

**PARK RIDGE-NILES
SCHOOL DISTRICT 64**

Annual Financial Report

For the year ended
June 30, 2018

PARK RIDGE-NILES SCHOOL DISTRICT 64

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KLEIN HALL
Independent Auditor's Report

Board of Education
Park Ridge-Niles School District 64
Park Ridge, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Park Ridge-Niles School District 64 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the Park Ridge-Niles School District 64 as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$49,850,944 as of July 1, 2017 as disclosed in note 14. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2017, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual, related to the 2017 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 schedules of revenues, expenditures and changes in fund balances - budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of Park Ridge-Niles School District 64's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein Hall CPAs
Aurora, Illinois
November 27, 2018

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis
For the Year Ended June 30, 2018

This section of Park Ridge-Niles School District 64's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this section. All amounts are expressed in millions of dollars unless otherwise noted.

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 June 1999. The MD&A is management's explanation of the District's financial position.

Financial Highlights

- In total, net position decreased by \$47.8 million. This is due to a prior period adjustment of (\$47.0 million) from the implementation of GASB Statement No. 75 and restatement of capital asset accumulated depreciation as well as an operational deficit of \$0.8 million.
- General revenues accounted for \$70.9 in revenue or 73.3% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$25.7 million or 26.7% of total revenues of \$96.6 million.
- For the 10th consecutive year, the District is positioned to receive a Recognition financial profile rating from the Illinois State Board of Education in 2018, which is the highest possible rating. The State Board officially approves the ratings in March.
- The District made the final payment on its Series 2014B bonds during the year. This leaves only one outstanding debt issuance included in the District's Bond & Interest tax levy.

Overview of the Financial Statements

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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

Government-wide financial statements

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

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

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

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District's

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2018

governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

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

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

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

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund (Educational, Operations and Maintenance, Working Cash and Tort Immunity Accounts) and Capital Projects Fund, which are considered to be major funds. The Transportation, Municipal Retirement, and Debt Service, are considered non-major funds.

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

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

Notes to the financial statements

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

Other information

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Financial Analysis of the District as a Whole

Net position: The *combined* net position decreased 70.1% to \$20.4 million as of June 30, 2018 (See Figure A-1). The decrease is mainly attributable to the implementation of GASB Statement No. 75 which reduced beginning net position by \$49.9 million. The District also increased beginning net position by \$2.8 million as part of an adjustment to last year's accumulated depreciation on capital assets. Excluding prior period adjustments, the District's net position decreased \$0.8 million from operations in 2017-18.

Figure A-1

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities	
	2018	2017
Assets		
Current and other assets	\$ 98.6	\$ 101.5
Capital assets	43.6	39.3
Total Assets	142.2	140.8
Deferred Outflows		
Deferred outflows related to pensions and OPEB	5.3	3.9
Total Deferred Outflows	5.3	3.9
Liabilities		
Current and other liabilities	6.8	7.3
Long-term debt outstanding	78.2	36.2
Total Liabilities	85.0	43.5
Deferred Inflows		
Property taxes levied for subsequent year	31.7	32.0
Deferred inflows related to pensions and OPEB	10.4	1.0
Total Deferred Inflows	42.1	33.0
Net position		
Net investment in capital assets	31.6	28.7
Restricted	16.8	20.9
Unrestricted	(28.0)	18.6
Total Net Position	\$ 20.4	\$ 68.2

The District's total revenues increased 4.1% to \$96.6 million (See Figure A-2). Property taxes account for approximately 69.1% of the District's total revenues. An additional 25.5% of the District's revenue comes from Evidence Based Funding and state and federal grants. Only 5.4% comes from direct charges for services in the form of student fees or other miscellaneous local revenues such as interest income.

The total cost of all programs and services decreased 6.6% to \$97.4 million (See Figure A-2) primarily due to an independent appraisal company's revaluation of the District's capital assets in the prior year. The District's expenses are predominantly related to instructing, caring for (pupil services), and transporting students 78.3%. Administrative and business activities accounted for 8.5% of total costs, and another 9.5% was for maintenance and operation of the District's buildings. 3.7% of expenses relate to community services, tuition paid to private facilities, and interest on long-term debt, which are combined into the other category. The 2017 capital asset revaluation shifted approximately 9% of expenses out of instruction and into operations and maintenance in the previous year. The percentage allocations by category returned to normal in 2018.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Total expenses surpassed revenues, decreasing net position by \$0.8 million from last year.

Figure A-2

Changes in Net Position from Operating Results (in millions of dollars)

	Governmental Activities	
	2018	2017
Revenues		
<i>Program Revenues</i>		
Charges for Services	\$ 4.5	\$ 3.7
Operating Grants & Contributions	21.2	20.4
Capital Grants & Contributions	-	-
<i>General Revenues</i>		
Taxes	66.8	66.4
Evidence based funding	3.4	1.7
Other	0.7	0.6
Total Revenues	<u>96.6</u>	<u>92.8</u>
Expenses		
Instruction	63.1	58.9
Pupil & Instructional Services	10.1	10.8
Administration & Business	8.3	8.5
Transportation	3.1	2.9
Operations & Maintenance	9.2	18.5
Other	3.6	4.7
Total Expenses	<u>97.4</u>	<u>104.3</u>
Increase (decrease) in net position	<u>(0.8)</u>	<u>(11.5)</u>
Net position - beginning of year, original	68.2	79.7
Prior period adjustment	-47.0	0.0
Net position - beginning of year, restated	<u>21.2</u>	<u>79.7</u>
Net position - end of year	<u>\$ 20.4</u>	<u>\$ 68.2</u>

Figure A-3 Sources of Revenues for Fiscal Year 2018

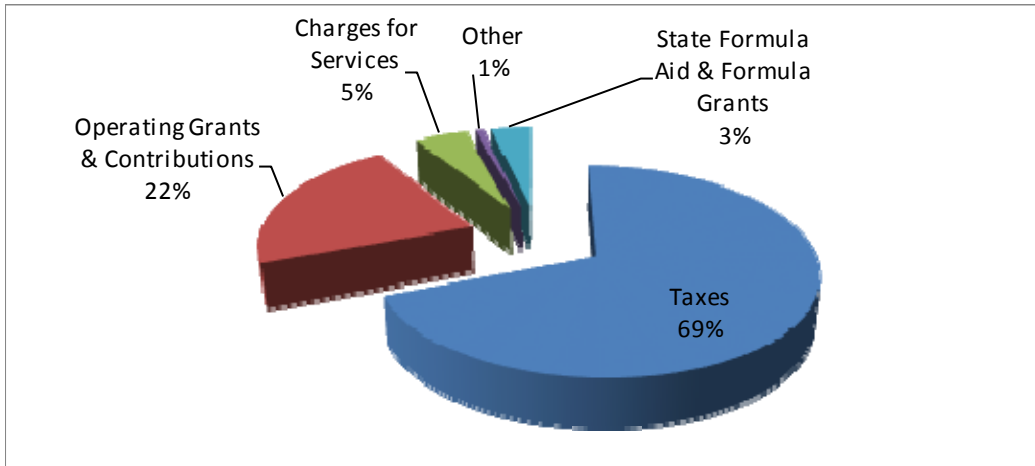
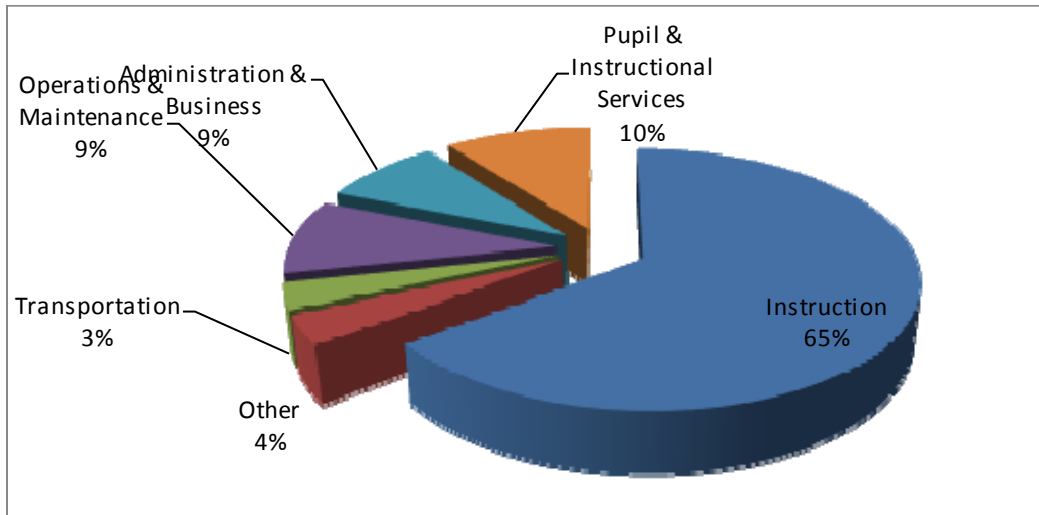


Figure A-4 Expenses for Fiscal Year 2018



PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis
For the Year Ended June 30, 2018

Governmental Activities

The District's governmental activities reported a 4.1% increase in revenues and a 6.6% decrease in expenses as compared to the prior year. This resulted in a \$0.8 million decrease in net position for fiscal year 2017-18. The District experienced a reduction in expenses because an independent appraisal company completed a revaluation of the District's capital assets in the prior year, which resulted in a one-time increase to expenses in the Operations & Maintenance function by \$9 million in 2016-17.

The stable health of the District's finances can be credited to both a solid real estate tax base and controlling spending so as to operate within its available resources and reserves.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. The governmental funds as a whole reported fund balances of \$59.8 million, as compared to last year's ending fund balances of \$61.7 million. Three of the five governmental funds reported increases in fund balance in fiscal year 2017-18. The Capital Projects Fund and the Debt Service Fund were the two exceptions, and both funds were projected to decline in the 2017-18 budget. Neither of these funds is included within the District's Operating Funds because of the significant fund balance fluctuations that occur from year to year with facility improvements and debt repayment.

The District continues to maintain fund balance at a level that complies with the Board's policy requiring operating fund balance of at least 33% of annual operating fund expenses. It is important to note that only \$43.1 million of the District's \$59.8 million total fund balance is considered unassigned. This means the remaining \$16.7 million of fund balance is nonspendable or restricted for specific purposes such as debt service, retirement benefits, transportation, tort liability or capital projects.

General Fund Budgetary Highlights

The District's General Fund consists of the following budgetary accounts: Educational, Operations and Maintenance, Working Cash, and Tort Immunity. The analysis below takes into account the collective performance of these accounts.

- Revenues in the General Fund were higher than budgeted revenues by \$1.5 million. This equates to a 1.8% difference from budget and is attributable to the difficulty in predicting the amount of payments made by the State to TRS on behalf of the District. Revenues for on behalf payments exceeded budget by \$1.5 million. Therefore, all other General Fund revenues in the aggregate were nearly identical to budget.
- The General Fund's expenditures were lower than budgeted by \$0.3 million (0.3%). Instructional expenses exceeded budget by \$1.5 million. This is again due to the variance in on behalf payments from the State to TRS. Support services were \$1.2 million under budget. Several purchased services accounts were under budget including: Food Services due to a conservative budget for the first year implementation of the elementary hot lunch program; and Communications due to community outreach and printing services being handled internally this year. Termination benefits were also under budget by \$0.5 million because many of this year's payouts to retirees for unused sick days and retirement incentives were accrued as liabilities in the prior year. The budget also includes a provision for contingencies in the amount of \$0.5 million with no actual expenses.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Capital Asset and Debt Administration**Capital Assets**

By the end of 2018, the District had invested \$43.6 million in a broad range of capital assets, including school buildings, computer equipment, audio-visual equipment and administrative offices (See Figure A-5). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was approximately \$2.7 million, while additions to buildings and equipment amounted to \$9.2 million. Deletions in 2018 were insignificant.

Figure A-5
Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities	
	2018	2017
Land	\$ 0.4	\$ 0.4
Construction in progress	1.7	6.8
Buildings & improvements	39.9	33.3
Equipment	1.6	1.7
TOTAL	<u>\$ 43.6</u>	<u>\$ 42.2</u>

Long-Term Debt

At year-end, the District had \$78.2 million in general obligation bonds, retirement obligations, and other long-term liabilities outstanding – as shown in Figure A-6. (More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.)

Figure A-6
Outstanding Long-Term Debt (in millions of dollars)

	Total School District	
	2018	2017
General obligation bonds	\$ 7.3	\$ 10.1
Other long-term debt	70.9	76.2
TOTAL	<u>\$ 78.2</u>	<u>\$ 86.3</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

District revenues are linked to local, state and national economic performance. The District's primary source of funding is property taxes. The Property Tax Extension Limitation Law defines and maintains a limit on the rate of increase for property tax revenues based on the National Consumer Price Index. The release of the 2017 CPI-U of 2.1% affects the District's ability to increase its operating fund revenues for fiscal year 2018-19 and beyond.

The largest component of the District's expenses is salaries, which are mostly driven by collective bargaining agreements with the District's three employee unions. All of the current union contracts link salaries to CPI-U (or a factor thereof), so the District's largest revenue source and largest expense are aligned as closely as possible. All three contracts expire in June 2020. Changes made to salaries in future agreements could significantly impact the District's overall financial position.

The District's schools continue to undergo a significant amount of work to make critical infrastructure improvements, address health and life safety recommendations, and enhance security. Several years ago a financing framework was developed as a roadmap to provide the necessary funding for these projects. The District will soon be entering phase 3 of the financing framework, which proposes the issuance of Working Cash bonds in 2019 and 2020. The construction work outlined for the summer of 2019 and beyond is contingent upon the Board of Education's approval to issue these bonds.

The District also continues to monitor the political landscape in the State of Illinois. A newly elected governor and the turnover of multiple State legislature seats in 2018 will likely bring new political agendas, which could impact future revenues and expenses of the District. The District closely follows news from Springfield as it becomes available on topics such as reform measures for the TRS pension system, school funding, and other educational mandates. The District's long-term financial projection assumptions are adjusted and reviewed several times each year with the Board of Education to reflect any significant legislative changes on the horizon.

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:

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets	
Cash and investments	\$ 65,683,721
Receivables	
Property taxes	31,658,789
Due from other governments	1,071,363
Other receivables	188,847
Capital assets	
Land and construction in progress	2,090,274
Other capital assets, net of accumulated depreciation	<u>41,475,858</u>
 Total Assets	 <u>142,168,852</u>
 Deferred Outflows	
Deferred outflows related to pensions	3,175,894
Deferred outflows related to other post-employment benefits	<u>2,083,065</u>
 Total Deferred Outflows	 <u>5,258,959</u>
 Liabilities	
Accounts payable	2,254,435
Accrued interest payable	46,311
Accrued salaries and related expenditures	4,485,011
Noncurrent liabilities:	
Due within one year	2,753,629
Due in more than one year	<u>75,412,194</u>
 Total Liabilities	 <u>84,951,580</u>
 Deferred Inflows	
Property taxes levied for subsequent year	31,658,789
Deferred inflows related to pensions	4,831,663
Deferred inflows related to other post-employment benefits	<u>5,580,439</u>
 Total Deferred Inflows	 <u>42,070,891</u>
 Net Position	
Net investment in capital assets	31,630,254
Restricted for	
Tort immunity	859,364
Student transportation	3,463,793
Employee retirement	1,685,126
Capital projects	7,054,254
Debt service	3,672,438
Unrestricted	<u>(27,959,889)</u>
 Total Net Position	 <u><u>\$ 20,405,340</u></u>

See accompanying notes to basic financial statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

Statement of Activities
Year Ended June 30, 2018

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
Instructional services				
Regular programs	\$ 32,293,585	\$ 1,678,329	\$ 327,712	\$ (30,287,544)
Special programs	8,133,747	-	1,277,299	(6,856,448)
Other programs	4,639,018	1,237,173	91,318	(3,310,527)
State retirement contributions	18,054,149	-	18,054,149	-
Support services				
Pupils	5,529,516	-	-	(5,529,516)
Instructional staff	4,571,428	-	-	(4,571,428)
General administration	2,404,481	-	-	(2,404,481)
School administration	2,937,128	-	-	(2,937,128)
Business	3,003,160	1,071,479	28,247	(1,903,434)
Operation and maintenance of facilities	9,205,799	519,071	-	(8,686,728)
Transportation	3,102,771	38,463	1,463,741	(1,600,567)
Central	1,421,052	-	-	(1,421,052)
Community services	830,223	-	-	(830,223)
Payments to other districts	926,035	-	-	(926,035)
Interest on long-term liabilities	385,983	-	-	(385,983)
Total school district	<u>\$ 97,438,075</u>	<u>\$ 4,544,515</u>	<u>\$ 21,242,466</u>	<u>(71,651,094)</u>

General revenues

Property taxes levied for	
General purposes	57,459,959
Transportation	3,307,647
Retirement	2,597,822
Debt service	2,433,278
Personal property replacement taxes	1,022,065
State aid not restricted to specific purposes	3,357,483
Earnings on investments	326,538
Miscellaneous	339,565
Total general revenues	<u>70,844,357</u>
Change in net position	(806,737)
Net position - beginning, as originally stated	68,188,682
Prior period adjustment	<u>(46,976,605)</u>
Net position - beginning, as adjusted	<u>21,212,077</u>
Net position - ending	<u>\$ 20,405,340</u>

See accompanying notes to basic financial statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

Balance Sheet
 Governmental Funds
 June 30, 2018

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 48,556,516	\$ 8,216,146	\$ 8,911,059	\$ 65,683,721
Receivables				
Property taxes	27,961,547	-	3,697,242	31,658,789
Due from other governments	703,508	-	367,855	1,071,363
Other receivables	169,935	-	18,912	188,847
Total Assets	\$ 77,391,506	\$ 8,216,146	\$ 12,995,068	\$ 98,602,720
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 983,929	\$ 1,161,892	\$ 108,614	\$ 2,254,435
Accrued salaries and related expenditures	4,485,011	-	-	4,485,011
Total Liabilities	5,468,940	1,161,892	108,614	6,739,446
Deferred Inflows				
Other unavailable revenue	15,959	-	367,855	383,814
Property taxes levied for subsequent year	27,961,547	-	3,697,242	31,658,789
Total Deferred Inflows	27,977,506	-	4,065,097	32,042,603
Fund Balances				
Restricted				
Tort immunity	859,364	-	-	859,364
Student transportation	-	-	3,463,793	3,463,793
Employee retirement	-	-	1,685,126	1,685,126
Capital projects	-	7,054,254	-	7,054,254
Debt service	-	-	3,672,438	3,672,438
Unassigned	43,085,696	-	-	43,085,696
Total Fund Balances	43,945,060	7,054,254	8,821,357	59,820,671
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 77,391,506	\$ 8,216,146	\$ 12,995,068	\$ 98,602,720

See accompanying notes to basic financial statements.

PARK RIDGE-NILES SCHOOL DISTRICT 64
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2018

Total fund balances - governmental funds	\$ 59,820,671
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$88,372,259 and the accumulated depreciation is \$43,698,926.	43,566,132
Some of the School District's governmental revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore not accrued in the governmental funds.	383,814
A portion of the termination benefits liability is due in greater than one year and therefore not accrued in the governmental funds	(148,678)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(46,311)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and capital leases	(16,135,663)
Other post employment benefits	(53,118,328)
Net pension liability - TRS	(5,581,577)
Net pension liability - IMRF	(2,952,801)
Compensated absences	(228,776)
Deferred inflows and outflows of resources related to pensions and other post-employment benefits are not reported in governmental funds	
Deferred outflows	5,258,959
Deferred inflows	<u>(10,412,102)</u>
Net position of governmental activities	<u>\$ 20,405,340</u>

PARK RIDGE-NILE SCHOOL DISTRICT 64

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2018

	General	Capital Projects	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES				
Local sources	\$ 63,033,037	\$ 167,957	\$ 8,572,993	\$ 71,773,987
State sources	21,958,130	-	1,380,482	23,338,612
Federal sources	1,916,335	-	-	1,916,335
Total Revenues	86,907,502	167,957	9,953,475	97,028,934
EXPENDITURES				
Current operating				
Instruction	58,721,862	-	916,262	59,638,124
Support services	24,406,208	4,897,691	4,373,976	33,677,875
Community services	623,632	-	173,106	796,738
Payments to other districts	908,444	-	17,591	926,035
Debt service				
Principal	-	-	3,170,097	3,170,097
Interest and other	-	-	663,082	663,082
Total Expenditures	84,660,146	4,897,691	9,314,114	98,871,951
Excess (deficiency) of revenues over expenditures	2,247,356	(4,729,734)	639,361	(1,843,017)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	-	1,037,510	2,037,510
Transfers out	(1,037,510)	-	(1,000,000)	(2,037,510)
Total other financing sources (uses)	(37,510)	-	37,510	-
Net change in fund balance	2,209,846	(4,729,734)	676,871	(1,843,017)
Fund balances at beginning of year	41,735,214	11,783,988	8,144,486	61,663,688
FUND BALANCES AT END OF YEAR	\$ 43,945,060	\$ 7,054,254	\$ 8,821,357	\$ 59,820,671

See accompanying notes to basic financial statements.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ (1,843,017)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,500 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	4,086,586
Depreciation expense	(2,700,399)
Loss on disposals	(14,666)

Because some of the governmental revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. (397,596)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in accrued interest on debt	12,509
Change in other post employment benefits	(226,269)
Change in other post employment benefits - THIS	380,714
Change in compensated absences	(14,025)
Change in net pension liability - TRS	555,484
Change in net pension liability - IMRF	3,935,732
Change in deferred inflows/outflows related to pensions	(4,542,658)
Change in deferred inflows/outflows related to other post-employment benefits	(3,497,374)
Change in long-term portion of termination benefits	23,555

The governmental funds report bond and loan proceeds as an other financing source, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Amortization of premium on bond issuances	264,590
Repayment of bond and loan principal	<u>3,170,097</u>

Change in net position of governmental activities \$ (806,737)

PARK RIDGE-NILES SCHOOL DISTRICT 64
Agency Fund - Activity Fund
Statement of Fiduciary Assets and Liabilities
June 30, 2018

Assets

Cash	<u>\$ 84,323</u>
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Liabilities

Due to organizations	<u>\$ 84,323</u>
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PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Park Ridge-Niles School District 64 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

a. The Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by Government Accounting Standards Board Statements (GASB) has been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

b. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. 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. The following summarizes the fund types used by the District:

Governmental funds include the following funds:

General Fund - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Tort Immunity Account and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those accounted for in other funds.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Educational Account – These accounts are used for most of the instructional and administrative aspects of the District's operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

Operations and Maintenance Account – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

Working Cash Account – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund's Educational Account, upon Board approval.

Tort Immunity Account – This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District's Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

Transportation Fund – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund – This fund accounts for the District's portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Debt Service Funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Debt Service Fund - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund

Agency Funds - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The District reports the following funds as major governmental funds:

General Fund
Capital Projects Fund

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

c. Basis of Presentation

i. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, 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 expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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 imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. 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 imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers Retirement System) have been recognized in the financial statements.

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

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

d. Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,500 for furniture, equipment, and buildings and improvements and an estimated useful life of 1 year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and similar items are recorded at acquisition value at the date of donation.

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

f. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to a "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

g. Deferred Inflows/Unearned Revenue

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

h. Property Taxes

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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 lessor 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 Cook County Assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property which is assessed directly by the State. The County is reassessed every three years by the Assessor.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Cook County Collector who remits to the units their respective shares of the collections. Taxes levied in one calendar year become due and payable in two installments on March 1 and September 1 during the following calendar year. The first installment is an estimated bill and is 55% 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. Substantial collections are received by the District in March and September.

In the fund financial statements, the property tax levy receivable collected within the current year is recognized as revenue. The property tax receivable to be collected in fiscal year 2019 is reflected as deferred revenue in the fund financial statements. All property taxes receivable over one year old have been written off.

i. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

j. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when in benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2018 are determined on the basis of current salary rates and include salary related payments.

The District's compensated absences consist of vacation time and sick days. Employees who work a twelve-month year are entitled to be compensated for vacation time. Administrators and certain exempt employees receive vacation days for the upcoming year on July 1 of that year. For all other twelve-month employees, vacation time earned in the previous year is credited to the employee on July 1 of the new year.

Any employee who is eligible to receive benefits receives a specified number of sick days per year. The number of sick days awarded each year and the maximum number of days that can be accumulated is dependent on the employee's years of service and collective bargaining agreement or contract. The District does not reimburse employees for unused sick days upon termination of employment. Upon retirement, certain eligible employees can opt to be reimbursed for a maximum of 80 unused sick days at the rate of \$65 per day provided those days have not been applied towards service credit for TRS or IMRF.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

k. 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 position. Bond premiums and discounts 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 expensed as incurred.

In the fund financial statements, governmental fund types 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.

l. Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2017, from which such summarized information was derived.

m. 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.

n. Net Position

Government-Wide Statements

Net Position is classified and displayed in three components:

Net investment in capital assets. Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted. Net amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

o. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. DEPOSITS AND INVESTMENTS

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

a. Cash and Investments Under the Custody of the Township Treasurer

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

2. DEPOSITS AND INVESTMENTS (Continued)

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

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

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2018, the fair value of all cash and investments held by the Treasurer's office was \$471,169,471 and the fair value of the District's proportionate share of the pool was \$65,683,521.

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

b. Deposits and Custodial Credit Risk

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits with financial institutions - Fiduciary Funds	\$ 74,160	\$ 99,533

c. Investments

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. There were no known restrictions on redemption of the District's investments as of June 30, 2018.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

2. DEPOSITS AND INVESTMENTS (Continued)

At year end, the District had the following investments (Fiduciary Funds):

Investment Type	Fair Value	Maturity (in years)		Agency Rating
			Less than 1	
ISDLAF+ Liquid Class	\$ 668	\$	668	AAA
ISDLAF+ MAX	9,495		9,495	AAA
Total	<u>\$ 10,163</u>	<u>\$</u>	<u>10,163</u>	

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the District's policy states investments shall provide sufficient liquidity to enable the District to meet all operating requirements that may be reasonably anticipated.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District has no investment policy that would further limit its investment choices.

The District's policy states that the Treasurer shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity. Maturities of investments of the various funds of the District shall be determined to enable the District to have available sufficient cash for all operation purposes.

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated				
Land	\$ 353,013	\$ -	\$ -	\$ 353,013
Construction in progress	6,819,192	1,737,261	6,819,192	1,737,261
Total capital assets not being depreciated	<u>7,172,205</u>	<u>1,737,261</u>	<u>6,819,192</u>	<u>2,090,274</u>
Capital assets, being depreciated				
Buildings	60,781,388	8,760,407	-	69,541,795
Improvements other than buildings	4,150,699	12,425	-	4,163,124
Equipment and vehicles	11,111,608	395,685	37,428	11,469,865
Total capital assets being depreciated	<u>76,043,695</u>	<u>9,168,517</u>	<u>37,428</u>	<u>85,174,784</u>
Accumulated depreciation for				
Buildings	29,557,507	2,046,042	-	31,603,549
Improvements other than buildings	2,032,685	152,325	-	2,185,010
Equipment and vehicles	9,431,097	502,032	22,762	9,910,367
Total accumulation depreciation	<u>41,021,289</u>	<u>2,700,399</u>	<u>22,762</u>	<u>43,698,926</u>
Total capital assets being depreciated, net	<u>35,022,406</u>	<u>6,468,118</u>	<u>14,666</u>	<u>41,475,858</u>
Total capital assets, net	<u>\$ 42,194,611</u>	<u>\$ 8,205,379</u>	<u>\$ 6,833,858</u>	<u>\$ 43,566,132</u>

Depreciation expense was charged to functions of the District as follows:

Instructional services	
Regular programs	\$ 44,017
Special programs	58,599
Fiscal services	3,781
Internal services	2,430
Supporting services	
Business	744,230
Operations and maintenance of facilities	1,784,153
Community services	33,485
Central	29,704
	<u>\$ 2,700,399</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

4. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amount due in one year
General Obligation Bonds Payable					
3/13/14 A General Obligation	\$ 7,900,000	\$ -	\$ 1,720,000	\$ 6,180,000	\$ 1,830,000
3/13/14 B Taxable General Obligation	800,000	-	800,000	-	-
Total Bonds Payable	8,700,000	-	2,520,000	6,180,000	1,830,000
4/27/17 Debt Certificates	8,795,000	-	425,000	8,370,000	465,000
Premium on Bonds Issued	1,351,161	-	264,590	1,086,571	-
Capital Lease	724,189	-	225,097	499,092	229,853
Net Pension Liability:					
Teachers' Retirement System	6,137,061	-	555,484	5,581,577	-
Illinois Municipal Retirement Fund	6,888,533	-	3,935,732	2,952,801	-
Other Post-Employment Benefit Liability:					
Teachers' Health Insurance Security Fund	45,512,878	-	380,714	45,132,164	-
Post-Employment Healthcare Plan	7,759,895	226,269	-	7,986,164	-
Compensated Absences	214,751	228,776	214,751	228,776	228,776
Termination benefits	172,233	148,678	172,233	148,678	-
Total Long-Term Debt	\$ 86,255,701	\$ 603,723	\$ 8,693,601	\$ 78,165,823	\$ 2,753,629

a. General Obligation Bonds Payable

General obligation bonds payable at June 30, 2018 are comprised of the following individual issues:

Series 2014A general obligation bonds dated March 13, 2014 issued in the original principal amount of \$7,900,000 for the purpose of funding; principal payments from \$340,000 to \$2,065,000 due annually on December 1 from 2018 through 2022 at an interest rate of 3.00% to 4.00%.

At June 30, 2018 the annual cash flow requirements of all bonds payable to retirement were as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$ 1,830,000	197,200	2,027,200
2020	1,945,000	121,700	2,066,700
2021	2,065,000	46,500	2,111,500
2022	340,000	5,100	345,100
Total	\$ 6,180,000	\$ 370,500	\$ 6,550,500

Payments to retire bonds payable will be made from debt service levies in future periods.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

4. LONG-TERM DEBT (Continued)

The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018 the statutory debt limit for the District was \$115,538,826 providing a debt margin of \$104,162,172 after taking into account amounts available in the Debt Service Fund.

b. Debt Certificates

\$8,795,000 of Debt Certificates, Series 2017; principal payments from \$425,000 to \$755,000 due serially on June 1, with a maturity date of June 1, 2032 and an interest rate ranging from 2.00% to 4.00%.

Principal and interest requirements for the debt certificate is as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$ 465,000	\$ 321,925	\$ 786,925
2020	485,000	303,325	788,325
2021	500,000	283,925	783,925
2022	515,000	268,925	783,925
2023	535,000	248,325	783,325
2024-2028	3,020,000	909,700	3,929,700
2029-2032	2,850,000	290,600	3,140,600
Total	<u>\$ 8,370,000</u>	<u>\$ 2,626,725</u>	<u>\$ 10,996,725</u>

c. Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2018, \$846,083 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

	Amount
2019	\$ 246,501
2020	168,333
2021	113,072
Total minimum lease payments	<u>527,906</u>
Less: amount representing interest	<u>(28,814)</u>
Present value of minimum lease payments	<u>\$ 499,092</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

5. JOINT VENTURE - FEDERATION OF DISTRICTS FOR SPECIAL EDUCATION (FDSE)

The District is a member of various joint agreements that provide special education services residents of many school districts. The District believes that because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

6. RISK MANAGEMENT

The District is a member of Collective Liability Insurance Cooperative (CLIC), which has been formed to provide casualty, workman's compensation, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of CLIC to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC. Complete financial statements for CLIC can be obtained from its administrator, 2 Pierce Place, Itasca, Illinois 60143.

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

7. EMPLOYEE RETIREMENT SYSTEMS

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

a. Teachers' Retirement System of the State of Illinois (TRS)

i. Plan Description

The District participates in the 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. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

ii. Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

iii. Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2018, was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$17,586,015 in pension contributions from the State of Illinois.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2018 were \$230,100, and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the employer pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$250,655 were paid from the federal and special trust funds that required employer contributions of \$25,316. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the employer did not make a payment to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$20,127 to TRS for employer contributions due on salary increases in excess of 6% and made no payments for sick leave days granted in excess of the normal annual allotment.

iv. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

District's proportionate share of the net pension liability	\$	5,581,577
State's proportionate share of the net pension liability associated with the District		<u>295,912,040</u>
Total	<u>\$</u>	<u>301,493,617</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.00731%, which was a decrease of 0.00046% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$17,586,015 and revenue of \$17,586,015 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 60,622	\$ 2,576
Changes in assumptions	372,530	160,389
Net difference between projected and actual earnings on pension plan investments	3,829	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>300,043</u>	<u>472,458</u>
Total deferred amounts to be recognized in pension expense in future periods	737,024	635,423
District contributions subsequent to the measurement date	<u>275,543</u>	-
Total	<u>\$ 1,012,567</u>	<u>\$ 635,423</u>

\$275,543 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ (36,765)
2019	176,281
2020	73,565
2021	(98,155)
2022	(13,325)
Total	<u>\$ 101,601</u>

v. Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	<u>100.0%</u>	

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

vi. Discount rate

At June 30, 2017, the discount rate used to measure the total pension liability 7.0 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

vii. Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 6,857,696	\$ 5,581,577	\$ 4,536,329

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS Comprehensive Annual Financial Report.

b. Illinois Municipal Retirement Fund (IMRF)

i. Plan Description and Benefits

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

ii. Plan Membership

As of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	236
Inactive employees entitled to but not yet receiving benefits	319
Active employees	<u>210</u>
Total	<u><u>765</u></u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

iii. Contributions

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rate for calendar year 2017 was 12.68% of covered payroll. The District contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

iv. Net Pension Liability

The District's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

v. Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Price inflation	2.50%
Salary increases	3.39% to 14.25%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information: Notes	There were no benefit changes during the year.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37.0%	6.85%
International equities	18.0%	6.75%
Fixed income	28.0%	3.00%
Real estate	9.0%	5.75%
Alternatives	7.0%	2.65-7.35%
Cash	1.0%	2.25%
	<u>100.0%</u>	

vi. Single Discount Rate

The Single Discount Rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**vii. Changes in Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 44,132,755	\$ 37,244,222	\$ 6,888,533
Changes for the year:			
Service Cost	885,763	-	885,763
Interest on the Total Pension Liability	3,255,722	-	3,255,722
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	653,346	-	653,346
Changes of Assumptions	(1,418,475)	-	(1,418,475)
Contributions - Employer	-	1,029,993	(1,029,993)
Contributions - Employees	-	369,777	(369,777)
Net Investment Income	-	6,603,940	(6,603,940)
Benefit Payments, including Refunds of Employee Contributions	(2,332,016)	(2,332,016)	-
Other (Net Transfer)	-	(691,622)	691,622
Net Changes	1,044,340	4,980,072	(3,935,732)
Balances at December 31, 2017	\$ 45,177,095	\$ 42,224,294	\$ 2,952,801

viii. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 8,059,792	\$ 2,952,801	\$ (1,296,348)

ix. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the District recognized pension expense of \$935,414. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 404,897	\$ 176,036
Changes in assumptions	-	922,990
Net difference between projected and actual earnings on pension plan investments	<u>1,198,714</u>	<u>3,097,214</u>
Total deferred amounts to be recognized in pension expense in future periods	1,603,611	4,196,240
Contributions subsequent to the measurement date	<u>559,716</u>	-
Total	<u>\$ 2,163,327</u>	<u>\$ 4,196,240</u>

\$559,716 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (659,609)
2019	(424,910)
2020	(733,808)
2021	(774,302)
2022	-
Thereafter	<u>-</u>
Total	<u>\$ (2,592,629)</u>

8. OTHER POST-EMPLOYMENT BENEFITS**a. Teacher Health Insurance Security (THIS)***Plan Description*

The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services"; prior reports are available under "Healthcare and Family Services".

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to 0.88% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

On-behalf contributions to THIS. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$468,134, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.88% during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$349,117 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$	45,132,164
State's proportionate share of the net OPEB liability associated with the District		59,269,746
Total	<u>\$</u>	<u>104,401,910</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.173923%, which was an increase of 0.007428% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,621,064.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 25,563
Changes in assumptions	-	5,373,580
Net difference between projected and actual earnings on OPEB plan investments	-	497
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,733,948</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in future periods	1,733,948	5,399,640
District contributions subsequent to the measurement date	<u>349,117</u>	<u>-</u>
Total	<u>\$ 2,083,065</u>	<u>\$ 5,399,640</u>

\$349,117 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ (563,135)
2019	(563,135)
2020	(563,135)
2021	(563,135)
2022	(563,010)
Thereafter	<u>(850,142)</u>
Total	<u>\$ (3,665,692)</u>

Actuarial Valuation Method

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption,
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table, All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Discount rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$3.564 billion from 2016 to 2017.

Sensitivity of the employer's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability	\$ 54,158,360	\$ 45,132,164	\$ 37,909,777

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 36,426,279	\$ 45,132,164	\$ 57,627,990

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

b. Retirees' Health Plan

Plan Description

The District administers a single-employer defined benefit healthcare plan, the "retiree Healthcare Benefit Program: or "the Plan". The plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law and through negotiations between the District and the unions representing District employees, which are renegotiated each bargaining period. As of June 30, 2018, all retirees are eligible for benefits pre and post-Medicare. The Plan does not issue a stand-alone financial report.

Eligibility – Certified staff are eligible at 3 stages: 1.) age 50 with 20 years of service; 2.) age 60 with 10 years of service; and 3.) age 62 with 5 years of service. Non-certified staff are eligible at 3 stages: 1.) age 55 with 25 years of service; 2.) age 60 with 8 years of service; and 3.) any combination of age and years of service that equal or exceed 85.

Funding Policy

Certified retirees are reimbursed for the full single monthly premium required for the medical coverage sponsored by the Illinois Teachers' Retirement System. Coverage terminates when the retiree becomes eligible for Medicare benefits or reaches age 65. Non-certified retirees (and their dependents) may continue coverage in the District's health insurance until the reach age 65. Non-certified staff reimburse the District for the full cost of their premiums. Certain grandfathered non-certified retirees receive a \$600 monthly contribution from the District.

By allowing retirees (who are generally older than the District's other employees) to remain on the District's health coverage, there is an implicit rate subsidy to the retirees as they are paying a lower rate for health insurance than they could get on the open market. Because of this implicit rate subsidy, the actual cost to the District is indeterminable. However, it is estimated that for the fiscal year June 30, 2018, the District's cost for the plan was \$273,413.

Employees Covered by Benefit Terms

As of June 30, 2018, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	38
Active employees	455
Total	<u>493</u>

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine the total OPEB liability at June 30, 2018:

Actuarial cost method	Entry Age Normal
Asset valuation method	N/A
Salary increases	3.00%
Investment rate of return	N/A
Retirement age	Rates of retirement are based upon age only
Mortality	Probabilities of death for participants were based on the RP2014 base rates with mortality improvements according to MP2017 to 2018
Healthcare cost trend rates	8% for fiscal year 2018. For fiscal years on and after 2019, trend starts at 7.00%, and gradually decreases to an ultimate trend of 4.00% by 2022

Discount Rate

The District does not have a dedicated Trust to pay the benefits of the Plan. Per GASB 75, this discount rate is a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate used is 3.58%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2017.

Changes in Net OPEB Liability

	<u>Total/Net OPEB Liability</u>
Balances at June 30, 2017	<u>\$ 7,759,895</u>
Changes for the year:	
Service Cost	424,713
Interest on the Total Pension Liability	272,910
Changes of Assumptions	(197,941)
Benefit Payments, including Refunds of Employee Contributions	<u>(273,413)</u>
Net Changes	<u>226,269</u>
Balances at June 30, 2018	<u><u>\$ 7,986,164</u></u>

Sensitivity of the employer's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.58%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net OPEB liability	\$ 8,688,556	\$ 7,986,164	\$ 7,339,409

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 7,135,616	\$ 7,986,164	\$ 8,983,844

- (a) One percentage point decrease in healthcare trend rates are 6.00% in 2018 decreasing to an ultimate trend rate of 3.00% in 2022
- (b) One percentage point decrease in healthcare trend rates are 5.00% in 2018 decreasing to an ultimate trend rate of 5.00% in 2022

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$680,481. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	180,799
Total	\$ -	\$ 180,799

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in OPEB expense as follows:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ (17,142)
2019	(17,142)
2020	(17,142)
2021	(17,142)
2022	(17,142)
Thereafter	<u>(95,089)</u>
Total	<u>\$ (180,799)</u>

9. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2018:

Transfer From	Transfer To	Amount
General Fund - Education Account	Debt Service Fund	\$ 250,878
General Fund - Operations and Maintenance Account	Debt Service Fund	786,632
Transportation Fund	General Fund - Education Account	<u>1,000,000</u>
	Total Transfers	<u>\$ 1,037,510</u>

Transfers from the Transportation Fund to the General Fund were to provide funds for operations. Transfers from the General Fund to the Debt Service Fund were to provide funds for payment of interest and principal on capital leases and debt certificates.

10. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

10. FUND BALANCE REPORTING (Continued)

restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures disbursed act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures disbursed for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

11. STATE AND FEDERAL AID CONTINGENCIES

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

12. TERMINATION BENEFITS

The collective bargaining agreement between the District and the Park Ridge Education Association includes a voluntary retirement incentive plan. A teacher that meets the eligibility requirements, which includes length of service and timing requirements, qualifies to receive a lump sum bonus of \$33,000 and board-paid single health insurance coverage up to a maximum monthly cost of \$700 until Medicare eligibility.

As of June 30, 2018, \$199,165 has been reported in the General Fund for teachers retiring as of that date, and an additional \$148,678 in governmental activities for all teacher who have given notice. The amounts have not been discounted as they are expected to be paid from non-interest-bearing cash on hand. The related health benefits have been included in the calculation of the actuarial accrued liability for other postemployment benefits.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2018

13. COMMITMENTS

As of June 30, 2018, the District was committed to approximately \$4,300,000 in ongoing construction contracts.

14. CHANGE IN ACCOUNTING PRINCIPLE/CORRECTION OF AN ERROR

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$49,850,944 as of July 1, 2017.

For the year ended June 30, 2017, the District overstated depreciation expense by \$2,874,339. The correction of this error had no effect on any of the District's fund balances but increased the District's governmental activities net position and reduced accumulated depreciation by \$2,874,339 as of July 1, 2017.

PARK RIDGE-NILES SCHOOL DISTRICT 64
Schedule of Changes in the Employer's Net Pension Liability
And Related Ratios
Illinois Municipal Retirement Fund
Last Four Calendar Years

	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service Cost	\$ 885,763	\$ 923,687	\$ 927,332	\$ 1,014,840
Interest	3,255,722	3,174,815	3,033,198	2,769,703
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	653,346	(781,806)	44,747	(33,907)
Changes of Assumptions	(1,418,475)	(195,059)	48,731	1,868,609
Benefit Payments, Including Refunds of Member Contributions	(2,332,016)	(2,169,759)	(2,029,041)	(1,869,183)
Net Change in Total Pension Liability	1,044,340	951,878	2,024,967	3,750,062
Total Pension Liability - Beginning	44,132,755	43,180,877	41,155,910	37,405,848
TOTAL PENSION LIABILITY - ENDING	\$45,177,095	\$44,132,755	\$43,180,877	\$41,155,910
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,029,993	\$ 1,052,872	\$ 1,094,745	\$ 1,167,236
Contributions - Member	369,777	357,029	372,484	383,252
Net Investment Income	6,603,940	2,427,135	174,246	2,030,460
Benefit Payments, Including Refunds of Member Contributions	(2,332,016)	(2,169,759)	(2,029,041)	(1,869,183)
Other(Net Transfer)	(691,622)	270,971	563,439	(27,247)
Net Change in Plan Fiduciary Net Position	4,980,072	1,938,248	175,873	1,684,518
Plan Net Position - Beginning	37,244,222	35,305,974	35,130,101	33,445,583
PLAN NET POSITION - ENDING	\$42,224,294	\$37,244,222	\$35,305,974	\$35,130,101
EMPLOYER'S NET PENSION LIABILITY	\$ 2,952,801	\$ 6,888,533	\$ 7,874,903	\$ 6,025,809
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.46%	84.39%	81.76%	85.36%
Covered-Employee Payroll	\$ 8,127,659	\$ 7,916,332	\$ 8,312,852	\$ 8,244,547
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	36.33%	87.02%	94.73%	73.09%

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Employer Contributions
 Illinois Municipal Retirement Fund
 Last Four Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 1,028,363	\$ 1,028,363	\$ -	\$ 8,310,263	12.37%
2017	1,046,265	1,046,265	-	8,073,275	12.96%
2016	1,045,712	1,045,712	-	7,976,513	13.11%
2015	1,054,637	1,167,236	(112,599)	7,995,734	14.60%

Notes to Schedule

Valuation date Actuarially determined contribution rates are calculated as of December 31 of each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	26 year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Inflation	2.75%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The District implemented GASB Statement No. 68 in fiscal year 2015.
 Information prior to fiscal year 2015 is not available.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of the District's Proportionate Share of the
 Net Pension Liability
 Teachers' Retirement System
 Last Four Fiscal Years

	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.0073059%	0.0077747%	0.0074797%	0.0067571%
District's proportionate share of the net pension liability	\$ 5,581,577	\$ 6,137,061	\$ 4,899,942	\$ 4,112,280
State's proportionate share of the net pension liability associated with the District	295,912,040	306,903,264	248,039,197	225,408,348
Total	<u>\$ 301,493,617</u>	<u>\$ 313,040,325</u>	<u>\$ 252,939,139</u>	<u>\$ 229,520,628</u>
District's covered payroll	\$ 39,872,587	\$ 38,711,001	\$ 38,041,632	\$ 36,337,122
District's proportionate share of the net pension liability as a percentage of it's covered payroll	14.00%	15.85%	12.88%	11.32%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%

*The amounts presented have a measurement date as of the previous fiscal year end.

Notes to Schedule*Changes of assumptions*

For the 2017 and 2016 measurement years (fiscal years 2017 and 2018), the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year (fiscal year 2016), the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the threeyear period ending June 30, 2014.

For the 2014 measurement year (fiscal year 2015), the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Employer Contributions

Teachers' Retirement System

Last Four Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 275,543	\$ 275,543	\$ -	\$ 39,672,343	0.69%
2017	302,096	302,096	-	39,872,587	0.76%
2016	312,768	312,768	-	38,711,001	0.81%
2015	267,514	267,514	-	38,041,632	0.70%

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits Liability

Teachers' Health Insurance Security Fund

Year Ended June 30, 2018

	<u>2018*</u>
District's proportion of the net other post-employment benefit liability	0.173923%
District's proportionate share of the net other post-employment benefit liability	\$ 45,132,164
State's proportionate share of the net other post-employment benefit liability associated with the District	<u>59,269,746</u>
	<u>\$ 104,401,910</u>
District's covered-employee payroll	\$ 39,872,587
District's proportionate share on the net other post-employment benefit liability as a percentage of covered payroll	113.19%
Plan fiduciary net position as a percentage of the total other post-employment benefit liability	0.00%

* The amounts presented have a measurement date as of the previous fiscal year end.

The District implemented GASB Statement No. 75 in fiscal year 2018.

Information prior to fiscal year 2018 is not available.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Employer Contributions

Teachers' Health Insurance Security Fund

Year Ended June 30, 2018

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 349,117	\$ 349,117	\$ -	\$ 39,672,343	0.88%

The District implemented GASB Statement No. 75 in fiscal year 2018.
Information prior to fiscal year 2018 is not available.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Changes in the Employer's Net Other Post-Employment Benefits Liability
And Related Ratios
Post-Employment Healthcare Plan
Year Ended June 30, 2018

	<u>2018</u>
TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY	
Service Cost	\$ 424,713
Interest	272,910
Changes of Benefit Terms	-
Changes of Assumptions	(197,941)
Benefit Payments, Including Refunds of Member Contributions	<u>(273,413)</u>
Net Change in Total Other Post-Employment Benefit Liability	226,269
Total Other Post-Employment Benefit Liability - Beginning	<u>7,759,895</u>
TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY - ENDING	<u><u>\$ 7,986,164</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Other Post-Employment Benefit Liability	0.00%
Covered-Employee Payroll	\$ 35,045,874
Employer's Net Other Post-Employment Benefit Liability as a Percentage of Covered - Employee Payroll	22.79%

The District implemented GASB Statement No. 75 in fiscal year 2018.
Information prior to fiscal year 2018 is not available.

PARK RIDGE-NILES SCHOOL DISTRICT 64
Statement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - General Fund
Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance Over/ (Under)
REVENUES			
Local sources	\$ 62,770,713	\$ 63,033,037	\$ 262,324
State sources	20,910,820	21,958,130	1,047,310
Federal sources	1,706,000	1,916,335	210,335
Total Revenues	85,387,533	86,907,502	1,519,969
EXPENDITURES			
Current operating			
Instruction	57,249,847	58,721,862	1,472,015
Support services	25,561,467	24,406,208	(1,155,259)
Community services	644,784	623,632	(21,152)
Payments to other districts	992,500	908,444	(84,056)
Provision for contingencies	500,000	-	(500,000)
Total Expenditures	84,948,598	84,660,146	(288,452)
Excess of revenues over expenditures	438,935	2,247,356	1,808,421
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000,000	1,000,000	-
Transfers out	(1,037,510)	(1,037,510)	-
Total other financing sources (uses)	(37,510)	(37,510)	-
Net change in fund balance	<u>\$ 401,425</u>	2,209,846	<u>\$ 1,808,421</u>
Fund balances at beginning of year		<u>41,735,214</u>	
FUND BALANCES AT END OF YEAR		<u>\$ 43,945,060</u>	

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Required Supplementary Information

June 30, 2017

1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget was adopted on August 28, 2017 and was not amended.
5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.

2. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL FUNDS

Expenditures exceeded the budgeted amount in the following funds:

	Budget		Actual		Excess
Operations and Maintenance Account	\$ 5,876,371	\$	5,958,052	\$	81,681
Capital Projects Fund	4,806,777		4,897,691		90,914

The expenditure variance was sufficiently absorbed by surpluses that existed at the beginning of the fiscal year and were approved by the Board of Education. Under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

PARK RIDGE-NILES SCHOOL DISTRICT 64

General Fund

Combining Balance Sheet by Account

June 30, 2018

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
ASSETS					
Cash and investments	\$ 32,951,608	\$ 8,327,388	\$ 6,420,509	\$ 857,011	\$ 48,556,516
Receivables					
Property taxes	24,662,242	2,668,555	266,856	363,894	27,961,547
Due from other governments	703,508	-	-	-	703,508
Other receivables	102,556	31,391	33,635	2,353	169,935
Total Assets	\$ 58,419,914	\$ 11,027,334	\$ 6,721,000	\$ 1,223,258	\$ 77,391,506
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 734,784	\$ 249,145	\$ -	\$ -	\$ 983,929
Accrued salaries and related expenditures	4,405,128	79,883	-	-	4,485,011
Total Liabilities	5,139,912	329,028	-	-	5,468,940
Deferred Inflows					
Other unavailable revenue	15,959	-	-	-	15,959
Property taxes levied for subsequent year	24,662,242	2,668,555	266,856	363,894	27,961,547
Total Deferred Inflows	24,678,201	2,668,555	266,856	363,894	27,977,506
Fund Balances					
Restricted					
Tort immunity	-	-	-	859,364	859,364
Unassigned	28,601,801	8,029,751	6,454,144	-	43,085,696
Total Fund Balances	28,601,801	8,029,751	6,454,144	859,364	43,945,060
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 58,419,914	\$ 11,027,334	\$ 6,721,000	\$ 1,223,258	\$ 77,391,506

PARK RIDGE-NILES SCHOOL DISTRICT 64

General Fund

Combining Statement of Revenues, Expenditures and Changes

In Fund Balances by Account

Year Ended June 30, 2018

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
REVENUES					
Local sources	\$ 55,605,600	\$ 6,285,689	\$ 540,964	\$ 600,784	\$ 63,033,037
State sources	21,958,130	-	-	-	21,958,130
Federal sources	1,916,335	-	-	-	1,916,335
Total Revenues	79,480,065	6,285,689	540,964	600,784	86,907,502
EXPENDITURES					
Current operating					
Instruction	58,721,862	-	-	-	58,721,862
Support services	17,798,989	5,954,607	-	652,612	24,406,208
Community services	623,632	-	-	-	623,632
Payments to other districts	904,999	3,445	-	-	908,444
Total Expenditures	78,049,482	5,958,052	-	652,612	84,660,146
Excess (deficiency) of revenues over expenditures	1,430,583	327,637	540,964	(51,828)	2,247,356
OTHER FINANCING SOURCES (USES)					
Transfers in	1,000,000	-	-	-	1,000,000
Transfers out	(250,878)	(786,632)	-	-	(1,037,510)
Total other financing sources (uses)	749,122	(786,632)	-	-	(37,510)
Net change in fund balance	2,179,705	(458,995)	540,964	(51,828)	2,209,846
Fund balances at beginning of year	26,422,096	8,488,746	5,913,180	911,192	41,735,214
FUND BALANCES AT END OF YEAR	\$ 28,601,801	\$ 8,029,751	\$ 6,454,144	\$ 859,364	\$ 43,945,060

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 45,092,000	\$ 45,368,888	\$ 276,888	\$ 45,740,509
Special education levy	5,040,000	5,135,484	95,484	3,482,146
Corporate replacement taxes	803,500	869,445	65,945	1,094,847
Tuition	437,000	448,446	11,446	442,442
Earnings on investments	363,000	256,939	(106,061)	(179,232)
Food services	1,135,000	1,071,479	(63,521)	522,707
Pupil activities	65,800	336,325	270,525	69,157
Textbooks	1,060,000	893,558	(166,442)	1,081,228
Contributions and donations	75,500	138,822	63,322	105,538
Payments of surplus monies from TIF districts	360,000	366,468	6,468	360,000
Other	634,300	719,746	85,446	652,634
Total Local Sources	55,066,100	55,605,600	539,500	53,371,976
State Sources				
Evidence based funding formula	3,352,200	3,357,483	5,283	1,682,678
Special education	1,023,720	540,011	(483,709)	1,452,091
School lunch aid	300	710	410	289
On behalf payments to TRS from the state	16,532,000	18,054,149	1,522,149	15,744,299
Other grants-in-aid	2,600	5,777	3,177	-
Total State Sources	20,910,820	21,958,130	1,047,310	18,879,357
Federal Sources				
National school lunch program	27,700	27,537	(163)	31,916
Title I - low income	246,000	317,712	71,712	244,482
Title IV	-	10,000	10,000	-
Preschool flow through IDEA	21,500	18,096	(3,404)	21,685
IDEA - room and board	1,100,000	1,160,921	60,921	1,121,587
IDEA - room and board	-	39,126	39,126	105,268
Medicaid matching	250,000	257,402	7,402	367,964
Title II - teacher quality	60,800	85,541	24,741	69,764
Total Federal Sources	1,706,000	1,916,335	210,335	1,962,666
Total Revenues	77,682,920	79,480,065	1,797,145	74,213,999

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
EXPENDITURES				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 24,783,428	\$ 24,714,195	\$ (69,233)	\$ 24,594,479
Employee benefits	2,951,077	2,945,135	(5,942)	2,927,058
On-behalf payments to TRS from the state	16,532,000	18,054,149	1,522,149	15,744,299
Purchased services	228,176	199,336	(28,840)	232,729
Supplies and materials	667,397	638,580	(28,817)	568,174
Capital outlay	6,000	3,519	(2,481)	25,358
Other	17,237	6,674	(10,563)	9,224
Non capitalized equipment	13,036	12,664	(372)	7,288
Total	45,198,351	46,574,252	1,375,901	44,108,609
Tuition payment to charter schools				
Purchased services	18,800	-	(18,800)	-
Total	18,800	-	(18,800)	-
Special programs				
Salaries	5,093,200	5,256,006	162,806	5,440,156
Employee benefits	1,000,090	1,053,764	53,674	1,060,305
Purchased services	65,900	94,335	28,435	89,712
Supplies and materials	128,238	90,030	(38,208)	125,467
Capital outlay	15,000	1,563	(13,437)	2,120
Other objects	-	2,740	2,740	-
Non capitalized equipment	5,000	2,191	(2,809)	-
Total	6,307,428	6,500,629	193,201	6,717,760
Special programs pre-K				
Salaries	660,500	735,448	74,948	670,567
Employee benefits	140,735	136,394	(4,341)	142,478
Supplies and materials	27,500	16,797	(10,703)	35,357
Non-capitalized equipment	1,000	(279)	(1,279)	1,107
Total	829,735	888,360	58,625	849,509

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Remedial and supplemental programs K-12				
Salaries	\$ 178,110	\$ 153,393	\$ (24,717)	\$ 123,068
Employee benefits	82,565	17,062	(65,503)	47,270
Purchased services	-	1,078	1,078	-
Other objects	8,750	16,187	7,437	6,044
Total	269,425	187,720	(81,705)	176,382
CTE programs				
Salaries	1,097,100	1,096,750	(350)	1,073,140
Employee benefits	125,787	132,937	7,150	132,334
Purchased services	5,830	1,623	(4,207)	4,607
Supplies and materials	91,550	87,991	(3,559)	58,083
Capital outlay	-	-	-	4,817
Non-capitalized equipment	-	3,117	3,117	1,671
Total	1,320,267	1,322,418	2,151	1,274,652
Interscholastic programs				
Salaries	234,269	202,040	(32,229)	201,889
Employee benefits	3,421	2,590	(831)	2,506
Purchased services	7,800	8,520	720	10,455
Supplies and materials	14,900	8,032	(6,868)	9,448
Other	1,000	580	(420)	240
Total	261,390	221,762	(39,628)	224,538
Summer school				
Salaries	282,300	323,057	40,757	302,367
Employee benefits	2,893	6,541	3,648	6,056
Purchased services	5,000	-	(5,000)	5,136
Supplies and materials	11,050	11,927	877	13,062
Total	301,243	341,525	40,282	326,621

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Gifted programs				
Salaries	\$ 1,448,475	\$ 1,410,941	\$ (37,534)	\$ 1,423,805
Employee benefits	166,403	161,872	(4,531)	189,471
Purchased services	-	225	225	225
Supplies and materials	22,306	15,513	(6,793)	8,118
Other objects	50	119	69	50
Total	1,637,234	1,588,670	(48,564)	1,621,669
Bilingual				
Salaries	541,986	552,283	10,297	553,110
Employee benefits	62,088	76,889	14,801	71,344
Purchased services	400	-	(400)	168
Supplies and materials	1,500	485	(1,015)	1,508
Total	605,974	629,657	23,683	626,130
Special education programs K-12- private tuition				
Other objects	500,000	466,869	(33,131)	435,787
Total	500,000	466,869	(33,131)	435,787
Total Instruction	57,249,847	58,721,862	1,472,015	56,361,657
Support Services				
Pupils				
Attendance and social work:				
Salaries	857,800	858,834	1,034	1,000,375
Employee benefits	127,265	125,090	(2,175)	115,521
Purchased services	50,000	46,731	(3,269)	66,051
Supplies and materials	500	-	(500)	39,765
Total	1,035,565	1,030,655	(4,910)	1,221,712
Guidance services				
Salaries	176,700	174,626	(2,074)	161,887
Employee benefits	12,005	9,336	(2,669)	16,706
Purchased services	2,000	-	(2,000)	1,287
Supplies and materials	750	220	(530)	220
Total	191,455	184,182	(7,273)	180,100

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Health services				
Salaries	\$ 947,967	\$ 974,523	\$ 26,556	\$ 922,432
Employee benefits	172,619	152,478	(20,141)	180,310
Purchased services	16,300	12,219	(4,081)	38,548
Supplies and materials	10,400	21,129	10,729	9,277
Capital outlay	-	3,425	3,425	-
Other	500	199	(301)	450
Non-capitalized equipment	-	1,230	1,230	-
Total	1,147,786	1,165,203	17,417	1,151,017
Psychological services				
Salaries	451,546	434,664	(16,882)	440,784
Employee benefits	44,169	36,631	(7,538)	36,824
Purchased services	500	-	(500)	209
Supplies and materials	2,500	3,667	1,167	3,561
Other	600	-	(600)	150
Total	499,315	474,962	(24,353)	481,528
Speech pathology and audiology services				
Salaries	1,377,950	1,377,490	(460)	1,322,310
Employee benefits	192,418	190,800	(1,618)	193,094
Purchased services	500	-	(500)	-
Supplies and materials	1,000	2,950	1,950	785
Total	1,571,868	1,571,240	(628)	1,516,189
Other support services				
Salaries	776,700	831,884	55,184	940,706
Employee benefits	6,245	4,856	(1,389)	4,881
Purchased services	59,800	27,754	(32,046)	23,371
Supplies and materials	14,500	11,920	(2,580)	13,036
Total	857,245	876,414	19,169	981,994

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Instructional staff				
Improvement of instruction services:				
Salaries	\$ 500,710	\$ 457,162	\$ (43,548)	\$ 454,523
Employee benefits	84,077	71,390	(12,687)	74,437
Purchased services	223,035	199,876	(23,159)	147,327
Supplies and materials	14,850	7,899	(6,951)	17,599
Other	300	931	631	2,412
Total	822,972	737,258	(85,714)	696,298
Education media				
Salaries	2,235,325	1,896,075	(339,250)	2,108,692
Employee benefits	376,911	348,031	(28,880)	375,474
Purchased services	187,610	144,593	(43,017)	147,552
Supplies and materials	1,053,965	762,354	(291,611)	851,869
Capital outlay	157,650	66,922	(90,728)	136,441
Other	2,200	-	(2,200)	1,421
Non-capitalized equipment	-	365,790	365,790	420,225
Total	4,013,661	3,583,765	(429,896)	4,041,674
Assessment and testing				
Purchased services	113,350	111,116	(2,234)	47,259
Total	113,350	111,116	(2,234)	47,259
General administration				
Board of education				
Salaries	12,500	16,597	4,097	12,500
Employee Benefits	158,000	183,046	25,046	132,956
Purchased services	340,300	495,099	154,799	332,836
Supplies and materials	12,250	15,577	3,327	12,280
Other	15,000	23,198	8,198	12,674
Total	538,050	733,517	195,467	503,246

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Executive administration				
Salaries	\$ 311,700	\$ 311,698	\$ (2)	\$ 287,079
Employee benefits	59,700	70,874	11,174	67,531
Purchased services	18,320	12,859	(5,461)	16,467
Supplies and materials	4,500	1,791	(2,709)	4,029
Other	4,000	5,002	1,002	4,128
Total	398,220	402,224	4,004	379,234
Special area administrative services				
Salaries	507,100	458,317	(48,783)	487,031
Employee benefits	130,670	112,083	(18,587)	139,125
Purchased services	4,310	2,254	(2,056)	4,411
Supplies and materials	-	108	108	-
Total	642,080	572,762	(69,318)	630,567
School administration				
Office of the principal				
Salaries	2,190,236	2,133,714	(56,522)	2,101,982
Employee benefits	630,580	636,581	6,001	617,172
Purchased services	62,800	32,963	(29,837)	35,089
Supplies and materials	13,788	7,939	(5,849)	7,831
Capital outlay	-	1,690	1,690	-
Other	750	215	(535)	715
Non-capitalized equipment	-	-	-	759
Total	2,898,154	2,813,102	(85,052)	2,763,548
Direction of business support services				
Salaries	166,200	167,712	1,512	161,420
Employee benefits	51,395	50,617	(778)	49,503
Purchased services	4,160	965	(3,195)	4,756
Total	221,755	219,294	(2,461)	215,679

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Fiscal services				
Salaries	\$ 399,600	\$ 393,722	\$ (5,878)	\$ 421,051
Employee benefits	55,750	63,765	8,015	65,331
Purchased services	129,560	108,654	(20,906)	143,928
Supplies and materials	10,000	4,928	(5,072)	6,778
Capital outlay	8,000	-	(8,000)	8,874
Other	92,000	83,155	(8,845)	85,642
Total	694,910	654,224	(40,686)	731,604
Operation and maintenance of plant services				
Salaries	5,000	1,764	(3,236)	3,738
Employee benefits	73	23	(50)	37
Total	5,073	1,787	(3,286)	3,775
Pupil transportation services				
Purchased services	-	-	-	3,793
Total	-	-	-	3,793
Food services				
Purchased services	1,220,700	1,113,142	(107,558)	610,784
Supplies and materials	6,000	33,307	27,307	8,293
Capital outlay	78,000	44,867	(33,133)	4,313
Other	-	-	-	75
Non-capitalized equipment	-	13,818	13,818	888
Total	1,304,700	1,205,134	(99,566)	624,353
Internal services				
Purchased services	147,000	98,868	(48,132)	188,106
Supplies and materials	45,000	40,201	(4,799)	35,506
Total	192,000	139,069	(52,931)	223,612
Planning, R&D, and evaluation				
Purchased services	10,000	-	(10,000)	-
Total	10,000	-	(10,000)	-

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018			2017
	Original and Final Budget	Actual	Variance over/under	Actual
Information services				
Salaries	\$ 113,900	\$ 114,048	\$ 148	\$ 117,133
Employee benefits	270	236	(34)	367
Purchased services	288,535	188,843	(99,692)	264,236
Supplies and materials	10,400	2,348	(8,052)	1,818
Other	1,000	-	(1,000)	860
Total	414,105	305,475	(108,630)	384,414
Staff services				
Salaries	406,724	424,813	18,089	370,328
Employee benefits	99,910	98,416	(1,494)	99,438
Purchased services	164,660	119,044	(45,616)	108,322
Supplies and materials	2,500	3,107	607	2,253
Capital outlay	4,500	4,182	(318)	-
Other	-	100	100	-
Termination benefits	786,000	362,582	(423,418)	855,692
Total	1,464,294	1,012,244	(452,050)	1,436,033
Data processing services				
Purchased services	-	5,362	5,362	-
Capital outlay	-	-	-	527,142
Total	-	5,362	5,362	527,142
Total Support Services	19,036,558	17,798,989	(1,237,569)	18,744,771
Community services				
Salaries	519,627	494,883	(24,744)	357,310
Employee benefits	103,953	106,315	2,362	106,470
Purchased services	14,904	17,244	2,340	19,434
Supplies and materials	6,300	5,190	(1,110)	4,095
Total Community Services	644,784	623,632	(21,152)	487,309

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	\$ 68,000	\$ 51,628	\$ (16,372)	\$ 25,427
Tuition	920,000	853,371	(66,629)	903,775
Total	988,000	904,999	(83,001)	929,202
Provision for contingencies	500,000	-	(500,000)	-
Total Expenditures	78,419,189	78,049,482	(369,707)	76,522,939
Excess (deficiency) of revenues over expenditures	(736,269)	1,430,583	2,166,852	(2,308,940)
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	-	527,142
Transfers in	1,000,000	1,000,000	-	-
Transfers out	(250,878)	(250,878)	-	(356,718)
Total other financing sources (uses)	749,122	749,122	-	170,424
Net change in fund balance	<u>\$ 12,853</u>	2,179,705	<u>\$ 2,166,852</u>	(2,138,516)
Fund balance at beginning of year		<u>26,422,096</u>		<u>28,560,612</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 28,601,801</u></u>		<u><u>\$ 26,422,096</u></u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64
 Operations and Maintenance Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 5,979,500	\$ 5,803,830	\$ (175,670)	\$ 6,529,286
Earnings on investments	84,700	(54,436)	(139,136)	69,309
Rentals	81,613	133,251	51,638	54,293
Other	275,000	403,044	128,044	394,033
Total Local Sources	6,420,813	6,285,689	(135,124)	7,046,921
State Sources				
Other	-	-	-	17,614
Total State Sources	-	-	-	17,614
Total Revenues	6,420,813	6,285,689	(135,124)	7,064,535
EXPENDITURES				
Current operating				
Support services				
Operations and maintenance of plant services				
Salaries	2,571,516	2,653,359	81,843	2,569,675
Employee benefits	445,955	454,037	8,082	438,470
Purchased services	1,096,900	1,194,142	97,242	1,152,354
Supplies and materials	997,500	1,282,639	285,139	1,000,607
Capital outlay	760,000	224,552	(535,448)	65,965
Non-capitalized equipment	-	145,878	145,878	14,232
Total Operation and Maintenance of Plant Services	5,871,871	5,954,607	82,736	5,241,303
Other supporting services				
Purchased services	-	-	-	630
Total of Other Supporting Services	-	-	-	630
Total Support Services	5,871,871	5,954,607	82,736	5,241,933

PARK RIDGE-NILES SCHOOL DISTRICT 64
 Operations and Maintenance Account
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Payments to other districts and governmental units:				
Purchased services	\$ 4,500	\$ 3,445	\$ (1,055)	\$ 25,758
Total payments to other districts	4,500	3,445	(1,055)	25,758
Total Expenditures	5,876,371	5,958,052	81,681	5,267,691
Excess of revenues over expenditures	544,442	327,637	(216,805)	1,796,844
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	-	-	-	3,015
Transfers out	(786,632)	(786,632)	-	-
Total other financing sources (uses)	(786,632)	(786,632)	-	3,015
Net change in fund balance	<u>\$ (242,190)</u>	<u>(458,995)</u>	<u>\$ (216,805)</u>	1,799,859
Fund balance at beginning of year		<u>8,488,746</u>		<u>6,688,887</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 8,029,751</u></u>		<u><u>\$ 8,488,746</u></u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Working Cash Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 551,900	\$ 560,204	\$ 8,304	\$ 512,110
Earnings on investments	147,200	(19,240)	(166,440)	136,197
Total Local Sources	699,100	540,964	(158,136)	648,307
Total Revenues	699,100	540,964	(158,136)	648,307
Excess of revenues over expenditures	699,100	540,964	(158,136)	648,307
OTHER FINANCING USES				
Transfers out	-	-	-	(4,500,000)
Total other financing uses	-	-	-	(4,500,000)
Net change in fund balance	<u>\$ 699,100</u>	540,964	<u>\$ (158,136)</u>	(3,851,693)
Fund balance at beginning of year		<u>5,913,180</u>		<u>9,764,873</u>
FUND BALANCE AT END OF YEAR		<u>\$ 6,454,144</u>		<u>\$ 5,913,180</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Tort Immunity Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
Tort immunity levy	\$ 576,200	\$ 591,553	\$ 15,353	\$ 552,119
Earnings on investments	8,500	2,068	(6,432)	5,135
Other	-	7,163	7,163	16,059
Total Local Sources	584,700	600,784	16,084	573,313
EXPENDITURES				
Support Services				
Workers' compensation or workers' occupational disease act payment				
Purchased services	494,000	493,138	(862)	482,031
Total	494,000	493,138	(862)	482,031
Unemployment insurance payment				
Employee benefits	10,000	8,197	(1,803)	7,630
Purchased services	-	1,250	1,250	1,250
Total	10,000	9,447	(553)	8,880
Insurance payment				
Purchased services	62,200	63,617	1,417	69,310
Total	62,200	63,617	1,417	69,310
Educational, inspectional, supervisory services related to loss prevention or reduction				
Purchased services	1,000	1,922	922	496
Supplies and materials	250	216	(34)	-
Total	1,250	2,138	888	496

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Tort Immunity Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
Property insurance				
Purchased services	\$ 85,588	\$ 84,272	\$ (1,316)	\$ 89,425
Total	85,588	84,272	(1,316)	89,425
Total Support Services	653,038	652,612	(426)	650,142
Total Expenditures	653,038	652,612	(426)	650,142
Net change in fund balance	<u>\$ (68,338)</u>	(51,828)	<u>\$ 16,510</u>	(76,829)
Fund balance at beginning of year		<u>911,192</u>		<u>988,021</u>
FUND BALANCE AT END OF YEAR		<u>\$ 859,364</u>		<u>\$ 911,192</u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64
Major Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
Earnings on investments	\$ 60,800	\$ 106,778	\$ 45,978	\$ 46,529
Other	-	61,179	61,179	-
Total Local Sources	60,800	167,957	107,157	46,529
Total Revenues	60,800	167,957	107,157	46,529
EXPENDITURES				
Facilities acquisition				
Purchased services	646,159	1,868,388	1,222,229	938,174
Supplies and materials	2,500	1,027	(1,473)	24,562
Capital outlay	4,158,118	2,988,336	(1,169,782)	5,259,836
Non-capitalized equipment	-	39,940	39,940	11,534
Total support services	4,806,777	4,897,691	90,914	6,234,106
Total Expenditures	4,806,777	4,897,691	90,914	6,234,106
Deficiency of revenues over expenditures	(4,745,977)	(4,729,734)	16,243	(6,187,577)
OTHER FINANCING SOURCES				
Bonds issued	-	-	-	8,650,118
Premium on bonds issued	-	-	-	599,882
Transfers in	-	-	-	4,500,000
Total other financing sources	-	-	-	13,750,000
Net change in fund balance	<u>\$ (4,745,977)</u>	<u>(4,729,734)</u>	<u>\$ 16,243</u>	7,562,423
Fund balance at beginning of year		<u>11,783,988</u>		<u>4,221,565</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 7,054,254</u></u>		<u><u>\$ 11,783,988</u></u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Transportation	Municipal Retirement/ Social Security	Debt Service	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 3,557,022	\$ 1,681,599	\$ 3,672,438	\$ 8,911,059
Receivables				
Property taxes	1,455,576	1,261,499	980,167	3,697,242
Due from other governments	367,855	-	-	367,855
Other receivables	15,385	3,527	-	18,912
	<hr/>			
Total Assets	<u>\$ 5,395,838</u>	<u>\$ 2,946,625</u>	<u>\$ 4,652,605</u>	<u>\$ 12,995,068</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 108,614	\$ -	\$ -	\$ 108,614
	<hr/>			
Total Liabilities	108,614	-	-	108,614
Deferred Inflows				
Other unavailable revenue	367,855	-	-	367,855
Property taxes levied for subsequent year	1,455,576	1,261,499	980,167	3,697,242
	<hr/>			
Total Deferred Inflows	1,823,431	1,261,499	980,167	4,065,097
Fund Balance				
Restricted				
Student transportation	3,463,793	-	-	3,463,793
Employee retirement	-	1,685,126	-	1,685,126
Debt service	-	-	3,672,438	3,672,438
	<hr/>			
Total Fund Balance	3,463,793	1,685,126	3,672,438	8,821,357
	<hr/>			
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 5,395,838</u>	<u>\$ 2,946,625</u>	<u>\$ 4,652,605</u>	<u>\$ 12,995,068</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2018

	Transportation	Municipal Retirement/ Social Security	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Local sources	\$ 3,339,206	\$ 2,749,911	\$ 2,483,876	\$ 8,572,993
State sources	1,380,482	-	-	1,380,482
Total Revenues	4,719,688	2,749,911	2,483,876	9,953,475
EXPENDITURES				
Current operating				
Instruction	-	916,262	-	916,262
Support services	3,100,309	1,273,667	-	4,373,976
Community services	127,008	46,098	-	173,106
Payments to other districts	17,591	-	-	17,591
Debt service				
Principal	-	-	3,170,097	3,170,097
Interest and other	-	-	663,082	663,082
Total Expenditures	3,244,908	2,236,027	3,833,179	9,314,114
Excess (deficiency) of revenues over expenditures	1,474,780	513,884	(1,349,303)	639,361
OTHER FINANCING SOURCES				
Transfers in	-	-	1,037,510	1,037,510
Transfers out	(1,000,000)	-	-	(1,000,000)
Total other financing uses	(1,000,000)	-	1,037,510	37,510
Net change in fund balance	474,780	513,884	(311,793)	676,871
Fund balances at beginning of year	2,989,013	1,171,242	3,984,231	8,144,486
FUND BALANCES AT END OF YEAR	\$ 3,463,793	\$ 1,685,126	\$ 3,672,438	\$ 8,821,357

PARK RIDGE-NILES SCHOOL DISTRICT 64

Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 3,522,500	\$ 3,307,647	\$ (214,853)	\$ 2,853,592
Regular transportation fees	43,700	38,463	(5,237)	54,284
Earnings on investments	27,000	(6,904)	(33,904)	25,652
Total Local Sources	3,593,200	3,339,206	(253,994)	2,933,528
State Sources				
Transportation aid	850,520	1,380,482	529,962	851,393
Total State Sources	850,520	1,380,482	529,962	851,393
Total Revenues	4,443,720	4,719,688	275,968	3,784,921
EXPENDITURES				
Current operating				
Support Services				
Pupil Transportation Services				
Salaries	16,900	17,585	685	16,508
Employee benefits	3,892	3,306	(586)	3,093
Purchased services	3,126,715	3,079,418	(47,297)	2,870,021
Supplies and materials	1,000	-	(1,000)	-
Total Support Services	3,148,507	3,100,309	(48,198)	2,889,622
Community Services				
Purchased services	125,000	127,008	2,008	119,218
Total Community Services	125,000	127,008	2,008	119,218
Payments for special programs				
Purchased services	-	17,591	17,591	1,886
Total Payments for Special Programs	-	17,591	17,591	1,886
Total Expenditures	3,273,507	3,244,908	(28,599)	3,010,726
Excess of revenues over expenditures	1,170,213	1,474,780	304,567	774,195

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
OTHER FINANCING USES				
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 170,213</u>	<u>474,780</u>	<u>\$ 304,567</u>	<u>774,195</u>
Fund balance at beginning of year		<u>2,989,013</u>		<u>2,214,818</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,463,793</u>		<u>\$ 2,989,013</u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64
Municipal Retirement/Social Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018			2017
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 984,000	\$ 1,002,377	\$ 18,377	\$ 1,126,099
Social security/medicare only levy	1,514,300	1,595,445	81,145	1,281,716
Corporate replacement taxes	142,300	152,620	10,320	146,751
Earnings on investments	9,000	(531)	(9,531)	6,437
Total Local Sources	2,649,600	2,749,911	100,311	2,561,003
Total Revenues	2,649,600	2,749,911	100,311	2,561,003
EXPENDITURES				
Current operating				
Instruction				
Regular programs	2,396,400	348,143	(2,048,257)	343,611
Special education programs	-	500,002	500,002	483,445
CTE programs	-	15,061	15,061	14,735
Interscholastic programs	-	7,136	7,136	7,355
Summer school programs	-	17,751	17,751	16,517
Gifted programs	-	20,525	20,525	20,327
Bilingual programs	-	7,644	7,644	7,726
Total instruction	2,396,400	916,262	(1,480,138)	893,716
Support Services				
Pupils	-	230,285	230,285	220,260
Instructional staff	-	206,211	206,211	219,071
General administration	-	43,366	43,366	46,251
School administration	-	125,716	125,716	133,036
Business	-	597,182	597,182	606,401
Central	-	70,907	70,907	64,988
Total support services	-	1,273,667	1,273,667	1,290,007
Community services				
Community services - employee benefits	-	46,098	46,098	42,145
Total Expenditures	2,396,400	2,236,027	(160,373)	2,225,868
Net change in fund balance	\$ 253,200	513,884	\$ 260,684	335,135
Fund balance at beginning of year		1,171,242		836,107
FUND BALANCE AT END OF YEAR		<u>\$ 1,685,126</u>		<u>\$ 1,171,242</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 2,446,800	\$ 2,433,278	\$ (13,522)	\$ 3,076,428
Earnings on investments	17,000	41,864	24,864	9,008
Other local revenue	8,734	8,734	-	-
Total Local Sources	<u>2,472,534</u>	<u>2,483,876</u>	<u>11,342</u>	<u>3,085,436</u>
Total Revenues	<u>2,472,534</u>	<u>2,483,876</u>	<u>11,342</u>	<u>3,085,436</u>
EXPENDITURES				
Debt service				
Principal retirement	3,151,620	3,170,097	18,477	3,043,240
Interest on bonds	679,290	660,812	(18,478)	402,827
Other	4,000	2,270	(1,730)	146,353
Total Expenditures	<u>3,834,910</u>	<u>3,833,179</u>	<u>(1,731)</u>	<u>3,592,420</u>
Excess of revenues over expenditures	<u>(1,362,376)</u>	<u>(1,349,303)</u>	<u>13,073</u>	<u>(506,984)</u>
OTHER FINANCING SOURCES				
Bonds issued	-	-	-	144,882
Transfers in	1,037,510	1,037,510	-	356,718
Total other financing sources	<u>1,037,510</u>	<u>1,037,510</u>	<u>-</u>	<u>501,600</u>
Net change in fund balance	<u>\$ (324,866)</u>	<u>(311,793)</u>	<u>\$ 13,073</u>	<u>(5,384)</u>
Fund balance at beginning of year		<u>3,984,231</u>		<u>3,989,615</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 3,672,438</u></u>		<u><u>\$ 3,984,231</u></u>

PARK RIDGE-NILES SCHOOL DISTRICT 64
 Agency Fund - Activity Funds
 Schedule of Changes in Assets and Liabilities
 Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	\$ 121,707	\$ 195,097	\$ 232,481	\$ 84,323
Liabilities				
Due to organizations	\$ 121,707	\$ 195,097	\$ 232,481	\$ 84,323

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Property Tax Rates, Extensions and Collections
Last Five Tax Levy Years

	2017	2016	2015	2014	2013
Assessed Valuation	\$ 1,674,475,741	\$ 1,638,658,393	\$ 1,371,795,137	\$ 1,414,256,518	\$ 1,399,438,847
Rates extended					
Educational	2.8191	2.7326	3.5000	3.4048	3.4609
Tort immunity	0.0461	0.0251	0.0526	0.0448	0.0440
Special education	0.3076	0.3143	0.1243	0.1170	0.0294
Operations and maintenance	0.3383	0.3771	0.5181	0.5468	0.5439
Transportation	0.1845	0.2200	0.1502	0.0748	0.0734
Illinois municipal retirement/ Social security	0.1600	0.1571	0.1663	0.1562	0.1533
Debt service	0.1243	0.1789	0.2420	0.2352	0.2368
Working cash	0.0338	0.0346	0.0338	0.0300	0.0294
Total rates extended	4.0137	4.0397	4.7873	4.6096	4.5711
Property tax extensions					
Educational	\$ 47,204,772	\$ 44,777,570	\$ 48,012,830	\$ 48,151,978	\$ 48,433,179
Tort immunity	772,500	412,000	721,000	634,226	615,753
Special education	5,150,000	5,150,000	1,704,650	1,654,366	411,435
Operations and maintenance	5,665,000	6,180,000	7,107,000	7,733,420	7,611,547
Transportation	3,090,000	3,605,000	2,060,000	1,058,004	1,027,188
Illinois municipal retirement/ Social security	2,678,000	2,575,000	2,281,450	2,209,699	2,145,339
Debt service	2,080,769	2,931,689	3,318,735	3,326,689	3,313,381
Working cash	566,500	566,500	463,500	423,778	411,435
Total levies extended	\$ 67,207,541	\$ 66,197,759	\$ 65,669,165	\$ 65,192,160	\$ 63,969,257
Total collections	\$ 35,483,753	\$ 65,581,898	\$ 64,896,179	\$ 64,892,714	\$ 63,197,229
Percentage of extensions collected	52.80%	99.07%	98.82%	99.54%	98.79%

Tax rates are expressed in dollars per one hundred of assessed valuation.

Source of information: Cook County Levy, Rate and Extension Reports for 2013-2017.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Operating Cost and Tuition Charge

Years Ended June 30, 2018 and June 30, 2017

	<u>2018</u>	<u>2017</u>
Expenditures		
Educational Fund	\$ 59,995,333	\$ 60,778,640
Operations and Maintenance Fund	5,958,052	5,267,691
Debt Service Fund	3,833,179	3,592,420
Transportation Fund	3,244,908	3,010,726
Municipal Retirement/Social Security Fund	2,236,027	2,225,868
Tort Immunity Fund	<u>652,612</u>	<u>650,142</u>
Total expenditures	<u>75,920,111</u>	<u>75,525,487</u>
Less revenues/expenditures not applicable to operating expense of regular program		
Summer school	359,276	343,138
Tuition paid	466,869	435,787
Community services	796,738	648,672
Capital outlay	350,720	775,030
Non-capitalized equipment	544,409	446,170
Bond and other principal retired	3,170,097	3,043,240
Payments to other districts and governmental units	<u>1,902,330</u>	<u>1,906,713</u>
	<u>7,590,439</u>	<u>7,598,750</u>
Regular operating expenditures	68,329,672	67,926,737
Offsetting revenues	<u>6,354,455</u>	<u>6,014,506</u>
Net operating expenditures	61,975,217	61,912,231
Depreciation allowance	<u>2,758,834</u>	<u>5,640,401</u>
Total allowance for tuition computation	<u>\$ 64,734,051</u>	<u>\$ 67,552,632</u>
Average daily attendance	<u>4,190.06</u>	<u>4,172.15</u>
Per capita tuition charge	<u>\$ 15,449.43</u>	<u>\$ 16,191.32</u>

Source of information: 2018 & 2017 annual financial reports