.4 million.
- Some of the cost was financed by the users of the District's programs (\$9.4 million).
- The federal and state governments subsidized certain programs with grants and contributions (\$20.2 million).
- Most of the District's costs (\$156.8 million), however, were financed by property taxes.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$82.1 million, below last year's ending fund balance of \$93.9 million.

Four of the district's governmental funds had more expenditures than revenues in 2005, thereby contributing to the decrease in total fund balance. The Educational Fund and Operations/Maintenance Funds experienced deficits of \$4.5 and \$3.3 million, respectively (excluding other financing uses), due to a combination of retirement incentives, state mandated Early Retirement Option (ERO) contributions, salary/benefit commitments in existing collective bargaining agreements, and planned levy reductions in the Operations/Maintenance fund to accommodate a greater need in the Educational Fund. A decrease in fund balance for the Fire Prevention and Safety Fund reflects ongoing life safety approved projects funded from bond proceeds issued in 2002.

General Fund Budgetary Highlights

On April 5, 2005, the voters of Township High School District 211 approved an increase in the Education Fund tax rate. Following the Board of Education's final certification of the election results on April 21, the District amended its 2004 tax levy, held a public hearing and adopted a supplemental budget on May 24, 2005.

Section 17-3.2 of the Illinois School Code authorizes a school board to adopt a supplemental budget following a successful tax rate referendum election, which is held after the adoption of the annual budget for the current fiscal year. The supplemental budget is to be regarded as an amendment to the annual budget for the fiscal year; and the Board may then levy the additional tax for educational purposes, equal to the amount of additional sums of money appropriated in that supplemental budget. The Cook County tax extension schedule operates in a manner whereby funds collected with respect to the District's 2004 tax levy will not be received by the District or expended until the 2005-2006 budget year. However, the law requires that the foregoing process must be followed if the Board intends to amend its 2004 tax levy. In addition, the Board must comply with the full notices of hearing in amending its budget and tax levy, as well as adhering to the Truth-in-Taxation Law.

The approved referendum tax rate increase establishes a new legal maximum Education Fund rate limit from \$1.59 to \$1.99 (40 cents per \$100 of equalized assessed valuation). As publicly communicated, the approved tax rate increase will be implemented in two steps. The first increase of approximately 25 cents would begin in 2005 with the fall property tax installment (as amended with the 2004 levy), and an additional increase of 15 cents (total of 40 cents) would occur in 2006 (final installment determined with the 2005 levy).

The District's final budget for the Educational and Operations/Maintenance Funds anticipated that expenditures would exceed revenues. The actual results for the year show a \$3.1 million excess in the Educational Fund and a \$0.6 million deficiency in the Operations/Maintenance Fund (both funds combined include other financing uses of \$10.3 million).

Capital Asset and Debt Administration

Capital Assets

By the end of 2005, the District had invested \$86.1 million in a broad range of capital assets, including school buildings, building improvements, vehicles, library books, textbooks, and equipment. (See Figure A-8.) This amount represents a net increase of \$1.5 million or 1.8 percent from last year. (More detailed information about capital assets can be found in Note 7 to the financial statements.) Total depreciation expense for the year exceeded \$8.4 million, while building improvements and additions to equipment and furniture amounted to \$5.0 million.

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities	Governmental Activities
	<u>2005</u>	<u>2004</u>
Land	\$1.6	\$1.6
Construction in progress	\$7.5	\$2.6
Depreciable buildings, property, and equipment, net	\$77.0	\$80.4
Total	\$86.1	\$84.6

Note: totals may not add due to rounding.

The District's student enrollment has increased steadily over the last three years to reach a 2004-2005 enrollment of 13,014. The current facilities adequately accommodate the District's enrollment. The near term future plans call for repair and maintenance to existing facilities as the main capital needs of the District.

Long-Term Debt

At year-end, the District had \$32.4 million in general obligation bonds and other long-term debt outstanding – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

Figure A-9**Outstanding Long-Term Debt (in millions of dollars)**

	Total School District	Total School District
	<u>2005</u>	<u>2004</u>
General Obligation Bonds	\$30.7	\$39.7
Technology Leases	\$0.0	\$0.9
Compensated Absences	\$1.7	\$1.6
Total	\$32.4	\$42.2

Note: totals may not add due to rounding.

- The District continued to pay down its debt, retiring \$17.9 million of outstanding bonds, loans, and leases.
- \$2.5 million in new debt for technology equipment was issued during the year.

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 may significantly affect its financial health in the future:

- The approved referendum property tax rate increase in the Education Fund from \$1.59 to \$1.99 (40 cents per \$100 of equalized assessed valuation) will result in a favorable restoration of Educational Fund reserves and retains strong instructional programs now in place. Cost reductions and controlled expenditures will be in place to ensure a lasting effect of the referendum. The approved tax rate increase will be implemented in two steps. The first increase of approximately 25 cents begins in 2005 with the fall property tax installment (as amended with the 2004 levy) will generate approximately \$16.8 million of additional tax revenue. The residual amount of increase of 15 cents (total of 40 cents) would occur in 2006 (final installment determined with the 2005 levy in December) is projected to generate an additional \$28.8 million. Future property tax levy increases will be increased proportionately by tax cap law limitations.
- State and federal funding have remained flat with no foreseeable increase in the future.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Palatine Schaumburg Township High School District 211, 1750 South Roselle Road, Palatine, Illinois 60067.

TOWNSHIP HIGH SCHOOL DISTRICT 211

STATEMENT OF NET ASSETS JUNE 30, 2005

	GOVERNMENTAL ACTIVITIES	
	2005	2004
Assets		
Cash	\$ 79,258,667	\$ 93,901,971
Receivables (net of allowance for uncollectibles):		
Interest	397,506	338,109
Property taxes	93,948,135	79,700,479
Replacement taxes	420,159	310,635
Accounts	238,512	4,243,037
Intergovernmental	4,000,261	2,867,622
Vocational projects	2,421,338	214,012
Prepaid items	191,307	-
Deferred charges	78,943	102,841
Capital assets:		
Land	1,576,291	1,576,291
Construction in progress	7,525,831	2,594,150
Depreciable buildings, property, and equipment, net	<u>76,981,493</u>	<u>80,447,468</u>
Total assets	<u>267,038,443</u>	<u>266,296,615</u>
Liabilities		
Accounts payable	3,156,354	2,838,248
Salaries and wages payable	220,001	232,246
Payroll deductions payable	42,878	39,621
Retainage payable	660,774	357,180
Interest payable	101,918	132,456
Deferred revenue	92,742,859	79,149,166
Health claims payable	1,802,797	1,827,898
Long-term liabilities:		
Other long-term liabilities - due within one year	12,148,866	13,088,023
Other long-term liabilities - due after one year	<u>20,222,338</u>	<u>29,211,339</u>
Total liabilities	<u>131,098,785</u>	<u>126,876,177</u>
Net assets		
Invested in capital assets, net of related debt	67,452,944	74,361,392
Restricted for:		
Operations and maintenance	19,358,423	20,381,469
Debt service	9,985,898	9,120,473
Student transportation	4,033,399	8,538,327
Retirement benefits	-	2,482,432
Capital projects	1,973,029	1,465,959
Grant expenditures	11,875	91,100
Unrestricted	<u>33,124,090</u>	<u>22,979,286</u>
Total net assets	<u>\$ 135,939,658</u>	<u>\$ 139,420,438</u>

See Notes to Basic Financial Statements

TOWNSHIP HIGH SCHOOL DISTRICT 211

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2005

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET ASSETS
				GOVERNMENTAL ACTIVITIES
Governmental activities				
Instruction:				
Regular programs	\$ 59,295,804	\$ 2,428,820	\$ 638,728	\$ (56,228,256)
Special programs	19,816,008	915,254	4,942,605	(13,958,149)
Other instructional programs	19,947,027	1,353,283	995,041	(17,598,703)
State retirement contributions	9,431,879	-	9,431,879	-
Support services:				
Pupils	13,535,545	-	36,737	(13,498,808)
Instructional staff	7,517,054	-	282,662	(7,234,392)
General administration	2,207,448	-	-	(2,207,448)
School administration	8,339,673	-	-	(8,339,673)
Business	5,893,531	4,312,124	944,834	(636,573)
Transportation	8,026,637	229,494	2,953,358	(4,843,785)
Operations and maintenance	23,773,715	129,640	-	(23,644,075)
Central	2,780,090	-	-	(2,780,090)
Interest and fees	1,141,899	-	-	(1,141,899)
Unallocated depreciation	4,720,484	-	-	(4,720,484)
Total governmental activities	<u>\$ 186,426,794</u>	<u>\$ 9,368,615</u>	<u>\$ 20,225,844</u>	<u>(156,832,335)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				108,625,132
Real estate taxes, levied for specific purposes				23,918,925
Real estate taxes, levied for debt service				11,244,681
Personal property replacement taxes				2,352,527
State aid-formula grants				4,450,618
Investment earnings				2,212,105
Miscellaneous				648,611
Total general revenues				<u>153,452,599</u>
Loss on disposal of capital assets				<u>(101,044)</u>
Total general revenues, transfers, special and extraordinary items				<u>153,351,555</u>
Change in net assets				<u>(3,480,780)</u>
Net assets, beginning of year				<u>139,420,438</u>
Net assets, end of year				<u>\$ 135,939,658</u>

See Notes to Basic Financial Statements

TOWNSHIP HIGH SCHOOL DISTRICT 211

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2005

WITH COMPARATIVE TOTALS FOR JUNE 30, 2004

	GENERAL (EDUCATIONAL)	OPERATIONS AND MAINTENANCE	TRANS.	IMRF/ SOC. SEC.
Assets				
Cash	\$ 23,679,753	\$ 17,173,167	\$ 4,271,811	\$ 1,413,412
Receivables (net of allowance for uncollectibles):				
Interest	59,845	65,189	15,678	2,421
Property taxes	74,217,807	8,502,546	2,115,189	3,245,649
Replacement taxes	288,159	-	-	132,000
Accounts	238,512	-	-	-
Intergovernmental	1,120,261	2,880,000	-	-
Advance to other funds	-	-	-	-
Inventory	2,421,338	-	-	-
Prepaid items	-	167,693	23,614	-
Total assets	\$ 102,025,675	\$ 28,788,595	\$ 6,426,292	\$ 4,793,482
Liabilities and fund balance				
Accounts payable	\$ 1,293,543	\$ 840,035	\$ 218,749	\$ -
Salaries and wages payable	104,440	22,054	93,507	-
Payroll deductions payable	-	-	-	42,878
Retainage payable	-	33,728	-	-
Advance from working cash fund	-	-	-	2,000,000
Deferred revenue	73,338,623	8,366,662	2,080,637	3,192,933
Health claims payable	1,802,797	-	-	-
Total liabilities	76,539,403	9,262,479	2,392,893	5,235,811
Fund balance				
Reserved fund balance:				
Reserved for prepaid expenditures	-	167,693	23,614	-
Reserved for grant expenditures	11,875	-	-	-
Unreserved fund balance:				
Undesignated	25,474,397	19,358,423	4,009,785	(442,329)
Total fund balance	25,486,272	19,526,116	4,033,399	(442,329)
Total liabilities and fund balance	\$ 102,025,675	\$ 28,788,595	\$ 6,426,292	\$ 4,793,482

See Notes to Basic Financial Statements

WORKING CASH	BOND AND INTEREST	FIRE PREV. & SAFETY	TOTAL	
			2005	2004
\$ 11,962,279	\$ 9,912,420	\$ 10,845,825	\$ 79,258,667	\$ 93,901,971
156,123	12,060	86,190	397,506	338,109
-	5,866,944	-	93,948,135	79,700,479
-	-	-	420,159	310,635
-	-	-	238,512	-
-	-	-	4,000,261	4,243,037
2,000,000	-	-	2,000,000	-
-	-	-	2,421,338	2,867,622
-	-	-	191,307	214,012
<u>\$ 14,118,402</u>	<u>\$ 15,791,424</u>	<u>\$ 10,932,015</u>	<u>\$ 182,875,885</u>	<u>\$ 181,575,865</u>
\$ -	\$ -	\$ 804,027	\$ 3,156,354	\$ 2,838,248
-	-	-	220,001	232,246
-	-	-	42,878	39,621
-	-	627,046	660,774	357,180
-	-	-	2,000,000	-
108,237	5,782,551	47,419	92,917,062	82,283,678
-	-	-	1,802,797	1,827,898
<u>108,237</u>	<u>5,782,551</u>	<u>1,478,492</u>	<u>100,799,866</u>	<u>87,578,871</u>
-	-	-	191,307	214,012
-	-	-	11,875	91,100
<u>14,010,165</u>	<u>10,008,873</u>	<u>9,453,523</u>	<u>81,872,837</u>	<u>93,691,882</u>
<u>14,010,165</u>	<u>10,008,873</u>	<u>9,453,523</u>	<u>82,076,019</u>	<u>93,996,994</u>
<u>\$ 14,118,402</u>	<u>\$ 15,791,424</u>	<u>\$ 10,932,015</u>	<u>\$ 182,875,885</u>	<u>\$ 181,575,865</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Total fund balances - governmental funds	\$ 82,076,019
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.	86,083,615
Certain revenues receivable by the District and recognized in the Statement of Net Assets do not provide current financial resources and are deferred in the Governmental Funds Balance Sheet.	174,203
Long-term liabilities included in the Statement of Net Assets are not due and payable in the current period and, accordingly, are not included in the Governmental Funds Balance Sheet.	(32,371,204)
Deferred charges included in the Statement of Net Assets are not available to pay for current period expenditures and, accordingly, are not included in the Governmental Funds Balance Sheet.	78,943
Interest on long-term liabilities accrued in the Statement of Net Assets will not be paid with current financial resources and, accordingly, is not recognized in the Governmental Funds Balance Sheet.	<u>(101,918)</u>
Net assets of governmental activities	<u>\$ 135,939,658</u>

See Notes to Basic Financial Statements

TOWNSHIP HIGH SCHOOL DISTRICT 211

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL (EDUCATIONAL)	OPERATIONS AND MAINTENANCE	TRANS.	IMRF/ SOC. SEC.
Revenues				
Property taxes	\$ 108,659,438	\$ 15,968,724	\$ 3,944,677	\$ 4,005,524
Replacement taxes	2,197,150	-	-	155,377
State aid	18,858,931	-	2,953,358	-
Federal aid	2,864,173	-	-	-
Interest	778,082	428,784	116,462	33,929
Other	8,914,856	373,113	232,087	-
Total revenues	<u>142,272,630</u>	<u>16,770,621</u>	<u>7,246,584</u>	<u>4,194,830</u>
Expenditures				
Current:				
Instruction:				
Regular programs	56,433,215	-	-	67
Special programs	14,613,774	-	-	1,088,885
Other instructional programs	19,506,173	-	-	217,126
State retirement contributions	9,431,879	-	-	-
Support services:				
Pupils	12,672,788	-	-	845,737
Instructional staff	6,831,670	-	-	521,443
General administration	2,098,814	-	-	108,634
School administration	7,592,236	-	-	492,605
Business	5,477,829	-	-	266,228
Transportation	-	-	6,480,842	787,713
Operations and maintenance	-	17,758,904	-	1,739,254
Central	2,513,826	-	-	152,119
Nonprogrammed charges	3,793,774	249,619	-	-
Debt service:				
Principal	2,771,351	21,111	-	-
Interest and other	85,933	-	-	-
Capital outlay	2,964,619	2,021,471	858,132	-
Total expenditures	<u>146,787,881</u>	<u>20,051,105</u>	<u>7,338,974</u>	<u>6,219,811</u>
Excess (deficiency) of revenues over expenditures	<u>(4,515,251)</u>	<u>(3,280,484)</u>	<u>(92,390)</u>	<u>(2,024,981)</u>
Other financing sources (uses)				
Operating transfers in	4,595,082	188,368	-	-
Operating transfers (out)	-	(393,579)	(4,000,000)	-
Bond proceeds	-	-	-	-
Other	2,997,167	2,880,000	-	-
Total other financing sources (uses)	<u>7,592,249</u>	<u>2,674,789</u>	<u>(4,000,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other (uses)	3,076,998	(605,695)	(4,092,390)	(2,024,981)
Fund balance, beginning of year	22,409,274	20,131,811	8,125,789	1,582,652
Fund balance, end of year	<u>\$ 25,486,272</u>	<u>\$ 19,526,116</u>	<u>\$ 4,033,399</u>	<u>\$ (442,329)</u>

See Notes to Basic Financial Statements

WORKING CASH	BOND AND INTEREST	FIRE PREV. & SAFETY	TOTAL	
			2005	2004
\$ (34,306)	\$ 11,244,681	\$ -	\$ 143,788,738	\$ 138,521,347
-	-	-	2,352,527	1,944,142
-	-	-	21,812,289	23,982,265
-	-	-	2,864,173	2,703,818
239,719	188,369	507,069	2,292,414	1,659,333
-	-	-	9,520,056	8,997,993
<u>205,413</u>	<u>11,433,050</u>	<u>507,069</u>	<u>182,630,197</u>	<u>177,808,898</u>
-	-	-	56,433,282	56,022,605
-	-	-	15,702,659	15,599,982
-	-	-	19,723,299	20,705,057
-	-	-	9,431,879	11,159,553
-	-	-	13,518,525	13,563,550
-	-	-	7,353,113	7,410,146
-	-	-	2,207,448	3,167,835
-	-	-	8,084,841	7,952,548
-	-	-	5,744,057	5,657,513
-	-	-	7,268,555	7,131,776
-	-	-	19,498,158	20,883,711
-	-	-	2,665,945	2,871,012
-	-	-	4,043,393	3,807,185
-	9,500,000	-	12,292,462	11,711,929
-	1,286,026	-	1,371,959	1,788,491
-	-	9,290,630	15,134,852	13,942,447
<u>-</u>	<u>10,786,026</u>	<u>9,290,630</u>	<u>200,474,427</u>	<u>203,375,340</u>
<u>205,413</u>	<u>647,024</u>	<u>(8,783,561)</u>	<u>(17,844,230)</u>	<u>(25,566,442)</u>
-	-	-	4,783,450	16,750,292
(201,503)	(188,368)	-	(4,783,450)	(16,750,292)
-	4,065,237	-	4,065,237	-
-	(4,019,148)	-	1,858,019	2,550,295
<u>(201,503)</u>	<u>(142,279)</u>	<u>-</u>	<u>5,923,256</u>	<u>2,550,295</u>
3,910	504,745	(8,783,561)	(11,920,974)	(23,016,147)
<u>14,006,255</u>	<u>9,504,128</u>	<u>18,237,084</u>	<u>93,996,993</u>	<u>117,013,141</u>
<u>\$ 14,010,165</u>	<u>\$ 10,008,873</u>	<u>\$ 9,453,523</u>	<u>\$ 82,076,019</u>	<u>\$ 93,996,994</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds \$ (11,920,974)

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 Net Assets, the cost of those 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. 1,566,750

The net effect of various miscellaneous transactions involving capital assets
(sale, disposal, transfer, etc.) is to decrease net assets. (101,044)

Certain revenues included in the Statement of Activities do not provide current
financial resources and, therefore, are deferred in the fund statements. (2,960,309)

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 current year principal repayments exceeded proceeds from current
year long-term financing arrangements. 9,412,465

Governmental funds report the effect of issuance costs, premiums, discounts,
and similar items when the debt is issued. However, these amounts are
deferred and amortized in the Statement of Activities. This is the amount
of the current year, net effect of these differences. 533,434

In the Statement of Activities, operating expenses are measured by the amounts
incurred during the year. However, certain of these items are included in the
governmental funds only to the extent that they require the expenditure of
current financial resources:

Interest payable	\$ 30,538		
Compensated absences	(41,640)	(11,102)	

Change in net assets of governmental activities \$ (3,480,780)

See Notes to Basic Financial Statements

TOWNSHIP HIGH SCHOOL DISTRICT 211
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2005

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash and investments	\$ <u>1,222,115</u>
Liabilities	
Liabilities, Due to student groups	\$ <u>1,222,115</u>

See Notes to Basic Financial Statements

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Township High School District 211 (the "District") conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District's reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

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. All of the District's operating activities are considered "governmental activities", that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues instead.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

Fund Financial Statements

The governmental fund financial statements are organized and operated on the basis of funds. 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. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Measurement Focus and Basis of Accounting

The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

The District's governmental funds include the following major funds:

General Fund - (Educational Fund) is the general operating fund of the District. It is used to account 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. The revenue consists largely of local property taxes and state government aid.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

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

Each of the District's Special Revenue Funds has been established as a separate fund in accordance with the fund structure required by the State of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's Special Revenue Funds follows:

Operations and Maintenance Fund - is used for expenditures made for operation, 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.

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

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

Debt Service Fund - (Bond and Interest Fund) is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Projects Fund - is used to account for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Fire Prevention and Safety Fund - is used to account for State-approved life safety projects financed through bond issues.

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

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

Agency Funds - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not involve the measurement of results of operations. 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.

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

Assets, Liabilities and Net Assets or Equity

Deposits and Investments

State statutes authorize the District's Treasurer to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and money market mutual funds registered under the Investment Company Act of 1940, with certain restrictions. Investments are stated at fair value. Changes in fair value of investments are recorded as investment income.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds. These amounts are eliminated in the governmental activities column in the statement of net assets.

Property Tax Revenues

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2004 levy ordinance was approved during the December 2, 2004 board meeting. On May 24, 2005 the District approved an amended 2004 levy. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

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 District's current rate ceilings are as follows: Educational - \$1.990; Operations and Maintenance - \$0.375; Transportation - \$0.120; Working Cash - \$0.050; and, Special Education - \$0.020. (The rates are stated per hundred dollars of equalized assessed valuation.)

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 for 2004 and 2003 were 1.9% and 2.4%, respectively.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed (typically, this is due in late August or early September). The first installment is an estimated bill, and is one-half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The District collects taxes shortly after the due dates, usually within 45 days.

During the year, the District's property taxes collected from the county were as follows:

Fund	Levy Year		2002 and Prior
	2004	2003	
Educational Fund	\$ 50,977,467	\$ 58,350,309	\$ (1,153,167)
Operations and Maintenance	7,522,508	8,669,249	(267,151)
Bond and Interest	5,191,849	6,158,544	(139,499)
Transportation	1,874,450	2,111,682	(48,678)
IMRF/Social Security	2,871,798	1,151,201	(47,503)
Working Cash	-	-	(34,306)
Total collections	\$ <u>68,438,072</u>	\$ <u>76,440,985</u>	\$ <u>(1,690,304)</u>

The negative collections related to 2002 and prior are due to the settlement of tax objections from those years.

The 2004 property tax levy is recognized as a receivable in fiscal 2005, net of estimated uncollectible amounts approximately 1%. The District considers that the first installment of the 2004 levy is to be used to finance operations in fiscal 2005. The District has determined that the second installment of the 2004 levy is to be used to finance operations in fiscal 2006 and has deferred the corresponding receivable.

Personal Property Replacement Taxes

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

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. In 2001, the District engaged an appraisal company to estimate historical cost of its capital assets acquired prior to that date.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

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

Assets	Years
Buildings	40
Building improvements	20
Vehicles	5
Library books	20
Textbooks	6
Equipment	5-20

Compensated Absences

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. The entire liability for unused compensated absences is reported on the government-wide financial statements.

For governmental funds, the current portion of the compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid from.

All certified employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between the Board of Education and the Education Association. The District does not compensate for unused sick days therefore all unused sick days expire at the end of the fiscal year. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for TRS.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Restricted Net Assets/Reserved Fund Balances

For the government-wide financial statements, net assets are reported as restricted when constraints placed on net asset use are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

In the fund financial statements, reservations of fund balance represent amounts that are not available for other appropriations, or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The Board of Education has reserved \$11,875 of the general fund to pay for future grant expenditures.

Comparative Data

Comparative totals for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2005, expenditures exceeded budget in the Municipal Retirement / Social Security Fund by \$535,811 and Fire Prevention and Safety Fund by \$4,690,630. These overexpenditures were funded first by available fund balances. Amounts in excess of available fund balance will be funded by future tax levies.

NOTE 3 – DEPOSITS AND INVESTMENTS

At year end, the District's deposits totaled \$80,480,782 (\$79,258,667 for Governmental Activities and \$1,222,115 for Fiduciary Funds), which entirely represented deposits with financial institutions.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, however the investment policy states the investment portfolio shall be designed to attain a market-average rate of return throughout the budgetary and economic cycles, taking into account the risk constraints, the cash flow characteristics of the portfolio and legal restrictions for return on investment.

Credit Risk

State Statutes limits the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's).

Concentration of Credit Risk

The investment policy requires diversification of the investment portfolio to eliminate risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government'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 or private party insurance in the event of default or failure of the financial institution holding the funds. At June 30, 2005, \$753,070 of the District's deposits with financial institutions was not collateralized.

NOTE 4 – INTERGOVERNMENTAL AGREEMENT

Included in intergovernmental receivables is \$3,024,000 due pursuant to a January, 2000, intergovernmental agreement between the District and the Board of Education of Community Consolidated School District No. 15 for the sale of approximately 39.6641 acres of property on the west side of Ela Road in the Village of Inverness and approximately .5716 acres of property adjacent to the north side of Virginia Lake School in the Village of Palatine. The property was sold for \$3,200,000 with \$320,000 due at the initial closing in January 2000. Annual interest of 5% is due on the outstanding balance of the selling price (\$2,880,000) beginning on July 1, 2000, due annually on July 1. The balance is payable on July 1, 2005. Annual accrued interest is calculated to be \$144,000 due each July 1, beginning July 1, 2000.

NOTE 5 – VOCATIONAL PROJECTS FOR SALE

Vocational projects for sale are reported at cost. At June 30, 2005, costs of the future building sites and costs of homes that are in process or have not been sold totaled \$2,421,338.

NOTE 6 – INTERFUND TRANSFERS

During the year, the Board transferred \$393,579, \$4,000,000, and \$201,503 in interest earned in the Operations and Maintenance Fund, Transportation Fund and Working Cash Fund, respectively to the General (Educational) Fund. Also during the year, the Board transferred \$188,368 in interest earned in the Bond and Interest Fund to the Operations and Maintenance Fund. State law allows for the transfer of interest earned in these funds to any other fund as deemed appropriate by the District.

Also during the year, the Board of Education authorized an interfund loan up to \$8,000,000 from the Operations and Maintenance Fund to the General Fund. The actual loan of \$4,204,000 was repaid prior to year end. Also during the year, an interfund loan of \$2,100,000 was made from the Working Cash Fund to the Municipal Retirement/Social Security Fund and repaid during the year. Additionally, the Board of Education authorized a loan of from the Working Cash Fund to the Municipal Retirement/Social Security Fund in the amount of \$2,000,000 during the year.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2005

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2005, was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i><u>Capital assets not being depreciated:</u></i>				
Land	\$ 1,576,291	\$ -	\$ -	1,576,291
Construction in progress	2,594,150	7,206,856	2,275,175	7,525,831
Total capital assets not being depreciated	4,170,441	7,206,856	2,275,175	9,102,122
<i><u>Capital assets being depreciated:</u></i>				
Buildings	114,811,637	1,470,878	-	116,282,515
Building improvements	16,302,967	804,297	-	17,107,264
Vehicles	8,464,606	831,072	-	9,295,678
Library books	1,488,400	-	-	1,488,400
Textbooks	4,345,236	-	-	4,345,236
Equipment	37,658,896	1,966,468	1,082,313	38,543,051
Total capital assets being depreciated	183,071,742	5,072,715	1,082,313	187,062,144
<i><u>Less accumulated depreciation for:</u></i>				
Buildings	61,247,359	3,008,132	-	64,255,491
Building improvements	3,469,771	759,536	-	4,229,307
Vehicles	6,677,953	731,022	-	7,408,975
Library books	792,322	74,420	-	866,742
Textbooks	2,508,278	724,206	-	3,232,484
Equipment	27,928,591	3,140,330	981,269	30,087,652
Total accumulated depreciation	102,624,274	8,437,646	981,269	110,080,651
Net capital assets being depreciated	80,447,468	(3,364,931)	101,044	76,981,493
Net governmental activities capital assets	\$ 84,617,909	\$ 3,841,925	\$ 2,376,219	\$ 86,083,615

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

Governmental Activities

Instruction:	\$
Regular Programs	1,791,243
Special Programs	57,182
Other Instructional Programs	177,303
Support Services:	
Pupils	16,011
Instructional Staff	162,294
School Administration	253,811
Business	105,641
Transportation	731,022
Operations and Maintenance	308,510
Central	114,145
Unallocated	4,720,484
Total depreciation expense – governmental activities	\$ 8,437,646

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2005

NOTE 8 – LONG-TERM LIABILITIES

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>Amount</i>
Life Safety	2.50%-4.00%	\$ 18,475,000
Working Cash	3.00%-5.00%	5,580,000
Limited Refunding Bonds	2.10%	4,065,000
Total		\$ 28,120,000

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

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2006	\$ 9,645,000	\$ 854,070	\$ 10,499,070
2007	5,290,000	566,400	5,856,400
2008	5,425,000	405,337	5,830,337
2009	5,610,000	198,200	5,808,200
2010	2,150,000	43,000	2,193,000
Total	\$ 28,120,000	\$ 2,067,007	\$ 30,187,007

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, 2005, the statutory debt limit for the District was \$524,014,686, providing a debt margin of \$494,723,022. In addition, there are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2005, the District was in compliance with all significant bond covenants.

General Obligation Debt Certificates. During fiscal year 2005, the District issued \$2,500,000 in limited debt tax certificates to purchase certain real property and equipment. As of June 30, 2005, annual debt service requirements to maturity is as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2005	\$ 1,338,332	\$ 29,322	\$ 1,367,654
2006	833,332	16,771	850,103
2007	-	1,198	1,198
Total	\$ 2,171,664	\$ 47,291	\$ 2,218,955

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

Changes in General Long-term Liabilities. During the year ended June 30, 2005, the following changes occurred in liabilities which were reported in the general long-term debt account group:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 37,240,000	\$ 4,065,000	\$ 13,185,000	\$ 28,120,000	\$ 9,645,000
Debt certificates	1,505,000	2,499,996	1,833,332	2,171,664	833,332
Add: Unamortized premium	966,339	-	441,623	409,006	-
Less: Deferred charges on refundings	-	(232,557)	(116,847)	(115,709)	-
Total bonds payable	<u>39,711,339</u>	<u>6,332,439</u>	<u>15,343,108</u>	<u>30,700,670</u>	<u>10,478,332</u>
EPA loan	21,111	-	21,111	-	-
Technology leases	938,019	-	938,019	-	-
Compensated absences	<u>1,628,893</u>	<u>1,670,535</u>	<u>1,628,894</u>	<u>1,670,534</u>	<u>1,670,534</u>
Total long-term liabilities – governmental activities	<u>\$ 42,299,362</u>	<u>\$ 8,002,974</u>	<u>\$ 17,931,132</u>	<u>\$ 32,371,204</u>	<u>\$ 12,148,866</u>

The obligations for compensated absences will be repaid from the General Fund. The obligations for debt certificates will be repaid from the Operations and Maintenance Fund.

NOTE 9 – 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. The District has purchased insurance from private insurance companies for general liability, workers' compensation and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds.

The District is self-insured for medical coverage that is provided to District personnel. Blue Cross / Blue Shield administer claims for a per-person, per-month fee. Expenditures are recorded as incurred in the form of direct contributions from the District to Blue Cross / Blue Shield for payment of employee health claims and administration fees. The District's liability will not exceed 125% of prior year's claims in the aggregate as provided by stop-loss provisions incorporated in the plan.

At June 30, 2005, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, amounted to \$1,802,797. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2004 and June 30, 2005, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payment	Claims Payable End of Year
Fiscal Year 2004	\$ 1,619,260	\$ 19,569,526	\$ 19,360,888	\$ 1,827,898
Fiscal Year 2005	\$ 1,827,898	\$ 19,334,368	\$ 19,359,469	\$ 1,802,797

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

The District is also self-insured for unemployment compensation. Payments are made to the Illinois Department of Labor based on actual claims filed and approved. No liability has been accrued for unemployment claims since the District has estimated that the liability at June 30, 2005, if any, would be insignificant. The District's liability will not exceed \$300,000 per occurrence as provided by stop-loss provisions incorporated in the plan.

The District is also a member of the Secondary School Cooperative Risk Management Program (SSCRMP). SSCRMP insures all of the District's property, general liability, automobile, employee dishonesty, and excess liability claims up to specified limits.

The pool is a separate entity which sets rates and purchases commercial excess and stop-loss coverage. The District pays annual premiums to the pool for coverage. Supplementary payments may also be required upon the determination by either pool's Board of Directors that the annual premiums are insufficient to fund the operations of the pool. No such supplemental payments have been required by SSCRMP. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – JOINT AGREEMENTS

The District is a member of various joint agreements that provides certain special education services to residents of many school districts. It is also a member of the risk management pool listed above. 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 11 – OTHER POST-EMPLOYMENT BENEFITS

For those retirees who opted for the Teachers Retirement System's Early Retirement Incentive Program (ERI), the District agreed to pay the health insurance premiums to TRS until the retiree attained the age of 65. As of June 30, 2005, there were 16 retirees eligible to receive this benefit, all of whom chose to receive this benefit. During the year, expenditures of approximately \$28,000 were recognized by the District for this benefit.

NOTE 12 – RETIREMENT SYSTEMS

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.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

Members of TRS include all active nonannuitants that are employed by a TRS-covered employer to provide services for which teacher certification is required. Active TRS members are required to contribute 9 percent of their creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the District.

In addition, virtually all members pay a contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The member's THIS Fund health insurance contribution was 0.75 percent for the years ended June 30, 2005 and 2004.

The District's payroll for the year ended June 30, 2005 was \$104,333,423; of this amount \$80,203,053 was reported as creditable earnings to TRS.

On Behalf Contributions. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2005, State of Illinois contributions were based on 11.76 percent of creditable earnings, and the District recognized revenue and expenditures of \$9,431,879, in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2004, and June 30, 2003, the State of Illinois contributions rates as percentages of creditable earnings were 13.98 percent (\$11,159,553) and 13.01 percent (\$10,302,297), respectively.

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

2.2 Formula Contributions. For the years ended June 30, 2005 and 2004, the District contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for these years ended June 30, 2005 and 2004 were \$465,178 and \$462,986, respectively. From January 1, 2002 through June 30, 2003, part of the employer's 2.2. formula contribution (0.58 percent of pay) was reduced as a result of a new employer THIS Fund contribution for retiree health insurance (0.4 percent of pay). The remaining 0.18 percent was submitted to TRS. For the year ended June 30, 2003, the District contributed 0.18 percent of pay on paychecks dated after July 1, 2002. Contributions for the year ended June 30, 2003 were \$142,538.

Federal and Trust Fund Contributions. When TRS members are paid from federal and trust funds administered by the District, there is a statutory requirement for the District to pay an additional contribution that is currently 10.5 percent of salaries paid from those funds. For the year ended June 30, 2005, salaries totaling \$421,373 were paid from federal and trust funds that required employer contributions of \$44,244. For the years ended June 30, 2004, and June 30, 2003, required District contributions were \$44,758 and \$37,979, 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. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service.

The maximum District payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ending June 30, 2005, the District paid \$653,433 for District contributions under the Early Retirement Option. For the years ended June 30, 2004, and June 30, 2003, the District paid \$898,423 and \$409,927, respectively.

TOWNSHIP HIGH SCHOOL DISTRICT 211

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2005

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, 2004. The report for the year ended June 30, 2005 is expected to be available in late 2005. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.state.il.us.

Illinois Municipal Retirement Fund

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 9.41 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2003 was 10 years.

For December 31, 2004, the District's annual pension cost of \$2,699,073 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

NOTE 13 – CONSTRUCTION AND OTHER COMMITMENTS

During the year 2003, the District introduced an Early Retirement Incentive program monitored through the Illinois Municipal Retirement Fund. As of June 30, 2004, 43 employees have opted for this retirement option. This resulted in a commitment by the District to the IMRF of approximately \$2.9 million, which would be paid over a period of 5 years starting from January 1, 2004.

Also, as of June 30, 2005, the District is committed to approximately \$2,000,000 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and life safety bonds already issued.

TOWNSHIP HIGH SCHOOL DISTRICT 211

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND ANALYSIS OF FUNDING PROGRESS (UNAUDITED) JUNE 30, 2005

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/04	\$ 2,699,073	100%	\$ -
12/31/03	1,967,056	100%	-
12/31/02	2,103,291	100%	-
12/31/01	2,048,214	100%	-
12/31/00	2,381,596	100%	-
12/31/99	2,444,303	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)
12/31/04	\$ 61,274,531	\$ 69,345,826	\$ 8,071,295	88.36%	\$ 28,683,031	28.14%
12/31/03	58,502,740	64,341,908	5,839,168	90.92%	28,425,673	20.54%
12/31/02	61,629,585	61,781,759	152,174	99.75%	27,674,883	0.55%
12/31/01	61,433,179	57,285,185	(4,147,994)	107.24%	26,342,290	0.00%
12/31/00	57,228,607	52,569,666	(4,658,941)	108.86%	24,154,121	0.00%
12/31/99	50,488,503	49,024,547	(1,463,956)	102.99%	22,843,955	0.00%

***Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2003 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For both Regular members, fewer normal and early retirements are expected to occur.

TOWNSHIP HIGH SCHOOL DISTRICT 211

OPERATIONS AND MAINTENANCE FUND

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

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2004 ACTUAL
Revenues					
Local sources					
General levy	\$ 16,445,000	\$ 16,445,000	\$ 15,968,724	\$ (476,276)	\$ 16,466,070
Tort Immunity levy	-	-	-	-	121,001
Interest on investments	270,000	270,000	428,784	158,784	265,015
Other pupil activity revenue	180,000	180,000	190,947	10,947	190,278
Rentals	199,000	199,000	127,057	(71,943)	161,486
Refund of prior years' expenditures	-	-	13,716	13,716	5,383
Other	43,000	43,000	41,393	(1,607)	81,917
Total local sources	17,137,000	17,137,000	16,770,621	(366,379)	17,291,150
State sources					
Other State Sources	-	-	-	-	378,495
Total state sources	-	-	-	-	378,495
Total revenues	17,137,000	17,137,000	16,770,621	(366,379)	17,669,645
Expenditures					
Support services					
Business					
Operation and maintenance of plant services					
Salaries	9,677,000	9,677,000	9,513,828	163,172	9,572,971
Employee benefits	1,964,000	1,964,000	1,729,105	234,895	1,706,851
Purchased services	2,973,000	2,973,000	2,203,977	769,023	2,703,413
Supplies and materials	5,065,000	5,065,000	4,309,821	755,179	5,389,518
Capital outlay	3,120,000	3,120,000	2,021,471	1,098,529	4,281,428
Other objects	233,000	233,000	2,173	230,827	315
Total	23,032,000	23,032,000	19,780,375	3,251,625	23,654,496
Total business	23,032,000	23,032,000	19,780,375	3,251,625	23,654,496
Total support services	23,032,000	23,032,000	19,780,375	3,251,625	23,654,496
Nonprogrammed charges					
Payments to other governmental units (in-state)					
Payments for special education programs					
Other objects	-	-	249,619	(249,619)	201,555
Total	-	-	249,619	(249,619)	201,555

TOWNSHIP HIGH SCHOOL DISTRICT 211
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2004 ACTUAL
Other payments to in-state governmental units					
Other objects	\$ -	\$ -	\$ -	\$ -	\$ 42,222
Transfers	-	-	-	-	156,795
Total	-	-	-	-	199,017
Total nonprogrammed charges	-	-	249,619	(249,619)	400,572
Debt service					
Principal	-	-	21,111	(21,111)	-
Total debt service	-	-	21,111	(21,111)	-
Provision for contingencies	1,500,000	1,500,000	-	1,500,000	-
Total expenditures	24,532,000	24,532,000	20,051,105	4,480,895	24,055,068
Excess (deficiency) of revenues over expenditures	(7,395,000)	(7,395,000)	(3,280,484)	4,114,516	(6,385,423)
Other financing sources (uses)					
Permanent transfer	100,000	100,000	-	(100,000)	-
Permanent transfer of interest - in	-	-	188,368	188,368	115,905
Permanent transfer from working cash-abate.	-	-	-	-	8,000,000
Permanent transfer of interest - out	(270,000)	(270,000)	(393,579)	(123,579)	(273,629)
Sale or compensation for fixed assets	5,000	5,000	2,880,000	2,875,000	-
Total other financing sources (uses)	(165,000)	(165,000)	2,674,789	2,839,789	7,842,276
Excess (deficiency) of revenues and other financing sources over expenditures and other (uses)	\$ (7,560,000)	\$ (7,560,000)	(605,695)	\$ 6,954,305	1,456,853
Fund balance, beginning of year			20,131,811		18,674,958
Fund balance, end of year			\$ 19,526,116		\$ 20,131,811

TOWNSHIP HIGH SCHOOL DISTRICT 211

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005					2004
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)		ACTUAL
Revenues						
Local sources						
General levy	\$ 4,843,000	\$ 4,843,000	\$ 3,944,677	\$ (898,323)	\$	3,722,955
Regular transportation fees from pupils or parents	95,000	95,000	148,319	53,319		91,887
Regular transportation fees cocurricular activities	30,000	30,000	-	(30,000)		35,313
Summer school transportation Fees from pupils or parents	82,000	82,000	81,175	(825)		83,516
Spec. ed. transportation fees from other LEA's	-	-	-	-		4,760
Interest on investments	50,000	50,000	116,462	66,462		97,796
Refund of prior years' expenditures	-	-	2,493	2,493		1,087
Other	-	-	100	100		7,060
Total local sources	<u>5,100,000</u>	<u>5,100,000</u>	<u>4,293,226</u>	<u>(806,774)</u>		<u>4,044,374</u>
State sources						
Transportation - Regular	394,000	394,000	350,826	(43,174)		394,258
Transportation - Special Education	2,690,000	2,690,000	2,602,532	(87,468)		2,689,428
Total state sources	<u>3,084,000</u>	<u>3,084,000</u>	<u>2,953,358</u>	<u>(130,642)</u>		<u>3,083,686</u>
Total revenues	<u>8,184,000</u>	<u>8,184,000</u>	<u>7,246,584</u>	<u>(937,416)</u>		<u>7,128,060</u>
Expenditures						
Support services						
Business						
Pupil transportation services						
Salaries	4,276,000	4,276,000	4,298,095	(22,095)		4,213,219
Employee benefits	835,000	835,000	775,509	59,491		741,843
Purchased services	894,000	894,000	770,499	123,501		932,573
Supplies and materials	560,000	560,000	627,439	(67,439)		563,021
Capital outlay	647,000	647,000	858,132	(211,132)		692,321
Other objects	7,000	7,000	9,300	(2,300)		6,248
Total	<u>7,219,000</u>	<u>7,219,000</u>	<u>7,338,974</u>	<u>(119,974)</u>		<u>7,149,225</u>
Total support services	<u>7,219,000</u>	<u>7,219,000</u>	<u>7,338,974</u>	<u>(119,974)</u>		<u>7,149,225</u>
Provision for contingencies	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>		<u>-</u>
Total expenditures	<u>7,419,000</u>	<u>7,419,000</u>	<u>7,338,974</u>	<u>80,026</u>		<u>7,149,225</u>
Excess (deficiency) of revenues over expenditures	<u>765,000</u>	<u>765,000</u>	<u>(92,390)</u>	<u>(857,390)</u>		<u>(21,165)</u>
Other financing sources (uses)						
Permanent transfer of interest - out	-	-	-	-		(103,688)
Permanent transfer - out	(4,000,000)	(4,000,000)	(4,000,000)	-		-
Total other financing sources (uses)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>		<u>(103,688)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other (uses)	<u>\$ (3,235,000)</u>	<u>\$ (3,235,000)</u>	<u>(4,092,390)</u>	<u>\$ (857,390)</u>		<u>(124,853)</u>
Fund balance, beginning of year			8,125,789			8,250,642
Fund balance, end of year			<u>\$ 4,033,399</u>			<u>\$ 8,125,789</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211
MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005			VARIANCE	2004
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues					
Local sources					
General levy	\$ 2,006,000	\$ 2,006,000	\$ 2,002,762	\$ (3,238)	\$ 1,087,333
Social security/medicare only levy	2,006,000	2,006,000	2,002,762	(3,238)	1,087,333
Corporate personal property replacement taxes	88,000	88,000	155,377	67,377	103,000
Interest on investments	50,000	50,000	33,929	(16,071)	44,117
Total local sources	4,150,000	4,150,000	4,194,830	44,830	2,321,782
Total revenues	4,150,000	4,150,000	4,194,830	44,830	2,321,782
Expenditures					
Instruction					
Regular programs	-	-	67	(67)	-
Special education programs	-	-	1,088,885	(1,088,885)	913,560
Adult/continuing education programs	-	-	40,330	(40,330)	50,910
Interscholastic programs	-	-	(13,802)	13,802	-
Summer school programs	-	-	12,255	(12,255)	-
Bilingual programs	-	-	170,460	(170,460)	137,706
Truant's alternative and optional programs	-	-	7,883	(7,883)	5,773
Total instruction	-	-	1,306,078	(1,306,078)	1,107,949
Support services					
Pupils					
Attendance and social work services	-	-	114,388	(114,388)	95,918
Guidance services	-	-	530,638	(530,638)	435,494
Health services	-	-	42,202	(42,202)	36,370
Other support services -pupils	-	-	158,509	(158,509)	154,220
Total pupils	-	-	845,737	(845,737)	722,002
Instructional staff					
Improvement of instruction services	-	-	330,243	(330,243)	285,374
Educational media services	-	-	191,200	(191,200)	163,837
Total instructional staff	-	-	521,443	(521,443)	449,211
General administration					
Board of education services	5,608,925	5,608,925	-	5,608,925	-
Executive administration services	-	-	40,159	(40,159)	63,936
Special area administrative services	-	-	68,475	(68,475)	77,611
Total general administration	5,608,925	5,608,925	108,634	5,500,291	141,547

TOWNSHIP HIGH SCHOOL DISTRICT 211
MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2004 ACTUAL
School administration					
Office of the principal services	\$ -	\$ -	\$ 492,605	\$ (492,605)	\$ 417,689
Total school administration	-	-	492,605	(492,605)	417,689
Business					
Direction of business support services	-	-	14,062	(14,062)	8,806
Fiscal services	-	-	54,323	(54,323)	44,714
Operation and maintenance of plant services	-	-	1,739,254	(1,739,254)	1,510,643
Pupil transportation services	-	-	787,713	(787,713)	674,872
Food services	-	-	190,041	(190,041)	160,571
Internal services	-	-	7,802	(7,802)	7,744
Total business	-	-	2,793,195	(2,793,195)	2,407,350
Central					
Information services	-	-	31,445	(31,445)	30,100
Staff services	-	-	35,113	(35,113)	36,093
Data processing services	-	-	85,561	(85,561)	70,949
Total central	-	-	152,119	(152,119)	137,142
Total support services	5,608,925	5,608,925	4,913,733	695,192	4,274,941
Nonprogrammed charges					
Payments for special education programs	75,075	75,075	-	75,075	-
Total nonprogrammed charges	75,075	75,075	-	75,075	-
Total expenditures	5,684,000	5,684,000	6,219,811	(535,811)	5,382,890
Excess (deficiency) of revenues over expenditures	\$ (1,534,000)	\$ (1,534,000)	(2,024,981)	\$ (490,981)	(3,061,108)
Fund balance, beginning of year			1,582,652		4,643,760
Fund balance, end of year			\$ (442,329)		\$ 1,582,652

TOWNSHIP HIGH SCHOOL DISTRICT 211

WORKING CASH FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005				2004
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues					
Local sources					
General levy	\$ -	\$ -	\$ (34,306)	\$ (34,306)	\$ 631,563
Interest on investments	<u>150,000</u>	<u>150,000</u>	<u>239,719</u>	<u>89,719</u>	<u>258,087</u>
Total local sources	<u>150,000</u>	<u>150,000</u>	<u>205,413</u>	<u>55,413</u>	<u>889,650</u>
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>205,413</u>	<u>55,413</u>	<u>889,650</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>150,000</u>	<u>150,000</u>	<u>205,413</u>	<u>55,413</u>	<u>889,650</u>
Other financing sources (uses)					
Permanent transfer of working cash fund - interest	(150,000)	(150,000)	(201,503)	(51,503)	(257,070)
Permanent transfer of working cash - abate.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,000,000)</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(201,503)</u>	<u>(51,503)</u>	<u>(16,257,070)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other (uses)	<u>\$ -</u>	<u>\$ -</u>	3,910	<u>\$ 3,910</u>	(15,367,420)
Fund balance, beginning of year			<u>14,006,255</u>		<u>29,373,675</u>
Fund balance, end of year			<u>\$ 14,010,165</u>		<u>\$ 14,006,255</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2005

Budgetary Data

Budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America other than budgeting for "on behalf payments" as noted below:

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an ordinance. By the last Tuesday in December, a tax levy ordinance 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.

Excess of Expenditures over Budget

For the year ended June 30, 2005, expenditures exceeded budget in the Municipal Retirement/Social Security Fund by \$535,811. This shortfall was funded partially by available fund balance and will be further funded by future tax levies.

TOWNSHIP HIGH SCHOOL DISTRICT 211

BOND AND INTEREST FUND

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

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005				2004
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues					
Local sources					
General levy	\$ 10,778,000	\$ 10,778,000	\$ 11,244,681	\$ 466,681	\$ 11,324,611
Interest on investments	100,000	100,000	188,369	88,369	115,906
Total local sources	10,878,000	10,878,000	11,433,050	555,050	11,440,517
Total revenues	10,878,000	10,878,000	11,433,050	555,050	11,440,517
Expenditures					
Debt service					
Debt services - interest					
Bonds - interest	1,278,000	1,278,000	1,244,088	33,912	1,697,988
Total debt service - interest	1,278,000	1,278,000	1,244,088	33,912	1,697,988
Bond principal retired	9,500,000	9,500,000	9,500,000	-	8,985,000
Other debt service					
Purchased services	-	-	41,088	(41,088)	928
Other objects	-	-	850	(850)	-
Total	-	-	41,938	(41,938)	928
Total debt service	10,778,000	10,778,000	10,786,026	(8,026)	10,683,916
Provision for contingencies	300,000	300,000	-	300,000	-
Total expenditures	11,078,000	11,078,000	10,786,026	291,974	10,683,916
Excess (deficiency) of revenues over expenditures	(200,000)	(200,000)	647,024	847,024	756,601
Other financing sources (uses)					
Permanent transfer of interest - out	(100,000)	(100,000)	(188,368)	(88,368)	(115,905)
Principal on bonds sold	-	-	4,065,000	4,065,000	-
Accrued interest on bonds sold	-	-	237	237	-
Transfer to escrow	-	-	(4,019,148)	(4,019,148)	-
Total other financing sources (uses)	(100,000)	(100,000)	(142,279)	(42,279)	(115,905)
Excess (deficiency) of revenues and other financing sources over expenditures and other (uses)	\$ (300,000)	\$ (300,000)	504,745	\$ 804,745	640,696
Fund balance, beginning of year			9,504,128		8,863,432
Fund balance, end of year			\$ 10,008,873		\$ 9,504,128

TOWNSHIP HIGH SCHOOL DISTRICT 211

FIRE PREVENTION AND SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	2005				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2004 ACTUAL
Revenues					
Local sources					
Interest on investments	\$ 200,000	\$ 200,000	\$ 507,069	\$ 307,069	\$ 439,160
Total local sources	200,000	200,000	507,069	307,069	439,160
Total revenues	200,000	200,000	507,069	307,069	439,160
Expenditures					
Support services					
Facilities acquisition and construction services					
Capital outlay	-	-	-	-	5,851,192
Total	-	-	-	-	5,851,192
Operations & maintenance of plant services					
Capital outlay	-	-	9,290,630	(9,290,630)	-
Other objects	4,300,000	4,300,000	-	4,300,000	-
Total	4,300,000	4,300,000	9,290,630	(4,990,630)	-
Total support services	4,300,000	4,300,000	9,290,630	(4,990,630)	5,851,192
Provision for contingencies	300,000	300,000	-	300,000	-
Total expenditures	4,600,000	4,600,000	9,290,630	(4,690,630)	5,851,192
Excess (deficiency) of revenues over expenditures	\$ (4,400,000)	\$ (4,400,000)	(8,783,561)	\$ (4,383,561)	(5,412,032)
Fund balance, beginning of year			18,237,084		23,649,116
Fund balance, end of year			\$ 9,453,523		\$ 18,237,084

TOWNSHIP HIGH SCHOOL DISTRICT 211

ACTIVITY FUNDS SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	BALANCE JUNE 30, 2005
District Administration					
Clearing Account	\$ 5,040	\$ 1,686,769	\$ 1,688,975	\$ -	\$ 2,834
Earned Interest	90,987	16,061	12,684	(50,252)	44,112
Student Teachers	12,075	-	397	-	11,678
Drivers's Ed Fees/Refunds	1,750	434,194	434,694	-	1,250
Home Study Courses	-	5,493	2,881	-	2,612
Employee Welfare	3,563	10,343	34,299	23,460	3,067
Northwest School Personnel					
Administration	26,527	-	26,527	-	-
Palatine Land Ordinance	-	-	-	-	-
Special Projects	3,610	4,503	4,549	-	3,564
Teacher Certification	10	-	-	(10)	-
Food Service Special Projects	-	6,744	4,774	-	1,970
Northwest Summer School Directors	156	-	-	-	156
Retirement	35	-	-	-	35
Peer Mediation	540	-	165	-	375
Business/Community Donations	1,990	-	-	-	1,990
Total District Administration	146,283	2,164,107	2,209,945	(26,802)	73,643
Palatine High School					
Tournament Fund	39,690	86,771	100,433	(485)	25,543
General Student Fund Raiser	2,456	6,537	2,628	(2,601)	3,764
Concessions	5,869	38,886	22,000	(9,869)	12,886
P.E. Resale-Palatine	(27,494)	23,410	29,215	-	(33,299)
Special Projects	25,440	70,353	48,616	(8,414)	38,763
Retirement	1,645	3,234	3,833	-	1,046
Mid Suburban League	-	26,424	19,920	-	6,504
Art Club	329	358	988	1,035	734
Art Resale	1,782	3,536	3,559	1,409	3,168
Business Club	1,284	1,464	2,818	1,187	1,117
Cheerleaders	15,711	34,858	42,595	84	8,058
Chess Club	281	-	170	340	451
Child Care	1,556	9,727	8,666	(35)	2,582
Choir	7,375	18,632	11,845	1,384	15,546
Graduates	3,484	145	11,341	11,731	4,019
Seniors	22,941	28,709	15,730	(13,499)	22,421
Juniors	8,315	32,275	32,373	(1,027)	7,190
Sophomores	1,288	1,602	1,344	(729)	817
Freshmen	160	1,395	1,236	341	660
Computer Club	198	-	91	(105)	2
C.W.T.	4	-	-	-	4
Cultural Awareness Club	1,544	1,257	1,707	(230)	864
Orchesis	672	15,338	15,752	1,823	2,081
D.E.	243	598	501	488	828
Drama	807	-	191	-	616
ESL	387	-	211	-	176
Filmmakin Club	40	-	(40)	-	80
Flag Squad	7,104	49,132	42,278	(4,720)	9,238
Foreign Exchange	3,583	16,039	13,062	-	6,560
Junior Varisity Flags	-	1,207	1,509	554	252
Future Educators	407	628	1,083	500	452
H.E.R.O.	34	1,617	2,385	1,214	480
Home EC-Fashion Club	499	1,596	2,075	200	220
Horticulture Club	(335)	-	-	335	-
Applied Tech Resale	3,150	9,100	6,704	-	5,546
International Club	464	545	934	825	900

TOWNSHIP HIGH SCHOOL DISTRICT 211

ACTIVITY FUNDS SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	BALANCE JUNE 30, 2005
Internet Club	\$ 462	\$ -	\$ -	\$ -	\$ 462
Library Resale	815	1,002	1,090	-	727
Literary Magazine	-	301	1,550	1,250	1
Lifeguarding	187	303	266	-	224
Major Productions	16,168	24,232	30,671	4,500	14,229
Math Team	459	1,332	1,250	500	1,041
Music	3,809	3,594	6,227	500	1,676
Natl Honor Society	626	200	1,776	1,700	750
Cutlass-Newspaper	2,815	-	8,368	9,961	4,408
On-Our-Own Club	10,251	16,395	14,508	205	12,343
Outdoor Adventure Club	1,294	304	772	-	826
Orchestra	149	555	177	300	827
Other Perf. Groups/Sparklers-Swep Poms.	-	1,885	1,425	(100)	360
Peer Helper Network	495	964	1,743	986	702
Photography Club	511	-	268	108	351
Pom Poms	6,741	20,637	19,764	2,109	9,723
J V Drill	5,815	4,997	9,013	5,139	6,938
Pirate Pals	37	-	-	-	37
President's Club	578	2,190	1,840	-	928
Reading Club	-	-	110	240	130
Scholastic Bowl	244	295	641	143	41
Speech Team	2,333	26	1,155	-	1,204
Social Science Club	8	-	-	-	8
Student Council	3,380	27,325	25,396	644	5,953
S.W.E.P.	1,579	2,522	4,156	1,191	1,136
Special Olympics	5,719	7,345	7,209	212	6,067
Scat-Student Chem Awareness Team	126	-	162	175	139
Service Over Self Club	960	3,917	3,999	340	1,218
S.A.V.E.	2,439	807	1,046	1,200	3,400
Testing	118	3,364	3,472	-	10
Testing/Advanced Placement	5,295	54,453	50,102	-	9,646
Pirate Varsity	641	3,092	1,683	(279)	1,771
Woodworking Club	-	635	475	-	160
Spotlight-Yearbook	3,020	83,343	69,653	(6,875)	9,835
Total Funds-Palatine H.S.	207,987	751,388	717,720	5,885	247,540
Fremd High School					
Tournament Fund	46,822	34,249	31,542	(325)	49,204
Concessions	1,685	18,523	7,057	(11,237)	1,914
P.E. Resale-Fremd	(2,614)	32,213	22,466	-	7,133
Special Projects	137,963	128,187	109,141	(19,011)	137,998
Art Club	1,468	2,436	2,438	(756)	710
Art Resale	2,650	5,767	5,398	756	3,775
Astronomy Club	45	-	-	-	45
Auto Club	151	120	-	-	271
Band	530	49,245	23,623	140	26,292
Business Club	-	80	-	-	80
CAD Club	2,195	1,070	1,190	(1,975)	100
Cap & Gowns	12,676	16,700	16,484	-	12,892
Cheerleaders	16,055	4,815	17,913	-	2,957
Chess Club	149	-	119	(30)	-
Child Care	4,105	7,750	5,204	-	6,651
Choir	770	10,150	8,852	197	2,265
Graduates	-	1,438	1,437	-	1
Seniors	5,803	17,533	20,068	643	3,911
Juniors	2,690	58,587	65,556	6,365	2,086
Sophomores	2,247	827	-	(1,521)	1,553

TOWNSHIP HIGH SCHOOL DISTRICT 211

ACTIVITY FUNDS SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	BALANCE JUNE 30, 2005
Freshmen	\$ 468	\$ 3,037	\$ 1,892	\$ (203)	\$ 1,410
Computer Club	2,106	3,168	1,269	(250)	3,755
Cultural Awareness Club-Link	232	842	880	-	194
Dance Club	2,233	4,009	3,521	(40)	2,681
Debate	31	258	111	(26)	152
Drama Club	2,302	6,266	6,589	-	1,979
Electronics Club	467	-	9,157	8,700	10
Vikettes	11,719	59,414	54,415	(1,527)	15,191
Foreign Exchange	1,465	4,315	5,838	1,353	1,295
Foreign Language	8,258	18,561	21,927	-	4,892
French Club	129	259	295	144	237
German Club	626	1,084	1,610	169	269
H.E.R.O.	578	1,119	1,019	(40)	638
Home Ec-Fashion Club	696	4,451	4,694	(40)	413
H.U.G. Human Understanding Groups	608	158	838	328	256
Applied Tech Resale	1,638	7,537	6,665	-	2,510
International Club	196	-	-	-	196
Intramural Club	1,085	3,963	4,961	-	87
Library Resale	766	880	910	-	736
Literary Magazine	79	-	1,007	1,171	243
Lifeguarding	2,099	260	1,076	-	1,283
Medical Careers Club	220	452	879	282	75
Math Club	64	-	-	(9)	55
Modern Music Masters	4	557	105	-	456
Musicals	12,779	12,055	18,907	4,666	10,593
Model U.N.	678	13,069	14,143	472	76
Natl Honor Society	1,442	2,438	3,428	1,685	2,137
Viking Logue-Newspaper	2,796	-	9,778	10,135	3,153
Outdoor Adventure Club	1,224	4,089	4,694	-	619
Orchestra	477	5,061	4,112	276	1,702
Peer Helper Network	1,406	-	1,406	-	-
Peer Mediator	30	-	-	-	30
Pep Club	389	1,874	2,444	309	128
Photography Club	165	725	47	-	843
Plays	9,488	4,661	7,442	(322)	6,385
Robotics Club	919	1,200	3,851	2,209	477
Reading Club	152	-	17	-	135
Scholastic Bowl	1,055	7,380	7,654	(33)	748
S.A.D.D.	189	-	-	-	189
Science Club	88	-	-	-	88
Speech Team	1,093	1,776	2,368	(79)	422
Social Science Club	111	14,870	14,126	-	855
Spanish Club	238	60	617	517	198
Student Council	2,023	38,890	28,968	522	12,467
Service Over Self Club	611	2,354	2,246	200	919
S.A.V.E.	371	76	97	(40)	310
Student Trainer's Club	287	1,000	-	-	1,287
Testing	-	5,023	4,976	981	1,028
Testing/Advanced Placement	5,650	76,140	68,008	(981)	12,801
Theatre Productions	817	53	1,448	1,774	1,196
Variety Show	7,797	5,766	5,310	644	8,897
Varsity Club	225	171	147	(40)	209
Woodworking Club	195	-	-	(94)	101
Writer's Week	549	34,601	34,495	5,110	5,765
Valhallan-Yearbook	29,842	116,986	116,401	(5,300)	25,127
Total Funds - Fremd H.S.	356,545	860,598	825,276	5,869	397,736

TOWNSHIP HIGH SCHOOL DISTRICT 211

ACTIVITY FUNDS SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	BALANCE JUNE 30, 2005
Conant High School					
Tournament Fund	\$ 17,154	\$ 96,275	\$ 106,484	\$ 1,185	\$ 8,130
Concessions	1,973	23,199	10,410	(12,789)	1,973
P.E. Resale-Conant	(18,758)	29,608	34,832	-	(23,982)
Special Projects	3,349	24,456	23,500	(950)	3,355
Paws	62	-	-	-	62
Conant Booster Club Dues	180	13,355	13,300	-	235
Circle of Giving	6	-	-	-	6
Alumni Club	961	135	183	-	913
Art Club	1,415	1,478	2,159	-	734
Art Resale	5,218	11,240	10,896	(1,205)	4,357
Music - Band	1,849	2,096	3,303	-	642
Cap & Gowns	13,880	13,353	26,037	-	1,196
Cheerleaders	9,507	41,771	39,407	(4,194)	7,677
Chess Club	-	483	332	-	151
Child Care	1,994	1,735	2,831	-	898
Graduates	11,815	84	5,118	(855)	5,926
Seniors	1,675	10,395	13,111	1,420	379
Juniors	1,713	49,600	57,324	8,144	2,133
Sophomores	1,759	1,836	1,035	(1,064)	1,496
Freshmen	345	1,786	1,000	(345)	786
C.W.T.	3,093	2,228	918	(1,812)	2,591
Computer Club	-	338	158	479	659
Orchesis	1,615	6,024	5,980	-	1,659
Prism	-	852	408	-	444
D.E.C.A.	629	1,553	761	(510)	911
Drama	3,420	6,851	6,387	-	3,884
E.S.L. International Student's Club	2,616	2,136	1,580	300	3,472
Environmental Club	604	-	133	-	471
Foreign Exchange	2,733	8,664	9,279	(70)	2,048
Foreign Language Club	5,780	11,518	2,739	-	14,559
Forensics	624	2,305	2,427	-	502
Future Educators Club	-	1,812	-	-	1,812
German Club	-	-	120	350	230
H.E.R.O.	2,110	2,242	4,899	2,322	1,775
Home Ec-Fashion Club	437	1,312	1,464	-	285
Horticulture Club	952	652	640	200	1,164
Applied Tech Resale	1,602	4,055	4,433	-	1,224
Internet Club	1,940	3,310	1,270	-	3,980
Library Resale	1,460	217	214	-	1,463
Lifeguarding	950	-	-	-	950
Tapestry	50	-	1,210	1,200	40
Medical Careers Club	304	1,347	1,248	800	1,203
Math Club	625	-	-	-	625
Modern Music Masters	781	370	124	400	1,427
Musicals	16,032	6,984	17,611	-	5,405
Model U.N.	625	-	625	-	-
Natl Honor Society	5,555	5,964	6,763	1,700	6,456
Crier-Newspaper	1,335	10,175	11,225	-	285
Office Education	1	1,703	1,682	-	22
Outdoor Adventure Club	-	1,092	441	-	651
Orchestra	2,464	7,689	9,214	-	939
Pep Bus	129	5,518	5,334	75	388
Peer Mediator	-	2,042	1,180	-	862
Pep Club	178	-	-	95	273
Photography Club	383	-	149	75	309

TOWNSHIP HIGH SCHOOL DISTRICT 211

ACTIVITY FUNDS SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	BALANCE JUNE 30, 2005
Charrelles	\$ 2,918	\$ 26,888	\$ 27,274	\$ 6,994	\$ 9,526
Cougar Pals	982	57	618	350	771
Science Bowl	163	-	-	-	163
S.A.D.D.	713	100	294	-	519
S.A.E.	1,339	1,499	1,321	-	1,517
Science Club	71	-	62	-	9
Social Science Club	61	10,713	8,539	-	2,235
Student Council	8,811	26,995	28,600	(160)	7,046
Scat-Student Awareness Team	300	-	-	-	300
Testing	1,221	3,300	3,169	-	1,352
Testing/Advanced Placement	2,598	48,699	48,943	160	2,514
Variety Show	3,268	5,482	1,929	-	6,821
Writer's Club	12,174	16,178	18,836	-	9,516
Conavite-Yearbook	47,676	81,952	86,841	2,000	44,787
Total Conant High School	197,419	643,701	678,304	4,295	167,111
Schaumburg High School					
Tournament Fund	4,535	83,697	82,977	(123)	5,132
Student Parking Fee Refunds	-	-	-	-	-
Concessions	716	19,810	13,034	(7,357)	135
Concession Equipment	404	-	-	(395)	9
P.E. Resale-Schaumburg	(12,657)	16,432	30,628	-	(26,853)
Special Projects	1,497	38,918	30,104	(3,184)	7,127
Retirement	301	2,100	1,584	-	817
Committee on Pregnant Teens	97	-	-	(97)	-
Art Club	4	-	-	-	4
Art Resale	121	7,292	7,687	505	231
Auto Club	160	-	-	-	160
Music - Band	502	1,000	1,210	(90)	202
Business Club	3	8,066	8,978	2,340	1,431
Cheerleaders	13,324	41,115	28,903	608	26,144
Child Care	9,353	4,727	3,918	-	10,162
Music - Choral	127	28,202	28,021	(45)	263
Graduates	1,226	3,515	3,632	1,527	2,636
Seniors	1,241	13,777	11,191	(2,119)	1,708
Juniors	3,659	50,527	55,979	1,954	161
Sophomores	367	1,525	1,145	-	747
Freshmen	657	2,098	1,885	(287)	583
Computer Club	11,589	11,391	9,930	272	13,322
C.W.T.	205	281	-	(215)	271
Fine Arts Club	482	2,836	1,397	400	2,321
Cultural Awareness Club-Prism	967	307	1,342	87	19
Orchesis	7,401	10,138	12,784	273	5,028
D.E.C.A.	127	1,209	1,205	-	131
Debate	38	252	183	-	107
Drama	276	1,691	1,565	570	972
Flag Squad	157	18,154	16,196	-	2,115
Foreign Culture Club	538	523	934	-	127
Foreign Exchange Club	10,680	7,105	10,088	1,453	9,150
Forensics	135	2,199	1,533	(697)	104
French Club	724	1,350	395	(60)	1,619
Future Educators	76	-	-	-	76
German Club	1,667	21,980	22,508	725	1,864
H.E.R.O.	4,931	2,850	3,604	1,087	5,264
Home EC-Life & Family Studies	5,370	8,760	9,422	-	4,708
Applied Tech Resale	2,645	15,592	17,481	-	756

TOWNSHIP HIGH SCHOOL DISTRICT 211

ACTIVITY FUNDS SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	BALANCE JUNE 30, 2005
Intramural Club	\$ 462	\$ -	\$ 36	\$ -	\$ 426
Jets/WYSE Club	53	175	485	258	1
Library Resale	1,157	1,779	1,062	-	1,874
Literary Magazine	300	212	1,065	950	397
Lifeguarding	6	-	-	-	6
Math Club	222	21,441	21,399	-	264
Medical Careers Club	-	-	-	148	148
Modern Music Masters	76	170	45	-	201
Musicals	277	7,447	8,789	1,186	121
Model U.N.	65	6,839	7,489	890	305
Murals	159	-	103	103	159
Natl Honor Society	5,731	7,063	9,605	2,771	5,960
Sextant-Newspaper	5,188	5	11,072	10,085	4,206
Dist - Orchestra	6,579	22,943	13,344	-	16,178
Orchestra	1,130	2,178	3,107	(15)	186
Best Buddies	721	1,048	909	-	860
Pep Club	56	-	-	-	56
Photography Club	664	3,700	5,202	838	-
Plays	3,186	4,777	7,936	-	27
Pom Poms	8,728	8,018	14,752	659	2,653
Reading Club	104	-	-	-	104
S.C.O.T.I.E. - Scholastic	489	378	648	-	219
S.A.D.D.	535	-	122	-	413
Science Club	1,145	2,809	2,547	-	1,407
Spanish Club	58	801	753	311	417
Student-2-Student Club	674	40	1,005	781	490
Student Council-Sig	14,689	19,953	20,086	(1,000)	13,556
S.H.O.-Students Helping Others	1,011	3,370	3,615	20	786
S.A.V.E.	320	-	-	-	320
Testing	5,059	2,421	3,067	(745)	3,668
Theatrical Technicians	204	-	-	-	204
Testing/Advanced Placement	4,873	52,270	50,456	(345)	6,342
Theatre Guides	5	-	-	-	5
Variety Show	161	2,871	3,238	505	299
Writing Club	1,434	38,158	31,850	78	7,820
Write Stuff Club	78	-	-	(78)	-
Shimmer-Yearbook	3,985	88,824	78,999	(8,175)	5,635
Total Schaumburg High School	143,229	729,109	724,229	6,357	154,466
Hoffman Estates High School					
Tournament Fund	25,762	107,484	113,588	(110)	19,548
Concessions	4,617	3,664	7,334	384	1,331
P.E. Resale-Hoffman Estates	(4,318)	15,813	8,060	-	3,435
Special Projects	9,552	22,866	12,178	(2,240)	18,000
HEHS 25th Anniversary	1,242	505	647	-	1,100
H.E.L.P. Dues	15	23,675	23,545	-	145
Art Club	122	1,051	1,159	-	14
Art Resale	6,342	3,390	2,342	-	7,390
Auto Club	55	108	148	-	15
Academic Bowl	549	1,041	1,235	-	355
Band	13,232	52,945	55,150	(384)	10,643
Cap & Gowns	777	9,402	174	308	10,313
Cheerleaders	1,441	10,323	10,502	(50)	1,212
Child Care	3,401	5,220	3,556	-	5,065
Committee on Pregnant Teens	-	-	-	97	97
Choir	3,313	14,399	16,125	6,117	7,704

TOWNSHIP HIGH SCHOOL DISTRICT 211

ACTIVITY FUNDS SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES YEAR ENDED JUNE 30, 2005

	BALANCE JULY 1, 2004	RECEIPTS	DISBURSEMENTS	NET TRANSFERS	BALANCE JUNE 30, 2005
Graduates	\$ 2,600	\$ 48	\$ 2,611	\$ 930	\$ 967
Seniors	931	6,763	6,351	(382)	961
Juniors	400	39,015	40,255	1,487	647
Sophomores	1,306	1,039	354	(632)	1,359
Freshmen	1,072	2,267	881	(1,074)	1,384
Computer Club	241	-	-	-	241
C.W.T.	190	-	-	-	190
Orchesis	1,655	2,678	2,233	-	2,100
D.E.C.A.	17	1,135	1,152	-	-
Drama	14,995	28,858	36,671	2,570	9,752
Flag Squad	1,575	18,869	18,322	(50)	2,072
Foreign Exchange Club	1,873	1,166	1,586	(454)	999
Forensics	350	1,571	1,863	(50)	8
French Club	612	1,151	1,637	(50)	76
German Club	9,567	13,667	15,289	878	8,823
German Exchange	340	3,312	3,836	555	371
H.O.P.E.-Helping Our People Everywhere	4	-	-	-	4
Home Ec-T.E.A.C.H.	640	2,149	694	-	2,095
Horticulture Club	340	435	196	-	579
Human Relations Inc	4,553	2,500	5,382	450	2,121
I.C.E.	68	1,675	1,620	-	123
Applied Tech Resale	1,687	1,926	2,090	-	1,523
International Club	12	-	-	-	12
Intramural Club	4,394	27,013	19,377	(9,100)	2,930
Internet Club	73	-	-	-	73
Library Resale	125	720	283	-	562
Literary Magazine	558	692	57	-	1,193
Math Team	764	666	1,131	(50)	249
Madrigal Singers Troupe	2,574	11,119	3,928	(6,167)	3,598
Natl Honor Society	2,592	1,372	3,275	1,342	2,031
Hawkeye View-Newspaper	11,661	-	4,320	10,175	17,516
Orchestra	5	1,147	851	-	301
Peer Helper Network	218	1,018	955	-	281
Pep Club	952	7,349	5,881	(175)	2,245
Photography Club	747	3,974	11,029	9,100	2,792
Pom Pons	2,421	17,293	18,122	(121)	1,471
S.A.D.D.	309	-	-	-	309
Robotics	632	10	303	-	339
Reading Club	1,621	245	815	-	1,051
Science Club	206	-	165	-	41
Social Science Club	329	150	320	-	159
Spanish Club	279	2,987	1,910	(1,142)	214
Student Council	4,460	28,143	27,973	425	5,055
S.W.E.P.	2,457	5,627	6,836	-	1,248
Special Olympics	199	20	-	-	219
S.C.A.T. (Peers & Leaders)	386	955	631	(130)	580
S.A.V.E.	1,551	1,603	1,736	-	1,418
Testing	1,713	3,078	2,811	-	1,980
Testing/Advanced Placement	3,370	39,453	36,686	164	6,301
Theatre Guides	24	206	229	-	1
Varsity Club	667	-	298	-	369
Woodworker's Club	5	-	-	-	5
Yearbook	11,833	61,850	61,145	(8,225)	4,313
Total Hoffman Estates High School	168,256	618,800	609,833	4,396	181,619
Total Student Activity Funds	\$ 1,219,719	\$ 5,767,703	\$ 5,765,307	\$ -	\$ 1,222,115

TOWNSHIP HIGH SCHOOL DISTRICT 211

SCHEDULE OF BONDS OUTSTANDING

JUNE 30, 2005

WORKING CASH 2001 ISSUE

YEAR ENDED JUNE 30,	BONDS OUTSTANDING	INTEREST PAYABLE	TOTAL DEBT SERVICE
2006	<u>\$ 5,580,000</u>	<u>\$ 139,500</u>	<u>\$ 5,719,500</u>
TOTAL	<u>\$ 5,580,000</u>	<u>\$ 139,500</u>	<u>\$ 5,719,500</u>

Paying Agent:

LaSalle Bank, NA

Principal payment date:

December 1

Interest payment dates:

December 1 and June 1

Interest rates:

3.00% - 5.00%

TOWNSHIP HIGH SCHOOL DISTRICT 211

SCHEDULE OF BONDS OUTSTANDING

JUNE 30, 2005

LIFE SAFETY BONDS SERIES 2002

YEAR ENDED JUNE 30,	BONDS OUTSTANDING	INTEREST PAYABLE	TOTAL DEBT SERVICE
2006	\$ -	\$ 632,525	\$ 632,525
2007	5,290,000	566,400	5,856,400
2008	5,425,000	405,337	5,830,337
2009	5,610,000	198,200	5,808,200
2010	<u>2,150,000</u>	<u>43,000</u>	<u>2,193,000</u>
TOTAL	<u>\$ 18,475,000</u>	<u>\$ 1,845,462</u>	<u>\$ 20,320,462</u>

Paying Agent:

LaSalle Bank, NA

Principal payment date:

December 1

Interest payment dates:

December 1 and June 1

Interest rates:

2.50% - 4.00%

TOWNSHIP HIGH SCHOOL DISTRICT 211

SCHEDULE OF BONDS OUTSTANDING

JUNE 30, 2005

GENERAL OBLIGATION LIMITED REFUNDING BONDS, SERIES 2004

YEAR ENDED JUNE 30,	BONDS OUTSTANDING	INTEREST PAYABLE	TOTAL DEBT SERVICE
2006	\$ 4,065,000	\$ 82,045	\$ 4,147,045
TOTAL	\$ 4,065,000	\$ 82,045	\$ 4,147,045

Paying Agent:	LaSalle Bank, NA
Principal payment date:	December 1
Interest payment dates:	December 1 and June 1
Interest rates:	2.10%

TOWNSHIP HIGH SCHOOL DISTRICT 211

SCHEDULE OF DEBT CERTIFICATE OUTSTANDING

JUNE 30, 2005

GENERAL OBLIGATION LIMITED DEBT CERTIFICATES - SERIES 2003

YEAR ENDED JUNE 30,	BONDS OUTSTANDING	INTEREST PAYABLE	TOTAL DEBT SERVICE
2006	\$ 505,000	\$ 4,166	\$ 509,166
TOTAL	\$ 505,000	\$ 4,166	\$ 509,166

Paying Agent:

Harris Bank Chicago

Principal payment date:

October 1

Interest payment dates:

October 1 and April 1

Interest rates:

1.25% - 1.52%

TOWNSHIP HIGH SCHOOL DISTRICT 211

SCHEDULE OF DEBT CERTIFICATE OUTSTANDING

JUNE 30, 2005

GENERAL OBLIGATION LIMITED TAX DEBT CERTIFICATES, SERIES 2004

YEAR ENDED JUNE 30,	BONDS OUTSTANDING	INTEREST PAYABLE	TOTAL DEBT SERVICE
2006	\$ 833,332	\$ 25,156	\$ 858,488
2007	833,332	16,771	850,103
2008	<u>-</u>	<u>1,198</u>	<u>1,198</u>
TOTAL	<u>\$ 1,666,664</u>	<u>\$ 43,125</u>	<u>\$ 1,709,789</u>

Paying Agent:

Bank One

Principal payment date:

January 1, April 1, July 1 and October 1

Interest payment dates:

January 1, April 1, July 1 and October 1

Interest rates:

2.30%

TOWNSHIP HIGH SCHOOL DISTRICT 211

SUMMARY OF INSURANCE COVERAGE

JUNE 30, 2005

Item Covered	Amount of Coverage	
Business Property Coverage (1) (2)		
Building and Contents	\$150,000,000	Per Occurrence (Pool)
Sublimits:		
Flood	10,000,000	Annual Aggregate
Earthquake	10,000,000	Annual Aggregate
Business Interruption	500,000	Per Occurrence
Mobile Equipment	50,000	Per Occurrence
Valuable Papers	500,000	Per Occurrence
EDP Equipment	1,000,000	Per Occurrence
Fine Arts	250,000	Per Occurrence
Increased Cost of Construction	2,500,000	Per Occurrence
Ordinance or Law	2,500,000	Per Occurrence
Newly Acquired Property (120 days)	2,500,000	Each Location per Schedule
Builders Risk	5,000,000	Each Location per Schedule
Pollution Cleanup	100,000	Per Occurrence
Transit	500,000	Per Occurrence
Accounts Receivable	500,000	Per Occurrence
Arson Reward	2,500	Per Occurrence
Out Door Property	100,000	Per Occurrence
Off-Premise Power Interruption	2,500,000	Per Occurrence
Personal Property of Others	1,000,000	Per Occurrence
Property Off-Premises	50,000	Per Occurrence
Unintentional Errors or Omissions	1,000,000	Per Occurrence
Debris removal	25% of Loss	Per Occurrence
Building trades	500,000	Per Occurrence
Extra expense	2,500,000	Per Occurrence
Liability Coverage (3) (4)		
Automobile Liability	10,000,000	Per Occurrence
General Liability	10,000,000	Per Occurrence
Employee Benefit Liability	10,000,000	Per Occurrence
Umbrella Liability	20,000,000	Per Occurrence
Errors and Omissions Liability	10,000,000	Annual Aggregate
Retention Amounts on Business Property and Liability Coverage		
Maintenance Deductible (Property and Auto Only)	1,000	Per Occurrence
Specific Prop. Retention for SSCRMP*	1,000,000	Per Occurrence
Liability Retention	1,000,000	Per Occurrence
Crime Coverage		
Employee Dishonesty	1,000,000	Each Loss
Forgery and Alteration	1,000,000	Each Loss
Theft, Disappearance, Destruction	1,000,000	Each Loss
Computer Fraud and Credit Card Fraud	1,000,000	Each Loss

TOWNSHIP HIGH SCHOOL DISTRICT 211

SUMMARY OF INSURANCE COVERAGE

JUNE 30, 2005

Item Covered	Amount of Coverage	
Crime Coverage cont...		
Deductibles:		
Individual Member	1,000	Each Claim
School Board Legal Liability Coverage (5)		
Per District Board Liability	10,000,000	Annual Aggregate
Individual Member Deductible	5,000	Each Claim
Boiler and Machinery Coverage (6)		
Combined Limit	50,000,000	Per Occurrence
Deductibles:		
Defined Objects - as per policy	10,000	Each Claim
All Other Objects	1,000	Each Claim
EDP Equipment	2,500	Each Claim
Excess Worker's Compensation Coverage		
Worker's Compensation	1,000,000	Per Occurrence
Deductible	400,000	Per Occurrence

- (1) Included in Building Coverage (no sublimit): Extra Expense, Auto Physical Damage, Mechanical Breakdown, EDP Extra Expense and Transit, Loss of Rent Accounts Receivable, Betterments and Improvements, Back-up of Sewers and Drains, Foundation and Underground Piping, All-Risk or Special Perils.
- (2) Major Exclusions from Building Coverage: Damage caused by termites or other insects, wear/tear and gradual deterioration, rust and wet or dry mold, contamination, and normal setting, shrinkage/expansion in foundations, walls, floors, ceilings or domestic terrorism.
- (3) Included in Liability Coverage: Fire Legal, Automatic Acquisition, Volunteers, Employees, Athletic Participation, Products and Completed Operations, Premises Operations, Personal Injury including mental anguish and emotional distress, Host Liquor Liability, Independent Contractors, Advertising and Broadcasting, Special Events, Corporal Punishment, Garage and Garage-keepers, Students, Hostile Fire, Sexual Abuse, Nurses, Dentists and EMT's Incidental Malpractice, Employers, Automotive and Employee Benefits.
- (4) Major Exclusions from Liability Coverage: Absolute Pollution, Absolute Asbestos, Landfills and Reservoirs, Medical Malpractice except Incidental, Inverse Condemnation, Workers Compensation, Hospital Malpractice, Riot and Civil Commotion and AIDS Discrimination or domestic terrorism.
- (5) School Board Legal Liability Includes: Civil Rights Coverage, Negligent Hiring Claims, Defense of Redistricting Claims, Insured vs. Uninsured, Admin. Hearings Defense, Employment Disputes, Student Activities, Special Education, Non-monetary Defense, Punitive and Exemplary Damages, Negligent Supervision and Full Prior Acts.
- (6) Boiler and Machinery Coverage Includes: Comprehensive Coverage, Ordinance or Law, Repair or Replacement, Certain Electronics Control Equipment and Joint Loss Agreement.
- (7) Major Exclusions from Boiler and Machinery Coverage: Earthquake and Lightning.

Note: The above information has been provided by Nugent Risk Management Services

* The District participates in a property and liability insurance pool called Secondary School Cooperative Risk Management Program (SSCRMP) which is comprised of High School Districts: 207, 211, 214 and 225.

TOWNSHIP HIGH SCHOOL DISTRICT 211

GENERAL CAPITAL ASSETS SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY SOURCE FOR THE YEAR ENDED JUNE 30, 2005

SOURCE	GENERAL CAPITAL ASSETS JUNE 30, 2004	ADDITIONS	DELETIONS	GENERAL CAPITAL ASSETS JUNE 30, 2005
Balance at June 30, 2001	\$ 137,748,644	\$ -	\$ 1,082,313	\$ 136,666,331
General Fund:				
Educational Fund Revenues	11,750,794	1,828,270	-	13,579,064
Special Fund:				
Operations and Maintenance				
Fund Revenues	28,123,156	9,099,216	2,275,175	34,947,197
Transportation Fund Revenues	2,280,726	831,072	-	3,111,798
Capital Projects Fund:				
Fire Prevention and Safety				
Fund Revenues	<u>7,338,863</u>	<u>521,013</u>	<u>-</u>	<u>7,859,876</u>
Total	<u>\$ 187,242,183</u>	<u>\$ 12,279,571</u>	<u>\$ 3,357,488</u>	<u>\$ 196,164,266</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2005

FUNCTION AND ACTIVITY	GENERAL CAPITAL ASSETS JUNE 30, 2004	ADDITIONS	DELETIONS	GENERAL CAPITAL ASSETS JUNE 30, 2005
All Assets Acquired Prior to June 30, 2001	\$ 137,748,644	\$ -	\$ 1,082,313	\$ 136,666,331
General -				
(Educational) Fund:				
Instruction	9,791,474	1,789,224	-	11,580,698
Support:				
Pupils	67,221	-	-	67,221
Instructional Staff	156,456	4,728	-	161,184
School Administration	1,338,517	-	-	1,338,517
Business	52,675	19,539	-	72,214
Central	344,451	14,779	-	359,230
Total Educational Fund	<u>11,750,794</u>	<u>1,828,270</u>	<u>-</u>	<u>13,579,064</u>
Special Revenue -				
Operations and Maintenance Fund				
Operation and maintenance of plant services	<u>28,123,156</u>	<u>9,099,216</u>	<u>2,275,175</u>	<u>34,947,197</u>
Total Operations and Maintenance Fund	<u>28,123,156</u>	<u>9,099,216</u>	<u>2,275,175</u>	<u>34,947,197</u>
Transportation Fund:				
Pupil transportation services	<u>2,280,726</u>	<u>831,072</u>	<u>-</u>	<u>3,111,798</u>
Total Transportation Fund	<u>2,280,726</u>	<u>831,072</u>	<u>-</u>	<u>3,111,798</u>
Capital Projects -				
Fire Prevention and Safety Fund:				
Facilities acquisition and construction services	<u>7,338,863</u>	<u>521,013</u>	<u>-</u>	<u>7,859,876</u>
Total Fire Prevention and Safety Fund	<u>7,338,863</u>	<u>521,013</u>	<u>-</u>	<u>7,859,876</u>
 Total Fixed Assets	 <u>\$ 187,242,183</u>	 <u>\$ 12,279,571</u>	 <u>\$ 3,357,488</u>	 <u>\$ 196,164,266</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2005

FUNCTION AND ACTIVITY	LAND	CONSTRUCTION IN PROGRESS	BUILDINGS & IMPROVEMENTS
All Assets Acquired Prior to June 30, 2001	\$ 1,576,291	\$ 5,781,380	\$ 92,344,628
General -			
Educational Fund:			
Instruction	-	-	-
Support:			
Pupils	-	-	-
Instructional Staff	-	-	-
School Administration	-	-	-
Business	-	-	-
Central	-	-	-
Total Educational Fund	-	-	-
Special Revenue -			
Operations and Maintenance Fund			
Operations and maintenance of plant services	-	1,744,451	33,706,288
Total Operations and Maintenance Fund	-	1,744,451	33,706,288
Transportation Fund			
Pupil transportation services	-	-	-
Total Transportation Fund	-	-	-
Capital Projects -			
Fire Prevention and Safety Fund:			
Facilities acquisition and construction services	-	-	7,338,863
Total Fire Prevention and Safety Fund	-	-	7,338,863
Total Fixed Assets	\$ 1,576,291	\$ 7,525,831	\$ 133,389,779

NOTE: During fiscal year 2001 the District started accumulating general capital assets by function and activity.

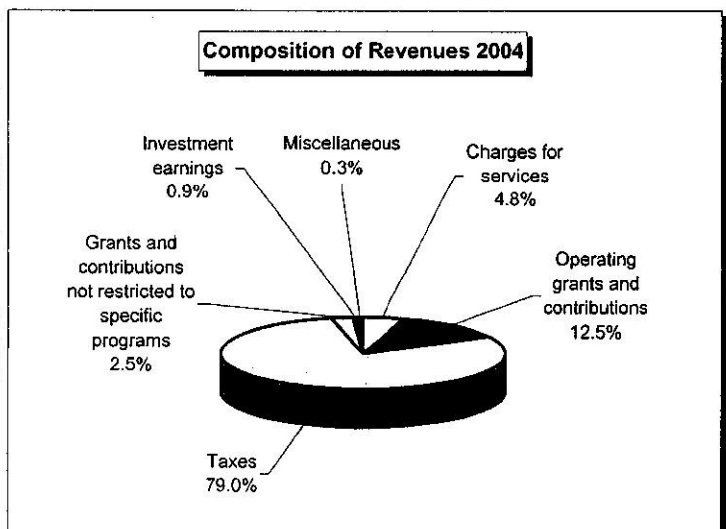
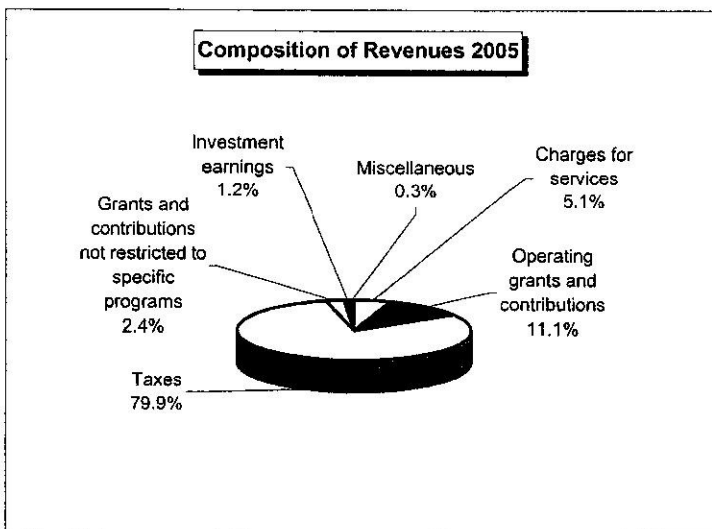
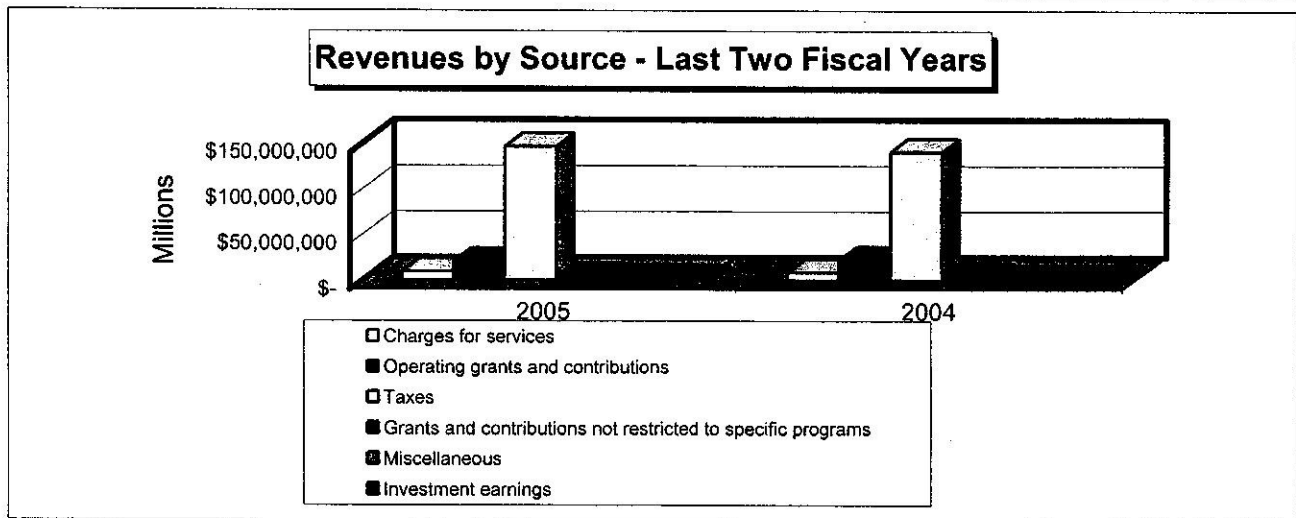
VEHICLES	LIBRARY BOOKS	TEXTBOOKS	EQUIPMENT	TOTAL GENERAL FIXED ASSETS
\$ 6,183,880	\$ 1,356,220	\$ 2,804,460	\$ 27,701,785	\$ 137,748,644
-	82,037	1,198,802	9,355,744	10,636,583
-	-	-	67,221	67,221
-	-	-	161,184	161,184
-	50,143	341,974	946,400	1,338,517
-	-	-	72,214	72,214
-	-	-	359,230	359,230
-	132,180	1,540,776	10,961,993	12,634,949
-	-	-	(120,727)	35,330,012
-	-	-	(120,727)	35,330,012
3,111,798	-	-	-	3,111,798
3,111,798	-	-	-	3,111,798
-	-	-	-	7,338,863
-	-	-	-	7,338,863
\$ 9,295,678	\$ 1,488,400	\$ 4,345,236	\$ 38,543,051	\$ 196,164,266

TOWNSHIP HIGH SCHOOL DISTRICT 211

GOVERNMENT-WIDE REVENUES BY SOURCE

LAST TWO FISCAL YEARS

	2005	2004
Program revenues		
Charges for services	\$ 9,368,615	\$ 8,536,559
Operating grants and contributions	20,225,844	22,261,198
Total program revenues	29,594,459	30,797,757
General revenues		
Taxes	146,141,265	140,465,490
Grants and contributions not restricted to specific programs	4,450,618	4,424,885
Investment earnings	2,212,105	1,651,181
Miscellaneous	547,567	511,729
Total general revenues	153,351,555	147,053,285
Total revenues	\$ 182,946,014	\$ 177,851,042



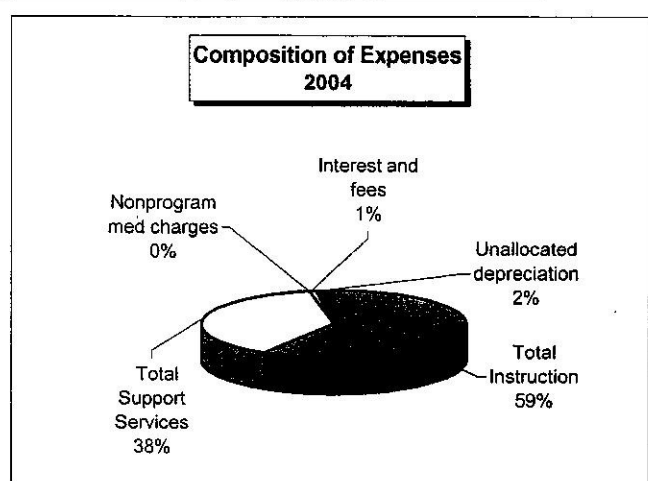
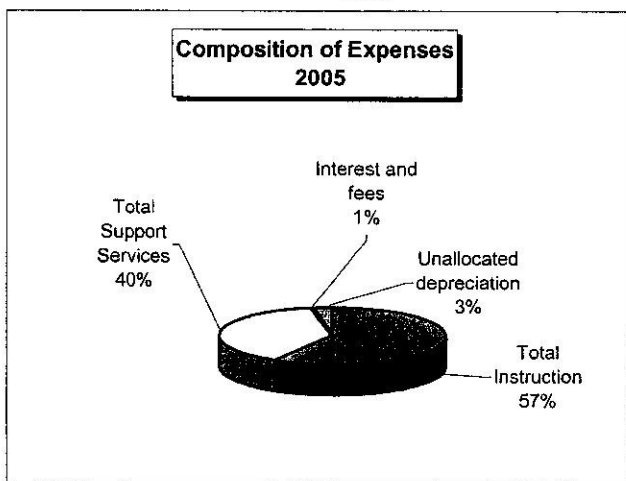
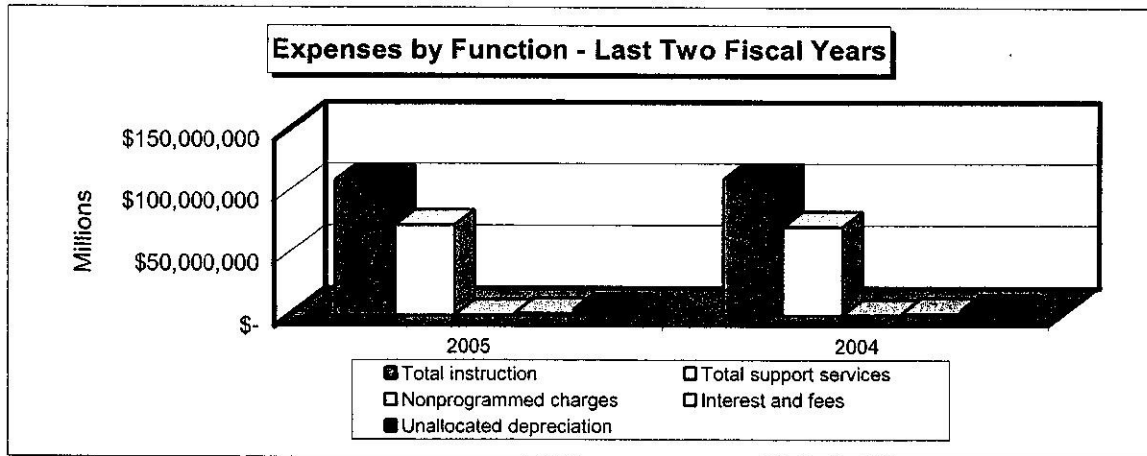
SOURCE OF INFORMATION: 2003-2004 financial statements

TOWNSHIP HIGH SCHOOL DISTRICT 211

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TWO FISCAL YEARS

	2005	2004
Instruction:		
Regular programs	\$ 59,295,804	\$ 58,398,254
Special programs	19,816,008	18,817,101
Other instructional programs	19,947,027	20,886,697
State retirement contributions	9,431,879	11,159,553
Total instruction	108,490,718	109,261,605
Support services:		
Pupils	13,535,545	13,591,317
Instructional staff	7,517,054	7,818,582
General administration	2,207,448	3,167,835
School administration	8,339,673	8,272,993
Business	5,893,531	5,814,015
Transportation	8,026,637	7,755,110
Operations and maintenance	23,773,715	21,202,984
Central	2,780,090	3,306,800
Total support services	72,073,693	70,929,636
Nonprogrammed charges	-	10,079
Interest and fees	1,141,899	1,300,288
Unallocated depreciation	4,720,484	4,211,999
Total expenses	\$ 186,426,794	\$ 185,713,607



SOURCE OF INFORMATION: 2003-2004 financial statements

TOWNSHIP HIGH SCHOOL DISTRICT 211

GENERAL SCHOOL SYSTEM REVENUES BY SOURCE *

LAST TEN FISCAL YEARS

	2005	2004	2003	2002
Local sources:				
Taxes	\$ 146,141,265	\$ 140,465,490	\$ 134,214,998	\$ 124,426,025
Earnings on Investments	2,292,414	1,659,333	2,562,925	4,850,646
Other Local Sources	<u>9,520,056</u>	<u>8,997,993</u>	<u>8,226,392</u>	<u>8,519,228</u>
Total local sources	157,953,735	151,122,816	145,004,315	137,795,899
State and Federal sources	<u>15,244,583</u>	<u>15,526,530</u>	<u>18,174,754</u>	<u>17,317,691</u>
Total	<u>\$ 173,198,318</u>	<u>\$ 166,649,346</u>	<u>\$ 163,179,069</u>	<u>\$ 155,113,590</u>

* - Includes revenues for all Governmental Funds, except on-behalf payments to Teachers' Retirement System from the State recognized in the General Fund.

** - Conversion to modified accrual in fiscal year 2000. All preceeding years reported on cash basis of accounting.

SOURCE OF INFORMATION: 1996-2005 Annual Financial Report

2001	2000 **	1999	1998	1997	1996
\$ 129,224,152	\$ 124,036,884	\$ 122,574,878	\$ 118,414,986	\$ 116,492,134	\$ 114,647,373
8,458,938	7,052,980	6,537,652	7,659,145	7,717,679	5,437,867
<u>8,365,175</u>	<u>7,496,469</u>	<u>7,412,891</u>	<u>6,567,045</u>	<u>5,590,930</u>	<u>10,829,118</u>
146,048,265	138,586,333	136,525,421	132,641,176	129,800,743	130,914,358
<u>17,528,314</u>	<u>15,330,405</u>	<u>13,259,105</u>	<u>13,163,746</u>	<u>10,907,333</u>	<u>9,012,704</u>
<u>\$ 163,576,579</u>	<u>\$ 153,916,738</u>	<u>\$ 149,784,526</u>	<u>\$ 145,804,922</u>	<u>\$ 140,708,076</u>	<u>\$ 139,927,062</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

GENERAL SCHOOL SYSTEM EXPENDITURES BY FUNCTION*

LAST TEN FISCAL YEARS

	2005	2004	2003	2002
Current operating:				
Instructional				
Regular Programs	\$ 43,483,226	\$ 42,927,553	\$ 43,643,267	\$ 43,294,796
Special Programs	11,478,481	11,482,133	11,893,086	10,332,296
Remedial Programs	-	-	-	-
Improving America's Schools Act	-	-	-	-
Adult/Continuing Programs	512,540	533,000	682,730	764,594
Vocational Programs	5,749,597	6,360,989	6,243,948	7,750,194
Interscholastic Programs	6,254,458	6,439,064	6,215,915	6,231,684
Summer School Programs	1,418,313	1,428,055	1,265,726	1,187,207
Gifted Programs	-	-	326	55,739
Bilingual Programs	1,609,089	1,542,913	1,524,553	1,458,879
Alternative/Optional Programs	<u>151,377</u>	<u>218,425</u>	<u>172,372</u>	<u>201,872</u>
Total instructional	<u>70,657,081</u>	<u>70,932,132</u>	<u>71,641,923</u>	<u>71,277,261</u>
Supporting services				
Instructional	29,891,512	30,752,376	30,845,161	29,220,451
Operations and Maintenance of Plant Services	16,029,799	17,666,217	17,655,467	18,076,396
Pupil Transportation	5,705,333	5,715,061	5,675,257	5,591,414
Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>110,669</u>	<u>-</u>
Total supporting services	<u>51,626,644</u>	<u>54,133,654</u>	<u>54,286,554</u>	<u>52,888,261</u>
Total current operating	<u>122,283,725</u>	<u>125,065,786</u>	<u>125,928,477</u>	<u>124,165,522</u>
Other:				
Employee Benefits	35,916,157	35,899,949	29,527,286	30,258,917
Debt Service	13,664,421	13,500,420	12,921,299	13,546,059
Nonprogrammed Charges	4,043,393	3,807,185	4,722,524	4,115,738
Payments to Other Government Units	-	-	692,730	692,730
Capital Outlay	<u>15,134,852</u>	<u>13,942,447</u>	<u>20,737,554</u>	<u>19,090,979</u>
Total	<u>\$ 191,042,548</u>	<u>\$ 192,215,787</u>	<u>\$ 194,529,870</u>	<u>\$ 191,869,945</u>

* - Includes expenditures for all Governmental Funds, except on-behalf payments to Teachers' Retirement System from the State expended in the General Fund.

** - Conversion to modified accrual in fiscal year 2000. All preceeding years reported in cash basis of accounting.

SOURCE OF INFORMATION: 1996-2005 Annual Financial Report

	2001	2000 **	1999	1998	1997	1996
\$	42,119,655	\$ 40,619,116	\$ 38,057,906	\$ 37,569,825	\$ 34,889,489	\$ 32,518,719
	9,416,480	8,721,305	7,887,711	7,091,814	6,329,792	5,505,667
	-	-	-	-	113,419	130,519
	-	-	-	10,805	-	-
	781,908	717,644	644,327	638,969	612,853	589,554
	6,995,713	6,569,957	6,077,482	6,078,999	5,724,535	5,458,300
	5,854,048	5,476,077	5,169,053	4,945,693	4,743,735	4,537,804
	1,207,072	1,113,531	1,008,683	929,598	880,194	771,025
	73,231	118,796	80,668	97,000	85,116	102,610
	1,248,422	1,170,965	1,079,708	939,537	846,614	831,937
	202,389	159,865	163,565	151,513	144,968	134,913
	<u>67,898,918</u>	<u>64,667,256</u>	<u>60,169,103</u>	<u>58,453,753</u>	<u>54,370,715</u>	<u>50,581,048</u>
	28,041,038	26,999,503	25,549,231	24,486,827	23,076,521	22,303,737
	17,253,383	16,118,904	15,131,122	14,013,097	14,457,094	13,611,827
	5,251,799	5,010,631	4,620,374	4,344,709	4,069,056	3,738,663
	-	805,203	-	-	-	-
	<u>50,546,220</u>	<u>48,934,241</u>	<u>45,300,727</u>	<u>42,844,633</u>	<u>41,602,671</u>	<u>39,654,227</u>
	<u>118,445,138</u>	<u>113,601,497</u>	<u>105,469,830</u>	<u>101,298,386</u>	<u>95,973,386</u>	<u>90,235,275</u>
	25,115,720	23,922,614	22,244,169	20,263,725	18,249,058	17,714,351
	13,406,039	12,479,616	12,239,363	11,725,466	12,478,836	12,291,117
	3,566,104	3,910,046	3,720,920	3,483,571	2,791,943	2,384,498
	290,683	355,189	351,290	346,366	471,557	283,606
	<u>16,278,879</u>	<u>14,033,887</u>	<u>15,695,165</u>	<u>15,031,008</u>	<u>13,196,066</u>	<u>4,415,886</u>
\$	<u>177,102,563</u>	<u>\$ 168,302,849</u>	<u>\$ 159,720,737</u>	<u>\$ 152,148,522</u>	<u>\$ 143,160,846</u>	<u>\$ 127,324,733</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

PROPERTY TAX RATES - LEVIES AND COLLECTIONS

LAST TEN TAX LEVY YEARS

	2004	2003	2002	2001
Rates extended*				
Educational	1.6135	1.5900	1.4570	1.3627
Tort Immunity	0.0000	0.0000	0.0094	0.0441
Special Education	0.0175	0.0200	0.0188	0.0171
Facilities Leasing	0.0327	0.0424	0.0447	0.0429
Operations and Maintenance	0.2130	0.2455	0.2576	0.3214
Bond and Interest	0.1469	0.1744	0.1719	0.1644
Transportation	0.0530	0.0598	0.0541	0.0738
Illinois Municipal Retirement	0.0406	0.0163	0.0170	0.0387
Social Security	0.0406	0.0163	0.0170	0.0387
Fire Prevention and Life Safety	0.0000	0.0000	0.0000	0.0000
Working Cash	<u>0.0000</u>	<u>0.0000</u>	<u>0.0190</u>	<u>0.0429</u>
Total rates extended	<u>2.1578</u>	<u>2.1647</u>	<u>2.0665</u>	<u>2.1467</u>
Levies extended				
Educational	\$ 122,644,491	\$ 105,282,895	\$ 97,862,045	\$ 85,285,299
Tort Immunity	-	-	631,050	2,759,158
Special Education	1,330,253	1,324,313	1,264,264	1,072,771
Facilities Leasing	2,485,129	2,810,448	3,000,336	2,681,928
Operations and Maintenance	16,186,923	16,257,910	17,299,814	20,114,458
Bond and Interest	11,170,498	11,547,821	11,545,678	10,289,682
Transportation	4,029,939	3,962,201	3,631,387	4,617,012
Illinois Municipal Retirement	3,089,620	1,081,492	1,141,745	2,420,530
Social Security	3,089,620	1,081,492	1,141,745	2,420,530
Fire Prevention and Life Safety	-	-	-	-
Working Cash	<u>-</u>	<u>-</u>	<u>1,276,739</u>	<u>2,681,928</u>
Total levies extended	<u>\$ 164,026,473</u>	<u>\$ 143,348,572</u>	<u>\$ 138,794,803</u>	<u>\$ 134,343,296</u>
Total collections (net of refunds)	<u>\$ 68,438,072</u>	<u>\$ 143,046,923</u>	<u>\$ 138,334,964</u>	<u>\$ 134,075,638</u>
Percentage of extensions collected	<u>41.72%</u>	<u>99.79%</u>	<u>99.67%</u>	<u>99.80%</u>

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports for 1995 to 2004.

* Tax Rates are expressed in dollars per \$100 of Assessed Valuation

2000	1999	1998	1997	1996	1995
1.5900	1.5397	1.4932	1.5900	1.5584	1.4679
0.0307	0.0334	0.0764	0.0841	0.0715	0.0926
0.0200	0.0194	0.0188	0.0200	0.0196	0.0185
0.0500	0.0484	0.0470	0.0000	0.0000	0.0000
0.3750	0.3631	0.3522	0.3750	0.3676	0.3462
0.2079	0.2366	0.2469	0.2700	0.2696	0.2757
0.0652	0.0678	0.0883	0.0972	0.0870	0.0926
0.0306	0.0303	0.0476	0.0552	0.0474	0.0519
0.0306	0.0303	0.0466	0.0530	0.0462	0.0508
0.0000	0.0000	0.0000	0.0000	0.0000	0.0462
<u>0.0500</u>	<u>0.0484</u>	<u>0.0470</u>	<u>0.0500</u>	<u>0.0490</u>	<u>0.0462</u>
<u>2.4500</u>	<u>2.4174</u>	<u>2.4640</u>	<u>2.5945</u>	<u>2.5163</u>	<u>2.4886</u>
\$ 83,827,273	\$ 81,499,459	\$ 75,478,815	\$ 74,165,582	\$ 72,530,050	\$ 66,951,291
1,617,100	1,765,608	3,861,128	3,921,287	3,326,099	4,222,767
1,054,431	1,023,541	946,599	931,911	913,506	840,013
2,636,078	2,558,853	2,378,953	-	-	-
19,770,583	19,216,984	17,811,007	17,488,458	17,110,674	15,789,971
10,959,396	12,525,584	12,480,160	12,598,951	12,543,143	12,577,489
3,438,140	3,595,188	4,458,979	4,538,527	4,052,220	4,222,767
1,611,950	1,599,283	2,403,863	2,577,883	2,206,289	2,372,469
1,611,950	1,599,283	2,354,042	2,468,959	2,150,433	2,315,711
-	-	-	-	-	2,111,384
<u>2,636,078</u>	<u>2,558,853</u>	<u>2,378,953</u>	<u>2,335,829</u>	<u>2,283,765</u>	<u>2,111,384</u>
<u>\$ 129,162,979</u>	<u>\$ 127,942,636</u>	<u>\$ 124,552,499</u>	<u>\$ 121,027,387</u>	<u>\$ 117,116,179</u>	<u>\$ 113,515,246</u>
<u>\$ 128,635,753</u>	<u>\$ 125,193,933</u>	<u>\$ 124,217,951</u>	<u>\$ 118,073,641</u>	<u>\$ 108,046,160</u>	<u>\$ 112,967,784</u>
<u>99.59%</u>	<u>97.85%</u>	<u>99.73%</u>	<u>97.56%</u>	<u>92.26%</u>	<u>99.52%</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

EQUALIZED ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN TAX LEVY YEARS

TAX LEVY YEAR	EQUALIZED ASSESSED VALUATION	AMOUNT OF INCREASE (DECREASE) OVER PREVIOUS YEAR	PERCENTAGE INCREASE (DECREASE) OVER PREVIOUS YEAR	ACTUAL ESTIMATED VALUE*
2004	\$ 7,608,908,490	\$ 987,342,740	14.91%	\$ 22,826,725,470
2003 T	6,621,565,750	(95,108,545)	-1.42%	19,864,697,250
2002	6,716,674,295	457,979,261	7.32%	20,150,022,885
2001	6,258,695,034	986,539,521	18.71%	18,776,085,102
2000 T	5,272,155,513	(19,103,224)	-0.36%	15,816,466,539
1999	5,291,258,737	236,368,342	4.68%	15,873,776,211
1998	5,054,890,395	391,021,901	8.38%	15,164,671,185
1997 T	4,663,868,494	(6,054,519)	-0.13%	13,991,605,482
1996	4,669,923,013	109,246,197	2.40%	14,009,769,039
1995	4,560,676,816	350,098,705	8.31%	13,682,030,448

NOTES:

T - Triennial Reassessment Year.

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports for 1995 to 2004

* Represents three times the Equalized Assessed Valuation.

TOWNSHIP HIGH SCHOOL DISTRICT 211

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS *

LAST TEN TAX LEVY YEARS

Taxing District	2003	2002	2001	2000	1999
County of Cook	0.630	0.690	0.746	0.824	0.854
Forest Preserve District of Cook County	0.059	0.061	0.067	0.069	0.070
Suburban T.B. Sanitarium	0.004	0.006	0.007	0.008	0.008
Consolidated Elections	0.029	0.000	0.032	0.000	0.023
Town of Schaumburg	0.088	0.084	0.089	0.085	0.088
Schaumburg Road and Bridge	0.016	0.016	0.016	0.017	0.017
Schaumburg General Assistance	0.006	0.005	0.005	0.005	0.005
Metropolitan Water Reclamation District	0.361	0.371	0.401	0.415	0.419
N.W. Mosquito Abatement	0.010	0.009	0.010	0.011	0.010
Harper Community College District 512	0.310	0.295	0.308	0.347	0.270
Schaumburg Park District	0.494	0.460	0.448	0.522	0.441
Schaumburg Township District Public Library	0.319	0.304	0.319	0.372	0.361
School District CC 54	<u>3.414</u>	<u>3.142</u>	<u>3.283</u>	<u>3.706</u>	<u>3.532</u>
Total overlapping rate	5.740	5.443	5.731	6.381	6.098
Township High School District 211	<u>2.165</u>	<u>2.067</u>	<u>2.147</u>	<u>2.450</u>	<u>2.418</u>
Total rate	<u><u>7.905</u></u>	<u><u>7.510</u></u>	<u><u>7.878</u></u>	<u><u>8.831</u></u>	<u><u>8.516</u></u>

* Tax Rates are expressed in dollars per \$100 of assessed valuations.

SOURCE OF INFORMATION: Cook County Clerk's Office, Department of Tax Extension

NOTE: The totals above reflect the typical tax rates for individual taxpayers within the District. By showing all other overlapping rates, we would have materially distorted the true picture of tax rate burden within the District.

1998	1997	1996	1995	1994
0.911	0.919	0.989	0.994	0.993
0.072	0.074	0.074	0.072	0.073
0.008	0.008	0.008	0.008	0.008
0.000	0.027	0.000	0.029	0.000
0.104	0.111	0.094	0.098	0.100
0.018	0.019	0.019	0.022	0.023
0.005	0.005	0.005	0.005	0.005
0.444	0.451	0.492	0.495	0.495
0.010	0.011	0.010	0.010	0.010
0.277	0.292	0.281	0.279	0.296
0.572	0.607	0.603	0.526	0.765
0.358	0.370	0.368	0.361	0.368
<u>3.595</u>	<u>3.751</u>	<u>3.634</u>	<u>3.579</u>	<u>3.694</u>
6.374	6.645	6.577	6.478	6.830
<u>2.464</u>	<u>2.595</u>	<u>2.517</u>	<u>2.489</u>	<u>2.629</u>
<u><u>8.838</u></u>	<u><u>9.240</u></u>	<u><u>9.094</u></u>	<u><u>8.967</u></u>	<u><u>9.459</u></u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

MAJOR CATEGORIES OF EQUALIZED ASSESSED VALUATION

LAST TEN TAX YEARS

TAX LEVY YEAR	REAL ESTATE PROPERTY	RAILROAD PROPERTY	FARM	TOTAL EQUALIZED ASSESSED VALUATION
2003*	N/A	\$ 748,119	N/A	\$ 6,621,565,750
2002	6,715,622,783	692,812	158,700	6,716,474,295
2001	6,257,954,965	578,807	161,262	6,258,695,034
2000	5,271,454,076	548,784	152,653	5,272,155,513
1999	5,288,977,206	526,644	1,754,887	5,291,258,737
1998	5,054,029,570	519,332	341,493	5,054,890,395
1997	4,663,017,076	559,677	291,741	4,663,868,494
1996	4,651,829,771	625,401	551,558	4,653,006,730
1995	4,559,659,974	258,702	758,140	4,560,676,816
1994	4,209,950,941	186,094	441,076	4,210,578,111

* Most recent data available for classification of property.

SOURCE OF INFORMATION: Cook County Clerk's Office, Department of Tax Extension

TOWNSHIP HIGH SCHOOL DISTRICT 211

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

JUNE 30, 2005

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping bonded debt			
County			
Cook County	\$ 3,093,165,000	5.893%	\$ 182,280,213
Cook County Forest Preserve	135,155,000	5.893%	7,964,684
Metropolitan Sanitary District of Greater Chicago	1,307,823,555	5.790%	75,722,984
Dupage Water Commission	66,205,000	0.264%	174,781
Schaumburg Township	1,040,000	100.000%	1,040,000
School Districts			
Schaumburg ESD 54	53,835,000	100.000%	53,835,000
Palatine ESD 15	60,129,901	82.534%	49,627,612
Harper CCSD 512	76,670,000	39.132%	30,002,504
Elgin CCSD 509	57,816,879	1.057%	611,124
Park Districts			
Schaumburg Park District	18,650,000	97.986%	18,274,389
Palatine Park District	5,660,000	99.617%	5,638,322
Hoffman Estates Park District	10,605,000	69.491%	7,369,521
Elk Grove Park District	14,910,000	13.842%	2,063,842
Rolling Meadows Park District	970,365	24.641%	239,108
South Barrington Park District	1,115,000	1.319%	14,707
Arlington Heights Park District	16,580,914	0.055%	9,120
Inverness Park District	612,500	90.830%	556,334
Salt Creek Rural Park District	587,000	65.155%	382,460
Hanover Park Park District	749,290	14.452%	108,287
Municipalities			
Village of Schaumburg	304,709,787	97.880%	298,249,940
Village of Palatine	81,942,790	99.904%	81,864,125
Village of Hoffman Estates	24,180,000	69.450%	16,793,010
City of Rolling Meadows	21,635,000	35.710%	7,725,859
Village of Elk Grove Village	18,255,000	14.753%	2,693,160
Village of Hanover Park	13,850,000	21.752%	3,012,652
Village of Arlington Heights	68,395,000	2.068%	1,414,409
Village of Roselle	-	12.957%	-
Village of Streamwood	15,000,000	3.205%	480,750
Village of South Barrington	7,260,000	1.277%	92,710

TOWNSHIP HIGH SCHOOL DISTRICT 211

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

JUNE 30, 2005

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Miscellaneous			
Schaumburg Township Library District	\$ 11,810,000	100.000%	\$ 11,810,000
Palatine Public Library District No. 2	8,200,000	99.802%	8,183,764
Palatine Public Library District No. 3	-	99.767%	-
Barrington Public Library District	745,000	1.387%	10,333
Palatine Special Service Area No. 3	110,000	100.000%	110,000
Total overlapping bonded debt			868,355,704
Direct bonded debt			
Township High School District 211			28,120,000
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT			\$ 896,475,704

SOURCE OF INFORMATION: Cook County Clerk's Office, Department of Tax Extension

TOWNSHIP HIGH SCHOOL DISTRICT 211

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2005

Assessed valuation of taxable properties for the tax year 2004	\$ 7,608,908,490
Rate	<u>6.9%</u>
Bonded debt limit	525,014,686
Amount of debt applicable to debt limit	<u>30,291,664</u>
Legal bond debt margin at June 30, 2005	<u>\$ 494,723,022</u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION AND NET GENERAL BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	TAX LEVY YEAR	GROSS GENERAL BONDED DEBT	AVAILABLE IN THE DEBT SERVICE FUND	NET GENERAL BONDED DEBT	EQUALIZED ASSESSED VALUATION
2004	2003	\$ 39,704,129	\$ 9,250,293	\$ 30,453,836	\$ 6,621,565,750
2003	2002	49,598,361	8,863,432	40,734,929	6,716,474,295
2002	2001	33,208,723	8,649,207	24,559,516	6,258,876,401
2001	2000	15,288,727	9,718,134	5,570,593	5,272,155,513
2000	1999	22,974,999	9,857,311	13,117,688	5,291,258,737
1999	1998	32,309,859	9,322,804	22,987,055	5,054,890,395
1998	1997	14,527,827	11,968,842	2,558,985	4,663,868,494
1997	1996	26,412,231	10,807,722	15,604,509	4,669,923,013
1996	1995	38,256,573	10,216,923	28,039,650	4,560,676,816
1995	1994	22,216,900	9,226,664	12,990,236	4,210,578,111

SOURCE OF INFORMATION: 1995-2004 Annual Financial Report

NOTES: Population estimates are based on information received from the bureau of the census and local city and village governmental data.

PERCENTAGE OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION	ESTIMATED POPULATION	NET GENERAL BONDED DEBT PER CAPITA
46%	221,305	\$ 138
61%	221,305	184.1
39%	221,305	111
11%	221,305	25
25%	221,305	59
45%	221,305	104
5%	221,305	12
33%	221,305	71
61%	221,305	127
31%	221,305	59

TOWNSHIP HIGH SCHOOL DISTRICT 211

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	ALL GOVERNMENTAL FUND TYPES - TOTAL EXPENDITURES (1)	DEBT SERVICE FUND EXPENDITURES (2)	ANNUAL DEBT SERVICE FUND EXPENDITURES TO ALL GOVERNMENTAL FUND TYPES - TOTAL EXPENDITURES
2005	\$ 191,042,548	\$ 10,744,088	5.62%
2004	192,215,787	10,683,916	5.56%
2003	194,529,870	10,267,909	5.28%
2002	191,869,945	10,890,410	5.68%
2001	177,102,563	11,720,670	6.62%
2000	168,302,849	11,752,321	6.98%
1999	159,720,737	12,239,363	7.66%
1998	152,148,522	11,725,466	7.71%
1997	143,160,846	12,478,836	8.72%
1996	127,324,733	12,291,117	9.65%

NOTES: (1) Includes expenditures of all governmental type funds. Amount does not include on-behalf payments to Teachers' Retirement System from the State expended in the General Fund.

(2) Debt Service Fund expenditures represent payment of principal and interest on General Bonded Debt and Paying Agents Fees.

SOURCE OF INFORMATION: 1996-2005 Annual Financial Report

TOWNSHIP HIGH SCHOOL DISTRICT 211

PROPERTY VALUE AND CONSTRUCTION PERMITS

LAST TEN CALENDAR YEARS

CALENDAR YEAR	PROPERTY VALUE (1)	HOMES (2)	PERCENTAGE OF TOTAL BUILDING PERMITS	TOTAL BUILDING PERMIT VALUE (2)
2004	\$ 22,803,798,465	\$ 154,605,376	23.12%	\$ 668,699,959
2003	19,864,697,250	95,576,626	20.17%	473,908,579
2002	20,149,422,885	123,176,303	33.31%	369,842,106
2001	18,776,085,102	98,364,478	25.25%	389,617,619
2000	15,816,466,539	77,488,868	24.13%	321,156,465 (4)
1999	15,873,776,211	60,851,266	24.73%	246,054,598
1998	15,164,671,185	69,040,815	15.48%	445,907,192
1997	13,991,605,482	65,553,511	22.67%	289,175,273
1996	14,009,769,039	101,727,052	31.84%	319,512,374
1995	13,682,030,448	132,029,861	47.31%	279,055,052

NOTES: (1) Source of information: Cook County Levy, Rate and Extension Report for 1995 to 2004

(2) Source of information: Northeastern Illinois Planning Commission and U.S. Census Bureau

(3) Source of information: Bank deposits supplied by local banking institutions

(4) Household Bank relocated out of the District

TOWNSHIP HIGH SCHOOL DISTRICT 211

PRINCIPAL TAXPAYERS IN THE DISTRICT

JUNE 30, 2005

BUSINESS	TYPE OF PROPERTY	2003 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2003 EQUALIZED ASSESSED VALUATION
Hines Corp. 460	Office Buildings	\$ 186,228,610	2.81%
Woodfield Retax Adm	Managers of Woodfield Mall	170,195,581	2.57%
Motorola, Inc.	Industrial Plants and Office Buildings	84,366,486	1.27%
Kenneth Owens COT 20	Office Buildings	59,074,552	0.89%
CNC	Office Buildings and Shopping Centers	47,713,191	0.72%
Marshall Fields/Target	Department Stores	47,302,215	0.71%
Streets Freed	Shopping Center and Public Garage	47,215,052	0.71%
Manulife Financial	Office Buildings and Shopping Center	46,043,166	0.70%
Community Centers One	Shopping center	43,589,758	0.67%
Sears	Department Stores	<u>35,165,259</u>	<u>0.53%</u>
		<u>\$ 766,893,870</u>	<u>11.58%</u>

SOURCE OF INFORMATION: Offices of the County Clerk, Cook, Palatine and Schaumburg Township Assessor's Office

TOWNSHIP HIGH SCHOOL DISTRICT 211

PRINCIPAL EMPLOYERS IN THE DISTRICT

JUNE 30, 2005

TAXPAYER	BUSINESS	NUMBER OF EMPLOYEES
Sears Roebuck & Co.	Corporate Headquarters, Retail	3,858
Motorola, Inc.	Electronics	6,300
Woodfield Shopping Center	Shopping Center	4,000 - 6,500
Northwest Community Hospital	General Hospital	3,700
School District No. 54	Public Elementary Schools	2,275
Palatine Community Consolidated School District Number 15	Public Elementary School District	1,850
Zurich American Insurance Companies	Insurance	2,050
United Parcel Service	Processing and Distribution	2,100
Harper Community College	Community College	2,000
Township High School District No. 211	Public High School District	1,860
U.S. Postal Service	Processing and Distribution	1,650
St. Alexius Medical Center	Full Service Hospital	1,640
Experian Marketing Solutions, Inc.	Direct Marketing, Computer and Information Services	1,000

SOURCE OF INFORMATION: Phone Canvass of Employers

TOWNSHIP HIGH SCHOOL DISTRICT 211

DEMOGRAPHIC AND MISCELLANEOUS STATISTICS

JUNE 30, 2005

Location: 25 miles northwest of Chicago Loop

Geographic Area: 62 Square Miles

Date of Incorporation: 1875

Estimated Population (2000 Census, U.S. Census Bureau):

Village of Hoffman Estates	49,495
Village of Inverness	6,749
Village of Palatine	65,479
Village of Schaumburg	75,386
Cook County	5,376,741
State of Illinois	12,419,293

Median Family Income(2000 Census, U.S. Census Bureau):

Village of Palatine	\$63,321
Village of Schaumburg	\$60,941
Village of Hoffman Estates	\$65,937
Village of Inverness	\$141,672
Cook County	\$45,922
State of Illinois	\$46,590

Number of Schools: Five (5) high schools (9-12)

End of year student enrollment Approximately 13,000

Pupil/Teacher Ratio: 14.2:1

Average Class Size: 23.1 Students per classroom

Faculty Holding Master's Degree or Higher: 79%

TOWNSHIP HIGH SCHOOL DISTRICT 211

DEMOGRAPHIC AND MISCELLANEOUS STATISTICS NUMBER OF EMPLOYEES LAST TEN FISCAL YEARS

	2004 - 2005	2003 - 2004	2002 - 2003	2001 - 2002	2000 - 2001
Personnel:					
Superintendent	1	1	1	1	1
Associate Superintendent	2				
Assistant Superintendent	2	4	4	4	4
Principals	5	5	5	5	5
Administrative	50	51	51	51	51
Instructional	872	899	899	912	910
Support Staff	<u>929</u>	<u>955</u>	<u>966</u>	<u>962</u>	<u>984</u>
Total Personnel	<u>1,861</u>	<u>1,915</u>	<u>1,926</u>	<u>1,935</u>	<u>1,955</u>

SOURCE OF INFORMATION: District Personnel Records

1999 - 2000	1998 - 1999	1997 - 1,998	1996 - 1997	1995 - 1996
1	1	1	1	1
4	4	4	4	3
5	5	5	5	5
51	51	51	52	53
899	874	854	854	825
<u>901</u>	<u>837</u>	<u>794</u>	<u>794</u>	<u>780</u>
<u><u>1,861</u></u>	<u><u>1,772</u></u>	<u><u>1,709</u></u>	<u><u>1,710</u></u>	<u><u>1,667</u></u>

TOWNSHIP HIGH SCHOOL DISTRICT 211

DEMOGRAPHIC AND MISCELLANEOUS STATISTICS STUDENT ENROLLMENT LAST TEN FISCAL YEARS

	2004 - 2005	2003 - 2004	2002 - 2003	2001 - 2002	2000 - 2001
Freshman Class	3,390	3,238	3,350	3,234	3,186
Sophomore Class	3,217	3,309	3,188	3,184	3,202
Junior Class	3,245	3,190	3,169	3,183	3,118
Senior Class	<u>3,162</u>	<u>3,141</u>	<u>3,109</u>	<u>3,076</u>	<u>2,930</u>
Total enrollment	<u>13,014</u>	<u>12,878</u>	<u>12,816</u>	<u>12,677</u>	<u>12,436</u>
Percentage change from prior year's enrollment	1.05%	0.48%	1.08%	1.90%	3.93%

SOURCE OF INFORMATION: District Personnel Records

1999 - 2000	1998 - 1999	1997 - 1998	1996 - 1997	1995 - 1996
3,204	3,152	2,994	2,987	3,062
3,121	2,914	2,903	3,018	3,047
2,941	2,879	2,938	3,033	2,814
<u>2,681</u>	<u>2,738</u>	<u>2,787</u>	<u>2,665</u>	<u>2,475</u>
<u>11,947</u>	<u>11,683</u>	<u>11,622</u>	<u>11,703</u>	<u>11,398</u>
2.21%	0.52%	-0.70%	2.61%	1.80%

(Concluded)

TOWNSHIP HIGH SCHOOL DISTRICT 211

OPERATING COSTS AND TUITION CHARGE

JUNE 30, 2005

	2005	2004
Operating cost per pupil		
Average Daily Attendance (ADA):	<u>12,220</u>	<u>12,085</u>
Operating Costs:		
Educational	\$ 137,356,002	\$ 139,093,496
Operations and Maintenance	20,051,105	24,055,068
Bond and Interest	10,786,026	10,683,916
Transportation	7,338,974	7,149,225
Municipal Retirement/Social Security	<u>6,219,811</u>	<u>5,382,890</u>
Subtotal	<u>181,751,918</u>	<u>186,364,595</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	4,776,103	4,062,537
Adult education	552,870	583,910
Summer school	1,430,568	1,428,055
Capital outlay	5,844,222	8,091,255
Debt principal retired	12,292,462	11,711,929
Nonprogrammed Charges	249,619	400,572
Revenues	81,175	88,276
Transfer	<u>-</u>	<u>493,364</u>
Subtotal	<u>25,227,019</u>	<u>26,859,898</u>
Operating costs	<u>\$ 156,524,899</u>	<u>\$ 159,504,697</u>
Operating Cost Per Pupil - based on ADA	<u>\$ 12,809</u>	<u>\$ 13,199</u>
Tuition charge		
Operating Costs	\$ 156,524,899	\$ 159,504,697
Less - revenues from specific programs, such as special education or lunch programs	<u>17,716,682</u>	<u>17,346,168</u>
Net operating costs	138,808,217	142,158,529
Depreciation allowance	<u>8,653,603</u>	<u>8,664,466</u>
Allowable Tuition Costs	<u>\$ 147,461,820</u>	<u>\$ 150,822,995</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 12,067</u>	<u>\$ 12,480</u>