

***PARK RIDGE-NILES  
SCHOOL DISTRICT NO. 64***

**Annual Financial Report**

**For The Year Ended  
June 30, 2016**

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**

**June 30, 2016**

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June 30, 2016

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Park Ridge-Niles School District No. 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 No. 64 (the District) as of and for the year ended June 30, 2016, 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 No. 64 as of June 30, 2016, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2016, on our consideration of Park Ridge-Niles School District No. 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.



Klein Hall CPAs  
Aurora, Illinois  
October 4, 2016

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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This section of Park Ridge-Niles School District No. 64's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. 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 increased by \$3.7. This represents a 4.9% increase from 2015.
- General revenues accounted for \$69.4 in revenue or 76% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$22.4 or 24% of total revenues of \$91.8.
- The District continues to operate within its means as total revenues increased 5.6% from prior year while total expenses increased only 4.1% from prior year.
- The District is positioned to receive a Recognition financial profile rating from the Illinois State Board of Education for 2016, which is the highest possible rating. The State Board officially approves the ratings in March.

**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

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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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 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), which is considered to be a major fund. The Transportation, Municipal Retirement, Debt Service, and Capital Projects Fund 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.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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***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 NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Financial Analysis of the District as a Whole**

Net position: The District continues to maintain a stable financial position. The *combined* net position increased 4.9% to \$79.7 million as of June 30, 2016 (See Figure A-1).

Figure A-1

Condensed Statement of Net Position (in millions of dollars)

|   | Governmental Activities |         |
|---|-------------------------|---------|
|   | 2016                    | 2015    |
| <b>Assets:</b>                                  |                         |         |
| Current and other assets                        | \$ 95.5                 | \$ 95.1 |
| Capital assets                                  | 47.7                    | 46.0    |
| Total Assets                                    | 143.2                   | 141.1   |
| <b>Deferred Outflows:</b>                       |                         |         |
| Deferred outflows related to pensions           | 4.2                     | 2.6     |
| Total Deferred Outflows                         | 4.2                     | 2.6     |
| <b>Liabilities:</b>                             |                         |         |
| Current liabilities                             | 6.4                     | 5.8     |
| Long-term debt outstanding                      | 28.7                    | 28.5    |
| Total Liabilities                               | 35.1                    | 34.3    |
| <b>Deferred Inflows:</b>                        |                         |         |
| Property taxes levied for subsequent year       | 31.8                    | 32.4    |
| Deferred inflows related to pensions            | 0.8                     | 1.0     |
| Total Deferred Inflows                          | 32.6                    | 33.4    |
| <b>Net position:</b>                            |                         |         |
| Invested in capital assets, net of related debt | 35.8                    | 30.5    |
| Restricted                                      | 12.2                    | 11.7    |
| Unrestricted                                    | 31.7                    | 33.8    |
| Total Net Position                              | \$ 79.7                 | \$ 76.0 |

The District's total revenues increased 5.6% to \$91.8 million (See Figure A-2). Property taxes account for approximately 73% of the District's total revenues. An additional 22% of the District's revenue comes from general state aid and state and federal grants. Only 5% 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 increased 4.1% to \$88.1 million (See Figure A-2). The District's expenses are predominantly related to instructing, caring for (pupil services), and transporting students (78%). The District's administrative and business activities accounted for 10% of total costs, and another 8% was for maintenance and operation of the District's buildings. 4% of expenses relate to

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

community services, tuition paid to private facilities, and interest on long-term debt, which are combined into the Other category. All percentages are comparable to the prior year.

Total revenues surpassed expenses, increasing net position by \$3.7 million over last year.

Figure A-2

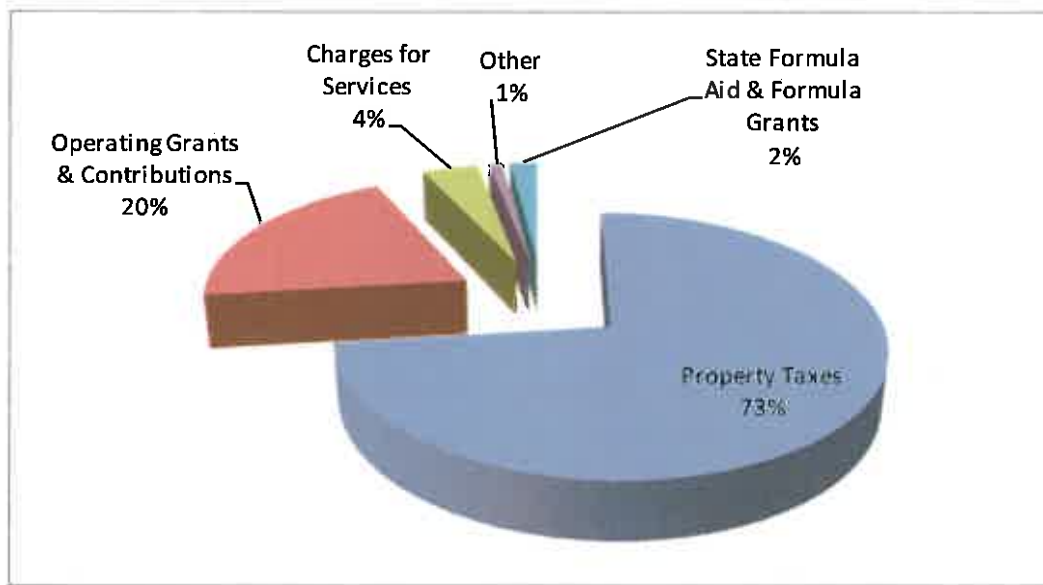
Changes in Net Position from Operating Results (in millions of dollars)

|                                     | Governmental<br>Activities |                |
|-------------------------------------|----------------------------|----------------|
|                                     | 2016                       | 2015           |
| Revenues                            |                            |                |
| <i>Program Revenues</i>             |                            |                |
| Charges for Services                | \$ 3.9                     | \$ 3.6         |
| Operating Grants & Contributions    | 18.5                       | 16.8           |
| Capital Grants & Contributions      | -                          | -              |
| <i>General Revenues</i>             |                            |                |
| Taxes                               | 66.8                       | 64.4           |
| General State Aid                   | 1.6                        | 1.4            |
| Other                               | 1.0                        | 0.8            |
| Total Revenues                      | <u>91.8</u>                | <u>87.0</u>    |
| Expenses                            |                            |                |
| Instruction                         | 56.7                       | 54.3           |
| Pupil & Instructional Services      | 9.6                        | 8.1            |
| Administration & Business           | 8.8                        | 8.0            |
| Transportation                      | 2.6                        | 2.2            |
| Operations & Maintenance            | 6.9                        | 7.6            |
| Other                               | 3.5                        | 4.4            |
| Total Expenses                      | <u>88.1</u>                | <u>84.6</u>    |
| Increase (decrease) in net position | <u>3.7</u>                 | <u>2.4</u>     |
| Net position - beginning of year    | 76.0                       | 73.6           |
| Net position - end of year          | <u>\$ 79.7</u>             | <u>\$ 76.0</u> |

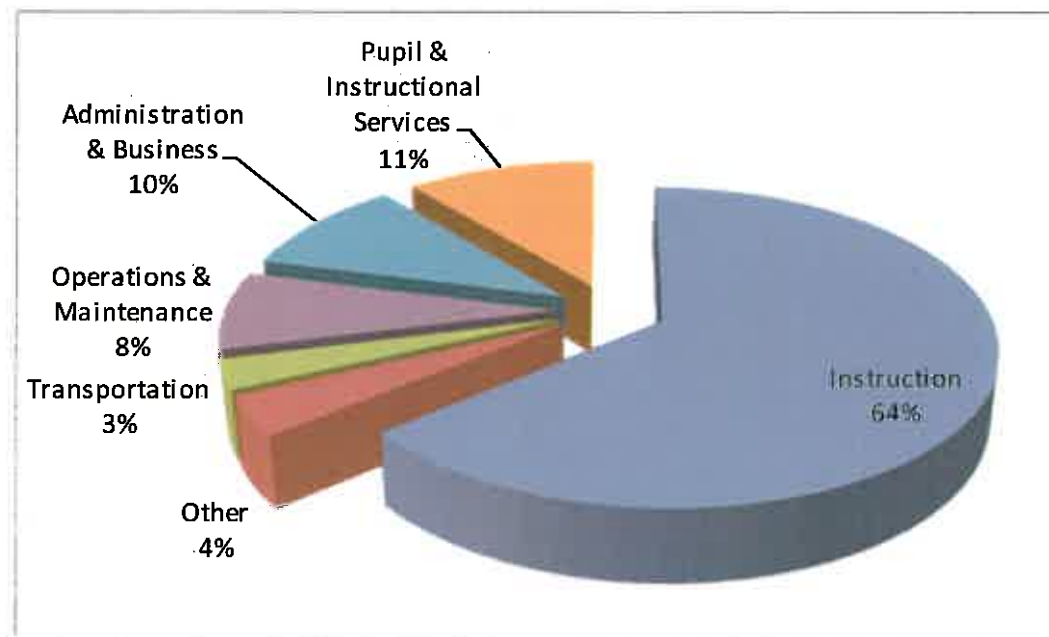
**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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**Figure A-3 Sources of Revenues for Fiscal Year 2016**



**Figure A-4 Expenses for Fiscal Year 2016**



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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***Governmental Activities***

The District's governmental activities reported a 5.6% increase in revenues and a 4.1% increase in expenses as compared to the prior year. This resulted in a \$3.7 million increase in net position for fiscal year 2015-16.

The stable health of the District's finances can be credited to both a solid real estate tax base and a focused effort on controlled spending.

**Financial Analysis of the District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds as well. Three of its five governmental funds reported increases in fund balance in fiscal year 2015-16. The governmental funds as a whole reported fund balances of \$57.3 million, as compared to last year's ending fund balances of \$56.9 million.

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 \$44.8 million of the District's \$57.3 million total fund balance is considered unassigned. This means the remaining \$12.5 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 slightly lower than budgeted revenues by \$0.3 million. This equates to only a 0.4% difference from budget, which is insignificant given the uncertainty involved with predicting when state and federal grant revenue will be received.
- The General Fund's expenditures were lower than budgeted by \$2.1 million (2.6%). The budget includes an estimate for retirement payments made by the State of Illinois on behalf of the District's employees. These payments are recorded as a revenue and expenditure for identical amounts. \$0.7 million of the General Fund's budget to actual variance is due to a difference in estimate of the on-behalf payments. The remainder of the variance is attributable to a conservative estimate for salaries and benefits. In subsequent years, the District will be budgeting salaries by individual staff member instead of applying blanket percentage increases to reduce some of the budget variances in these line items.
- The General Fund also includes a \$5.5 million transfer out to the Capital Projects Fund. The District pulled this money from its Working Cash Fund reserves to fund facility improvements in the summer of 2016.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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**Capital Asset and Debt Administration**

***Capital Assets***

By the end of 2016, the District had invested \$47.7 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 \$2.4 million, while additions to buildings and equipment amounted to \$4.2 million.

**Figure A-5**

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

|                          | Governmental Activities |                |
|--------------------------|-------------------------|----------------|
|                          | 2016                    | 2015           |
| Land                     | \$ 0.4                  | \$ 0.4         |
| Construction in progress | 1.8                     | 4.6            |
| Buildings & improvements | 44.3                    | 39.9           |
| Equipment                | 1.2                     | 1.1            |
| <b>TOTAL</b>             | <b>\$ 47.7</b>          | <b>\$ 46.0</b> |

***Long-Term Debt***

At year-end, the District had \$28.7 million in general obligation bonds, retirement obligations, and other long-term debt 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 |                |
|--------------------------|-----------------------|----------------|
|                          | 2016                  | 2015           |
| General obligation bonds | \$ 12.2               | \$ 14.8        |
| Other long-term debt     | 16.5                  | 13.7           |
| <b>TOTAL</b>             | <b>\$ 28.7</b>        | <b>\$ 28.5</b> |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016**

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**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 2015 CPI-U of 0.8% affected the District's ability to increase its operating fund revenues for fiscal year 2016-17 and beyond.

The District continues to monitor the State of Illinois' financial condition, budget discussions, and legislation closely. The State's budgetary decisions or modifications to the State funding formula could significantly impact the District's funding levels received in future years. State legislators also continue to discuss reform measures for the TRS pension system, which potentially could lead to a shift of pension costs to local school districts.

There are also some important factors impacting future expenses of the District. State legislators continue to discuss reform measures for the TRS pension system, which potentially could lead to a shift of pension costs to local school districts. The District closely monitors news from Springfield on this topic as it becomes available and adjusts long-term financial projection assumptions accordingly.

The Board of Education and the Park Ridge Education Association (PREA) ratified a new four-year collective bargaining agreement in September 2016 with base salary increases tied to the CPI-U. At the time of this report, negotiations with the Park Ridge Teacher Assistants' Association (PRTAA) were still under way.

The Illinois State Board of Education requires the District to survey its buildings every ten years for compliance with the Health Life Safety Code. The District and its architects completed the Ten Year Health Life Safety and are in the process of finalizing the information for submission to the State Board. The District's Board and administration are also evaluating the results to determine how facility improvements should be prioritized as well as the appropriate funding mechanisms for these projects.

**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 NO. 64**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>Assets</b>   |                                    |
| Cash and investments                                  | \$ 61,709,506                      |
| Receivables:  |                                    |
| Property taxes  | 31,840,500                         |
| Due from other governments                            | 1,503,928                          |
| Other receivables                                     | 160,776                            |
| Prepaid items   | 252,492                            |
| Capital assets:                                       |                                    |
| Land and construction in progress                     | 2,174,987                          |
| Other capital assets, net of accumulated depreciation | 45,554,213                         |
| <b>Total Assets</b>                                   | <b>143,196,402</b>                 |
| <b>Deferred Outflows</b>                              |                                    |
| Deferred outflows related to pensions                 | 4,204,521                          |
| <b>Total Deferred Outflows</b>                        | <b>4,204,521</b>                   |
| <b>Liabilities</b>                                    |                                    |
| Liabilities   |                                    |
| Accounts payable                                      | 2,268,477                          |
| Accrued salaries and related expenditures             | 4,075,177                          |
| Noncurrent liabilities:                               |                                    |
| Due within one year                                   | 3,092,896                          |
| Due in more than one year                             | 25,632,101                         |
| <b>Total Liabilities</b>                              | <b>35,068,651</b>                  |
| <b>Deferred Inflows</b>                               |                                    |
| Property taxes levied for subsequent year             | 31,859,050                         |
| Deferred inflows related to pensions                  | 771,855                            |
| <b>Total Deferred Inflows</b>                         | <b>32,630,905</b>                  |
| <b>Net Position</b>                                   |                                    |
| Net investment in capital assets                      | 35,788,913                         |
| Restricted for:                                       |                                    |
| Tort immunity   | 988,007                            |
| Student transportation                                | 2,198,187                          |
| Employee retirement                                   | 836,107                            |
| Capital projects                                      | 4,207,433                          |
| Debt service  | 3,989,615                          |
| Unrestricted  | 31,693,105                         |
| <b>Total Net Position</b>                             | <b>\$ 79,701,367</b>               |

See accompanying notes to basic financial statements



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

| Functions   | Expenses             | Program Revenues    |                      |               | Net (Expense)       |
|---|----------------------|---------------------|----------------------|---------------|---------------------|
|   |                      | Charges for         | Operating            | Capital       | Revenue and         |
|   |                      | Services            | Grants and           | Grants and    | Changes in          |
|   |                      |                     | Contributions        | Contributions | Net Position        |
|   |                      |                     |                      |               | Total               |
|   |                      |                     |                      |               | Governmental        |
|   |                      |                     |                      |               | Activities          |
| <b>Governmental Activities:</b>                           |                      |                     |                      |               |                     |
| Instructional services:                                   |                      |                     |                      |               |                     |
| Regular programs  | \$ 29,386,914        | \$ 1,546,248        | \$ 262,575           | \$ -          | \$ (27,578,091)     |
| Special programs  | 8,538,830            | -                   | 3,106,049            | -             | (5,432,781)         |
| Other programs  | 4,476,257            | 1,223,767           | 87,510               | -             | (3,164,980)         |
| State retirement contributions                            | 14,300,182           | -                   | 14,300,182           | -             | -                   |
| Support services:   |                      |                     |                      |               |                     |
| Pupils  | 4,955,942            | -                   | -                    | -             | (4,955,942)         |
| Instructional staff                                       | 4,632,580            | -                   | -                    | -             | (4,632,580)         |
| General administration                                    | 2,354,417            | -                   | -                    | -             | (2,354,417)         |
| School administration                                     | 2,945,981            | -                   | -                    | -             | (2,945,981)         |
| Business  | 3,547,769            | 577,146             | 30,999               | -             | (2,939,624)         |
| Operation and maintenance                                 |                      |                     |                      |               |                     |
| of facilities   | 6,918,994            | 512,822             | -                    | -             | (6,406,172)         |
| Transportation  | 2,624,223            | 53,167              | 692,242              | -             | (1,878,814)         |
| Central   | 1,161,456            | -                   | -                    | -             | (1,161,456)         |
| Community services  | 692,425              | -                   | -                    | -             | (692,425)           |
| Payments to other districts                               | 1,080,270            | -                   | -                    | -             | (1,080,270)         |
| Interest on long-term liabilities                         | 496,702              | -                   | -                    | -             | (496,702)           |
| <b>Total school district</b>                              | <b>\$ 88,112,942</b> | <b>\$ 3,913,150</b> | <b>\$ 18,479,557</b> | <b>\$ -</b>   | <b>(65,720,235)</b> |
| <b>General revenues:</b>                                  |                      |                     |                      |               |                     |
| Property taxes levied for:                                |                      |                     |                      |               |                     |
| General purposes  |                      |                     |                      |               | 58,476,969          |
| Transportation  |                      |                     |                      |               | 1,580,252           |
| Retirement  |                      |                     |                      |               | 2,253,942           |
| Debt service  |                      |                     |                      |               | 3,332,682           |
| Personal property replacement taxes                       |                      |                     |                      |               | 1,124,168           |
| Federal and state aid not restricted to specific purposes |                      |                     |                      |               | 1,572,924           |
| Earnings on investments                                   |                      |                     |                      |               | 862,687             |
| Miscellaneous   |                      |                     |                      |               | 258,659             |
| Total general revenues                                    |                      |                     |                      |               | 69,462,283          |
| Change in net position                                    |                      |                     |                      |               | 3,742,048           |
| Net position - beginning                                  |                      |                     |                      |               | 75,959,319          |
| Net position - ending                                     |                      |                     |                      |               | \$ 79,701,367       |

See accompanying notes to basic financial statements

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

|   | <u>General</u>       | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|--|---|
| <b><u>ASSETS</u></b>  |                      |  |   |
| <b>Assets:</b>  |                      |  |   |
| Cash and investments  | \$ 49,344,352        | \$ 12,365,154                              | \$ 61,709,506                           |
| Receivables:  |                      |  |   |
| Property taxes  | 28,126,366           | 3,714,134                                  | 31,840,500                              |
| Due from other governments                                      | 1,272,534            | 231,394                                    | 1,503,928                               |
| Other receivables   | 121,391              | 39,385                                     | 160,776                                 |
| Prepaid items   | 221,729              | 30,763                                     | 252,492                                 |
| <b>TOTAL ASSETS</b>   | <u>\$ 79,086,372</u> | <u>\$ 16,380,830</u>                       | <u>\$ 95,467,202</u>                    |
| <b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>   |                      |  |   |
| <b>Liabilities:</b>   |                      |  |   |
| Accounts payable  | \$ 863,886           | \$ 1,404,591                               | \$ 2,268,477                            |
| Accrued salaries and related expenditures                       | 4,075,177            | -  | 4,075,177                               |
| <b>Total Liabilities</b>  | <u>4,939,063</u>     | <u>1,404,591</u>                           | <u>6,343,654</u>                        |
| <b>Deferred Inflows:</b>  |                      |  |   |
| Unavailable property tax revenue                                | 28,144,916           | 3,714,134                                  | 31,859,050                              |
| <b>Fund Balances:</b>   |                      |  |   |
| Nonspendable  |                      |  |   |
| Prepaid items   | 221,729              | 30,763                                     | 252,492                                 |
| Restricted  |                      |  |   |
| Tort immunity   | 988,007              | -  | 988,007                                 |
| Student transportation  | -                    | 2,198,187                                  | 2,198,187                               |
| Employee retirement   | -                    | 836,107                                    | 836,107                                 |
| Capital projects  | -                    | 4,207,433                                  | 4,207,433                               |
| Debt service  | -                    | 3,989,615                                  | 3,989,615                               |
| Unassigned  | 44,792,657           | -  | 44,792,657                              |
| <b>Total Fund Balances</b>                                      | <u>46,002,393</u>    | <u>11,262,105</u>                          | <u>57,264,498</u>                       |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCE</b> | <u>\$ 79,086,372</u> | <u>\$ 16,380,830</u>                       | <u>\$ 95,467,202</u>                    |

See accompanying notes to basic financial statements.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

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|   |                      |
|---|----------------------|
| <b>Total fund balances - governmental funds</b> | <b>\$ 57,264,498</b> |
|---|----------------------|

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 \$86,069,325 and the accumulated depreciation is \$38,340,125. | 47,729,200 |
|--|------------|

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       | \$ (12,728,734)  |              |
| Other post employment benefits | (3,007,598)      |              |
| Net pension liability - TRS    | (4,899,942)      |              |
| Net pension liability - IMRF   | (7,874,903)      |              |
| Compensated absences           | <u>(213,820)</u> | (28,724,997) |

Deferred inflows and outflows of resources related to pensions are not reported in governmental funds

|                   |                  |           |
|-------------------|------------------|-----------|
| Deferred outflows | 4,204,521        |           |
| Deferred inflows  | <u>(771,855)</u> | 3,432,666 |

|  |                                    |
|--|------------------------------------|
| <b>Net position of governmental activities</b> | <b><u><u>\$ 79,701,367</u></u></b> |
|--|------------------------------------|

See accompanying notes to basic financial statements

**PARK RIDGE-NILE SCHOOL DISTRICT NO. 64**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2016**

|  | General              | Nonmajor<br>Governmental<br>Funds | Totals<br>Governmental<br>Funds |
|--|----------------------|-----------------------------------|---------------------------------|
| <b>REVENUES</b>                                      |                      |                                   |                                 |
| Local sources  | \$ 64,156,425        | \$ 7,387,425                      | \$ 71,543,850                   |
| State sources  | 17,960,140           | 692,242                           | 18,652,382                      |
| Federal sources                                      | 1,658,758            | -                                 | 1,658,758                       |
| <b>Total Revenues</b>                                | <u>83,775,323</u>    | <u>8,079,667</u>                  | <u>91,854,990</u>               |
| <b>EXPENDITURES</b>                                  |                      |                                   |                                 |
| Current operating:                                   |                      |                                   |                                 |
| Instruction  | 54,548,580           | 906,608                           | 55,455,188                      |
| Support services                                     | 22,169,166           | 8,820,674                         | 30,989,840                      |
| Community services                                   | 499,733              | 162,857                           | 662,590                         |
| Payments to other districts                          | 1,080,270            | -                                 | 1,080,270                       |
| Debt service:  |                      |                                   |                                 |
| Principal  | -                    | 2,736,455                         | 2,736,455                       |
| Interest and other                                   | -                    | 556,068                           | 556,068                         |
| <b>Total Expenditures</b>                            | <u>78,297,749</u>    | <u>13,182,662</u>                 | <u>91,480,411</u>               |
| Excess (deficiency) of revenues<br>over expenditures | <u>5,477,574</u>     | <u>(5,102,995)</u>                | <u>374,579</u>                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                      |                                   |                                 |
| Transfers in   | -                    | 5,696,807                         | 5,696,807                       |
| Transfers out  | (5,696,807)          | -                                 | (5,696,807)                     |
| Sale of capital asset                                | 500                  | -                                 | 500                             |
| <b>Total other financing sources (uses)</b>          | <u>(5,696,307)</u>   | <u>5,696,807</u>                  | <u>500</u>                      |
| Net changes in fund balance                          | (218,733)            | 593,812                           | 375,079                         |
| Fund balances at beginning of year                   | 46,221,126           | 10,668,293                        | 56,889,419                      |
| <b>FUND BALANCES AT END OF YEAR</b>                  | <u>\$ 46,002,393</u> | <u>\$ 11,262,105</u>              | <u>\$ 57,264,498</u>            |

See accompanying notes to basic financial statements.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 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, 2016**

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|   |           |                |
|---|-----------|----------------|
| <b>Net change in fund balances - total governmental funds</b> | <b>\$</b> | <b>375,079</b> |
|---|-----------|----------------|

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      | \$ | 4,163,572      |           |
| Depreciation expense |    | (2,406,061)    |           |
| Loss on disposals    |    | <u>(8,518)</u> |           |
|                      |    |                | 1,748,993 |

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 other post employment benefits                |  | (405,313)        |             |
| Change in compensated absences                          |  | 32,911           |             |
| Change in net pension liability - TRS                   |  | (787,662)        |             |
| Change in net pension liability - IMRF                  |  | (1,849,094)      |             |
| Change in deferred inflows/outflows related to pensions |  | <u>1,831,313</u> |             |
|   |  |                  | (1,177,845) |

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 |  | 59,366           |                  |
| Repayment of bond and loan principal      |  | <u>2,736,455</u> |                  |
|   |  |                  | <u>2,795,821</u> |

|  |           |                         |
|--|-----------|-------------------------|
| <b>Change in net position of governmental activities</b> | <b>\$</b> | <b><u>3,742,048</u></b> |
|--|-----------|-------------------------|

See accompanying notes to basic financial statements

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**AGENCY FUND - ACTIVITY FUND**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2016**

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**Assets:**

|      |                   |
|------|-------------------|
| Cash | <u>\$ 131,795</u> |
|------|-------------------|

**Liabilities:**

|                      |                   |
|----------------------|-------------------|
| Due to organizations | <u>\$ 131,795</u> |
|----------------------|-------------------|

See accompanying notes to basic financial statements.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements**  
**June 30, 2016**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Park Ridge-Niles School District 64 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (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 fund types:

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

**June 30, 2016**

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**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.

**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



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2016

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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.

**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 Type**

**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**

The District has adopted a policy consistent with GASB Statement No. 34 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.

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

**June 30, 2016**

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#### **c. Basis of Presentation**

##### **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.

##### **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

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

**Notes to Financial Statements (continued)**

**June 30, 2016**

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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.

**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 are recorded at estimated fair 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   |

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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**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.

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.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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In the fund financial statements, the property tax levy receivable collected within the current year or expected to be collected within 60 days of year end (provided any 60 day collections do not include taxes from the second installment) to be used to pay liabilities of the current period is recognized as revenue. The tax receivable less the amount expected to be collected within 60 days of year end to be used to pay liabilities of the current period 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. Prepaid Items**

Certain payments to vendors that reflect cost applicable to future accounting periods are recorded as prepaid assets.

**k. 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, 2016 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 entitled to be compensated for vacation time. Vacation time earned in the previous year is credited to each employee on July 1 of the new year.

All certified employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between the Board of Education and the Park Ridge Education Association. Unused sick leave days accumulate to a maximum of 340 days. The District does not reimburse employees for unused sick days upon termination of employment. Upon retirement, a certified employee can opt to be reimbursed for a maximum of 80 unused sick days at the rate of \$55 per day. Any remaining days of unused sick leave can be applied towards service credit for TRS.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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Classified personnel receive a specified number of sick days per year depending on their years of service. All classified personnel can accumulate unused sick days to a maximum of 275 days. The District does not reimburse classified employees for unused sick days remaining upon termination of employment. However, upon retirement, a classified employee can opt to be reimbursed for a maximum of 80 unused sick days at the rate of \$55 per day. A classified employee may apply any remaining unused sick leave towards service credit for IMRF.

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.

**l. 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.

**m. 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, 2015, from which such summarized information was derived.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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**n. 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.

**o. 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.

**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.

**p. 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.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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**NOTE 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.

**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.

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



**PARK RIDGE-NILES SCHOOL DISTRICT 64**

**Notes to Financial Statements (continued)**

**June 30, 2016**

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, 2016, the fair value of all cash and investments held by the Treasurer's office was \$419,643,826 and the fair value of the District's proportionate share of the pool was \$61,709,506.

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.

**Deposits and Custodial Credit Risk**

|  | Carrying Value | Bank Balance |
|--|----------------|--------------|
| Deposits with financial institutions - Fiduciary Funds | \$ 121,812     | \$ 121,924   |

**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, 2016.

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 | \$ 658     | \$ 658              | AAA           |
| ISDLAF+ MAX          | 9,325      | 9,325               | AAA           |
| Total                | \$ 9,983   | \$ 9,983            |               |

**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.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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***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. As of June 30, 2016, the bank balance of the District's deposits with financial institutions totaled \$121,924; this amount was fully insured through FDIC.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

|   | Balance<br>July 1,<br>2015 | Additions    | Deletions    | Balance<br>June 30,<br>2016 |
|---|----------------------------|--------------|--------------|-----------------------------|
| Capital assets, not being depreciated:      |                            |              |              |                             |
| Land  | \$ 353,013                 | \$ -         | \$ -         | \$ 353,013                  |
| Construction in progress                    | 4,614,971                  | 1,821,974    | 4,614,971    | 1,821,974                   |
| Total capital assets not being depreciated  | 4,967,984                  | 1,821,974    | 4,614,971    | 2,174,987                   |
| Capital assets, being depreciated:          |                            |              |              |                             |
| Buildings                                   | 61,765,945                 | 6,470,756    | -            | 68,236,701                  |
| Improvements other than buildings           | 5,807,328                  | 37,316       | -            | 5,844,644                   |
| Equipment and vehicles                      | 9,511,272                  | 448,497      | 146,776      | 9,812,993                   |
| Total capital assets being depreciated      | 77,084,545                 | 6,956,569    | 146,776      | 83,894,338                  |
| Accumulated depreciation for:               |                            |              |              |                             |
| Buildings                                   | 26,279,346                 | 1,833,846    | -            | 28,113,192                  |
| Improvements other than buildings           | 1,367,350                  | 266,061      | -            | 1,633,411                   |
| Equipment and vehicles                      | 8,425,626                  | 306,154      | 138,258      | 8,593,522                   |
| Total accumulation depreciation             | 36,072,322                 | 2,406,061    | 138,258      | 38,340,125                  |
| Total capital assets being depreciated, net | 41,012,223                 | 4,550,508    | 8,518        | 45,554,213                  |
| Total capital assets, net                   | \$ 45,980,207              | \$ 6,372,482 | \$ 4,623,489 | \$ 47,729,200               |

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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

|  |              |
|--|--------------|
| Instructional services:                  |              |
| Regular programs                         | \$ 39,220    |
| Special programs                         | 52,212       |
| Fiscal services                          | 3,368        |
| Internal services                        | 2,165        |
| Supporting services:                     |              |
| Business                                 | 663,110      |
| Operations and maintenance of facilities | 1,589,684    |
| Community services                       | 29,835       |
| Central                                  | 26,467       |
|  | \$ 2,406,061 |

**NOTE 4. LONG-TERM DEBT**

Long-term debt activity for the year ended June 30, 2016 was as follows

|                                      | Balance<br>July 1,<br>2015 | Additions    | Reductions   | Balance<br>June 30,<br>2016 | Amount due<br>in one year |
|--------------------------------------|----------------------------|--------------|--------------|-----------------------------|---------------------------|
| General Obligation Bonds Payable:    |                            |              |              |                             |                           |
| 11/1/01 School Bonds, Series 2001    | \$ 4,485,000               | \$ -         | \$ 2,185,000 | \$ 2,300,000                | \$ 2,300,000              |
| 12/1/08 General Obligation Refunding |                            |              |              |                             |                           |
| School Bonds                         | 790,000                    | -            | 385,000      | 405,000                     | 405,000                   |
| 3/13/14 A General Obligation         | 7,900,000                  | -            | -            | 7,900,000                   | -                         |
| 3/13/14 B Taxable General Obligation | 800,000                    | -            | -            | 800,000                     | -                         |
| Total Bonds Payable                  | 13,975,000                 | -            | 2,570,000    | 11,405,000                  | 2,705,000                 |
| Net OPEB Obligation                  | 2,602,285                  | 405,313      | -            | 3,007,598                   | -                         |
| Premium on Bonds Issued              | 847,813                    | -            | 59,366       | 788,447                     | -                         |
| Capital Lease                        | 701,742                    | -            | 166,455      | 535,287                     | 174,076                   |
| Net Pension Liability- TRS           | 4,112,280                  | 787,662      | -            | 4,899,942                   | -                         |
| Net Pension Liability- IMRF          | 6,025,809                  | 1,849,094    | -            | 7,874,903                   | -                         |
| Compensated Absences                 | 246,731                    | 425,386      | 458,297      | 213,820                     | 213,820                   |
| Total Long-Term Debt                 | \$ 28,511,660              | \$ 3,467,455 | \$ 3,254,118 | \$ 28,724,997               | \$ 3,092,896              |

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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**General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2016 are comprised of the following individual issues:

Series 2001 refunding bond dated November 1, 2001, issued in the original principal amount of \$17,065,000 for the purpose of funding and refunding; principal payments from \$1,320,000 to \$2,580,000 due annually from November 1, 2008 through 2016 at interest rates from 3.75% to 5.50%.

Series 2008 refunding bonds dated December 1, 2008 issued in the original principal amount of \$2,555,000 for the purpose of funding and refunding; principal payments from \$240,000 to \$405,000 due annually through 2016 at an interest rate of 4.00%.

Series 2014A general obligation bonds dated March 18, 2015 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 from 2018 through 2022 at an interest rate of 3.00% to 4.00%.

Series 2014B funding and refunding bonds dated March 18, 2015 issued in the original principal amount of \$800,000 for the purpose of funding and refunding; principal payments of \$800,000 due in 2018 at an interest rate of 1.30%. Proceeds of \$710,000 of this bond was used to defease the Series 2001 bond.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

As of June 30, 2016, \$280,000 of bonds outstanding is considered defeased.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

At June 30, 2016 the annual cash flow requirements of all bonds payable to retirement were as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|-----------------------------------|----------------------|---------------------|----------------------|
| 2017                              | \$ 2,705,000         | \$ 384,350          | \$ 3,089,350         |
| 2018                              | 2,520,000            | 273,400             | 2,793,400            |
| 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                             | <u>\$ 11,405,000</u> | <u>\$ 1,028,250</u> | <u>\$ 12,433,250</u> |

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$3,989,615 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

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, 2016 the statutory debt limit for the District was \$94,653,864 providing a debt margin of \$87,238,479 after taking into account amounts available in the Debt Service Fund.

**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, 2016, \$872,037 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, 2016, are as follows:

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2016

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|   | <u>Amount</u>     |
|---|-------------------|
| 2017                                    | \$ 196,056        |
| 2018                                    | 187,469           |
| 2019                                    | 138,652           |
| 2020                                    | <u>55,260</u>     |
| Total minimum lease payments            | 577,437           |
| Less: amount representing interest      | <u>(42,150)</u>   |
| Present value of minimum lease payments | <u>\$ 535,287</u> |

**NOTE 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.

**NOTE 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.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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**NOTE 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.

**Teachers' Retirement System of the State of Illinois (TRS)**

**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://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

**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



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2016

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following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

**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, 2016, was 9.4% 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, 2016, 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 \$13,885,974 in pension contributions from the State of Illinois.

**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, 2016 were \$224,524, and are deferred because they were paid after the June 30, 2015 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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06% of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$203,032 were paid from the federal and special trust funds that required employer contributions of \$73,213. These contributions are deferred because they were paid after the June 30, 2015 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 current program is 146.5% and applies

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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when the member is age 55 at retirement. For the year ended June 30, 2016, the employer did not make a payment to TRS for employer ERO contributions.

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, 2016, the District paid \$15,031 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.

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

At June 30, 2016, 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:

|  |                       |
|--|-----------------------|
| District's proportionate share of the net pension liability                              | \$ 4,899,942          |
| State's proportionate share of the net pension liability<br>associated with the District | <u>248,039,197</u>    |
| Total  | <u>\$ 252,939,139</u> |

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 and rolled forward to June 30, 2015. 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, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.00748%, which was an increase of 0.00072 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$13,885,974 and revenue of \$13,885,974 for support provided by the state. At June 30, 2016, 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, 2016

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|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience  | \$ 1,821                             | \$ 5,371                            |
| Changes in assumptions   | 67,761                               | -                                   |
| Net difference between projected and actual<br>earnings on pension plan investments                              | 97,040                               | 171,580                             |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions | 367,960                              | 586,145                             |
| District contributions subsequent to the measurement date  | 312,768                              | -                                   |
| Total  | <u>\$ 847,350</u>                    | <u>\$ 763,096</u>                   |

\$312,768 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, 2017. 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<br>June 30 | Net Deferred<br>Outflows of<br>Resources |
|------------------------|--|
| 2016                   | \$ (110,713)                             |
| 2017                   | (110,713)                                |
| 2018                   | (110,713)                                |
| 2019                   | 103,625                                  |
| 2020                   | -  |
| Total                  | <u>\$ (228,514)</u>                      |

**Actuarial Assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                                  |   |
|----------------------------------|---|
| <b>Inflation</b>                 | 3.00 percent  |
| <b>Salary increases</b>          | varies by amount of service credit  |
| <b>Investment rate of return</b> | 7.50 percent, net of pension plan investment expense, including inflation |

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

**Notes to Financial Statements (continued)**

**June 30, 2016**

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 actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

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<br>Expected Real Rate<br>of Return |
|--------------------------------|-------------------|--|
| U.S. large cap                 | 18%               | 7.53%  |
| Global equity excluding U.S.   | 18%               | 7.88%  |
| Aggregate bonds                | 16%               | 1.57%  |
| U.S. TIPS                      | 2%                | 2.82%  |
| NCREIF                         | 11%               | 5.11%  |
| Opportunistic real estate      | 4%                | 9.09%  |
| ARS                            | 8%                | 2.57%  |
| Risk parity                    | 8%                | 4.87%  |
| Diversified inflation strategy | 1%                | 3.26%  |
| Private equity                 | 14%               | 12.33%                                       |
|                                | <u>100%</u>       |  |

**Discount rate**

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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, 2015 was not 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. Despite the subsidy, all projected future payments were not covered, so a slightly lower 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, 2014, the discount rate used to measure the total pension liability was 7.50 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.

**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 7.47%, 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 (6.47%) or 1-percentage-point higher (8.47%) than the current rate:

|  | 1% Decrease<br>(6.47%) | Current<br>Discount Rate<br>(7.47%) | 1% Increase<br>(8.47%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of<br>the net pension liability | \$ 6,055,126           | \$ 4,899,942                        | \$ 3,952,659           |

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS Comprehensive Annual Financial Report.

**Illinois Municipal Retirement Fund (IMRF)**

**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.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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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](http://www.imrf.org).

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.

#### **Plan Membership**

As of June 30, 2016, the following employees were covered by the benefit terms:

|  |                   |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 197               |
| Inactive employees entitled to but not yet receiving benefits    | 308               |
| Active employees   | <u>202</u>        |
| Total  | <u><u>707</u></u> |

#### **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 2015 was 13.17% 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.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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**Net Pension Liability**

The District's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total pension liability in the December 31, 2015 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           | 2.75%   |
| 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 2014). 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 2014). 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 2014). 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.

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

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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:

| Asset Class            | Target Allocation | Long-Term<br>Expected Real Rate<br>of Return |
|------------------------|-------------------|--|
| Equities               | 38.0%             | 7.60%  |
| International equities | 17.0%             | 7.80%  |
| Fixed income           | 27.0%             | 3.00%  |
| Real estate            | 8.0%              | 6.15%  |
| Alternatives           | 9.0%              | 5.25-8.50%                                   |
| Cash                   | 1.0%              | 2.25%  |
|                        | <u>100.0%</u>     |  |

**Single Discount Rate**

The Single Discount Rate used to measure the total pension liability for IMRF was 7.46%. 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 3.57%, and the resulting single discount rate is 7.46%.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

**Changes in Net Pension Liability**

|  | Total Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2014                                    | \$ 41,155,910                     | \$ 35,130,101                         | \$ 6,025,809                          |
| Changes for the year:  |                                   |                                       |                                       |
| Service Cost   | 927,332                           | -                                     | 927,332                               |
| Interest on the Total Pension Liability                          | 3,033,198                         | -                                     | 3,033,198                             |
| Changes of Benefit Terms   | -                                 | -                                     | -                                     |
| Differences Between Expected and Actual                          |                                   |                                       |                                       |
| Experience of the Total Pension Liability                        | 44,747                            | -                                     | 44,747                                |
| Changes of Assumptions   | 48,731                            | -                                     | 48,731                                |
| Contributions - Employer   | -                                 | 1,094,745                             | (1,094,745)                           |
| Contributions - Employees  | -                                 | 372,484                               | (372,484)                             |
| Net Investment Income  | -                                 | 174,246                               | (174,246)                             |
| Benefit Payments, including Refunds<br>of Employee Contributions | (2,029,041)                       | (2,029,041)                           | -                                     |
| Other (Net Transfer)   | -                                 | 563,439                               | (563,439)                             |
| Net Changes  | 2,024,967                         | 175,873                               | 1,849,094                             |
| Balances at December 31, 2015                                    | \$ 43,180,877                     | \$ 35,305,974                         | \$ 7,874,903                          |

**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 7.46%, 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 (6.46%) or 1-percentage-point higher (8.46%) than the current rate:

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

|                               | 1% Decrease<br>(6.46%) | Current<br>Discount Rate<br>(7.46%) | 1% Increase<br>(8.46%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability (asset) | \$ 13,148,857          | \$ 7,874,903                        | \$ 3,488,345           |

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2015, the District recognized pension expense of \$1,690,708. At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience                                | \$ 27,786                            | \$ 8,759                            |
| Changes in assumptions   | 512,969                              | -                                   |
| Net difference between projected and actual earnings on pension plan investments | 2,247,450                            | -                                   |
| Total deferred amounts to be recognized in pension expense in future periods     | 2,788,205                            | 8,759                               |
| Contributions subsequent to the measurement date                                 | 568,966                              | -                                   |
| Total  | \$ 3,357,171                         | \$ 8,759                            |

\$568,966 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, 2017. 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, 2016**

| Year Ending<br>December 31 | Net Deferred<br>Outflows of<br>Resources |
|----------------------------|--|
| 2016                       | \$ 1,094,494                             |
| 2017                       | 607,726                                  |
| 2018                       | 585,113                                  |
| 2019                       | 492,113                                  |
| 2020                       | -  |
| Thereafter                 | -  |
| Total                      | <u>\$ 2,779,446</u>                      |

**NOTE 8. OTHER POST-EMPLOYMENT BENEFITS**

**Teacher Health Insurance Security (THIS)**

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. 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). Annuity holders not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Annuity holders who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

**On Behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$414,208, and the district recognized revenue and expenditures of this amount during the year.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$309,688 to the THIS Fund, which was 100 percent of the required contribution.

**Further Information on THIS Fund.** The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://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."

**Retirees' Health Plan**

The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan"). The plan provides healthcare benefits for eligible retirees and, in some cases, their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements. Non-certified retirees and their dependents may continue coverage under the District group health insurance program until age 65 by contributing the monthly premium. Certified retirees are reimbursed for the full single monthly contribution required for the medical coverage sponsored by the Illinois Teachers' Retirement System. Coverage for certified retirees terminates when the retiree becomes eligible for Medicare benefits or reaches age 65. The Retirees' Health Plan does not issue a publicly available financial report.

The District's annual other postemployment benefit (OPEB) cost (expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Retirees' Health Plan, and changes in the District's net OPEB obligation to the Retirees' Health Plan:

|  | June 30, 2015 | June 30, 2016 |
|--|---------------|---------------|
| Annual Required Contribution               | \$ 625,262    | \$ 625,262    |
| Interest on net OPEB Obligations           | 97,987        | 117,103       |
| Adjustment to annual required contribution | (127,923)     | (152,879)     |
| Total Annual OPEB Cost                     | 595,326       | 589,486       |
| Contributions made by the District         | (170,531)     | (184,173)     |
| Increase in net OPEB obligation            | 424,795       | 405,313       |
| Net OPEB obligation - Beginning of Year    | 2,177,490     | 2,602,285     |
| Net OPEB obligation - End of Year          | \$ 2,602,285  | \$ 3,007,598  |

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2016

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2016 and the preceding year are as follows:

| Fiscal<br>Year Ending | Annual<br>OPEB<br>Cost | Percentage<br>of Annual<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation<br>(Asset) |
|-----------------------|------------------------|---|-----------------------------------|
| June 30, 2016         | \$ 589,486             | 31.24%  | \$ 3,007,598                      |
| June 30, 2015         | 595,326                | 28.64%  | 2,602,285                         |
| June 30, 2014         | 540,821                | 46.90%  | 2,177,490                         |

The funded status of the Retirees' Health Plan as of June 30, 2016, the most recent actuarial valuation date, is as follows:

|   |              |
|---|--------------|
|   | 2016         |
| Actuarial accrued liability (AAL)                 | \$ 6,075,531 |
| Actuarial value of plan assets                    | -            |
| Unfunded actuarial accrued liability (UAAL)       | 6,075,531    |
| Funded ratio (actuarial value of plan assets/AAL) | 0%           |
| Covered payroll (active plan members)             | 34,783,242   |
| UALL as a percentage of covered payroll           | 17.5%        |

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

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

In the June 30, 2016 actuarial valuation, the entry age actuarial cost method was used. Under this method a normal cost is developed by spreading the actuarial value of benefits expected to be

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay. To the extent that current assets and future normal costs do not support participants' expected future benefit, an Unfunded Actuarial Accrued Liability develops and is amortized over a defined period of time. The actuarial assumptions include a 4.5% investment rate of return and a 3.5% per year salary progression.

**NOTE 9. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL FUNDS**

Expenditures exceeded the budgeted amount in the following funds:

|                                   | <u>Budget</u>        | <u>Actual</u>        | <u>Over (under)</u>   |
|-----------------------------------|----------------------|----------------------|-----------------------|
| General Fund:                     |                      |                      |                       |
| Educational Account               | \$ 74,384,179        | \$ 72,397,735        | \$ (1,986,444)        |
| Operation and Maintenance Account | 5,271,335            | 5,130,242            | (141,093)             |
| Tort and Immunity Account         | 743,126              | 769,772              | 26,646                |
| Total General Fund:               | <u>\$ 80,398,640</u> | <u>\$ 78,297,749</u> | <u>\$ (2,100,891)</u> |
| Transportation Fund               | <u>\$ 2,227,145</u>  | <u>\$ 2,737,628</u>  | <u>\$ 510,483</u>     |
| Capital Projects Fund             | <u>\$ 3,907,359</u>  | <u>\$ 4,900,945</u>  | <u>\$ 993,586</u>     |

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.

**NOTE 10. INTERFUND TRANSFERS**

The following interfund transfers were made during the year ended June 30, 2016:

| <u>Transfer From</u>                | <u>Transfer To</u>    | <u>Amount</u>       |
|-------------------------------------|-----------------------|---------------------|
| General Fund - Working Cash Account | Capital Projects Fund | \$ 5,500,000        |
| General Fund - Education Account    | Debt Service Fund     | 196,807             |
|                                     | Total Transfers       | <u>\$ 5,696,807</u> |

Transfers from the General Fund to the Debt Service Fund were to provide funds for payment of interest and principal on capital leases. Transfers from the General Fund to the Capital Projects Fund were to provide funds for building projects.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2016

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**NOTE 11. 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 restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

**1. Special Education**

Revenues received and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

**2. Tort Immunity Account**

Expenditures disbursed and the related revenues received are accounted for in the Tort Immunity Account. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$988,007.

**3. State and Federal Grants**

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2016, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

## **PARK RIDGE-NILES SCHOOL DISTRICT 64**

### **Notes to Financial Statements (continued)**

**June 30, 2016**

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#### **4. Social Security**

Expenditures and the related revenues of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenues received exceeded expenditures for this purpose, resulting in a restricted fund balance \$140,654. The remaining balance is restricted for Municipal Retirement purposes.

#### **5. Capital Projects Funds**

Expenditures and the related revenues received are accounted for in the Capital Projects Fund. All equity within this fund is restricted for the associated capital expenditures within this fund.

#### **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 or 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.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Financial Statements (continued)**  
**June 30, 2016**

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**NOTE 12. STATE AND FEDERAL AID CONTINGENCIES**

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

**NOTE 13. COMMITMENTS**

As of June 30, 2016, the District was committed to approximately \$2,400,000 in ongoing construction contracts.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST TWO CALENDAR YEARS**

|   | 2015                 | 2014                 |
|---|----------------------|----------------------|
| <b>TOTAL PENSION LIABILITY</b>  |                      |                      |
| Service Cost  | \$ 927,332           | \$ 1,014,840         |
| Interest  | 3,033,198            | 2,769,703            |
| Changes of Benefit Terms  | -                    | -                    |
| Differences Between Expected and Actual Experience                                | 44,747               | (33,907)             |
| Changes of Assumptions  | 48,731               | 1,868,609            |
| Benefit Payments, Including Refunds of Member Contributions                       | (2,029,041)          | (1,869,183)          |
| Net Change in Total Pension Liability   | 2,024,967            | 3,750,062            |
| Total Pension Liability - Beginning   | 41,155,910           | 37,405,848           |
| <b>TOTAL PENSION LIABILITY - ENDING</b>   | <b>\$ 43,180,877</b> | <b>\$ 41,155,910</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                      |                      |
| Contributions - Employer  | \$ 1,094,745         | \$ 1,167,236         |
| Contributions - Member  | 372,484              | 383,252              |
| Net Investment Income   | 174,246              | 2,030,460            |
| Benefit Payments, Including Refunds of Member Contributions                       | (2,029,041)          | (1,869,183)          |
| Other(Net Transfer)   | 563,439              | (27,247)             |
| Net Change in Plan Fiduciary Net Position   | 175,873              | 1,684,518            |
| Plan Net Position - Beginning   | 35,130,101           | 33,445,583           |
| <b>PLAN NET POSITION - ENDING</b>   | <b>\$ 35,305,974</b> | <b>\$ 35,130,101</b> |
| <b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>                                   | <b>\$ 7,874,903</b>  | <b>\$ 6,025,809</b>  |
| Plan Fiduciary Net Position<br>as a Percentage of the Total Pension Liability     | 81.76%               | 85.36%               |
| Covered-Employee Payroll  | \$ 8,312,852         | \$ 8,244,547         |
| Employer's Net Pension Liability<br>as a Percentage of Covered - Employee Payroll | 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 NO. 64**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST TWO CALENDAR YEARS**

| <u>Fiscal<br/>Year</u> | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Contributions<br/>in Relation to<br/>Actuarially<br/>Determined<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Contributions<br/>as a<br/>Percentage of<br/>Covered<br/>Payroll</u> |
|------------------------|--|---|---|----------------------------|---|
| 2015                   | \$ 1,071,527                                       | \$ 1,094,745  | \$ (23,218)                                     | \$ 8,312,852               | 13.17%  |
| 2014                   | 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 | 28 years  |
| Asset valuation method        | 5-year smoothed market; 20% corridor  |
| Wage growth                   | 4.00%   |
| Inflation                     | 3.00%   |
| Salary increases              | 4.40% to 16.00% 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 2011 valuation pursuant to an experience study of the period 2008 - 2010.  |
| Mortality                     | RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years. |

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 NO. 64**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

|  | 2016                  | 2015                  |
|--|-----------------------|-----------------------|
| District's proportion of the net pension liability   | 0.0074797%            | 0.0067571%            |
| District's proportionate share of the net pension liability  | \$ 4,899,942          | \$ 4,112,280          |
| State's proportionate share of the net pension liability<br>associated with the District               | 248,039,197           | 225,408,348           |
| Total  | <u>\$ 252,939,139</u> | <u>\$ 229,520,628</u> |
| District's covered payroll   | \$ 38,711,001         | \$ 38,041,632         |
| District's proportionate share of the net pension liability<br>as a percentage of it's covered payroll | 12.66%                | 10.81%                |
| Plan fiduciary net position as a percentage of the<br>total pension liability                          | 41.50%                | 43.00%                |

**Notes to Schedule**

*Changes of assumptions*

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

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 NO. 64**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

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| Fiscal<br>Year | Contractually<br>Required<br>Contribution | Contributions<br>in Relation to<br>Contractually<br>Required<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>as a<br>Percentage of<br>Covered<br>Payroll |
|----------------|---|--|--|--------------------|--|
| 2016           | \$ 312,768                                | \$ 312,768   | \$ -                                   | \$ 37,811,001      | 0.83%  |
| 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 Funding Progress (Unaudited)**  
**Other Postemployment Benefits**  
**June 30, 2016**

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| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability (AAL)<br/>-Entry Age<br/>(b)</b> | <b>Unfunded<br/>AAL<br/>(UAAL)<br/>(b-a)</b> | <b>Funded<br/>Ratio<br/>(a/b)</b> |
|---|--|---|--|-----------------------------------|
| June 30, 2014                           | \$ -   | \$5,001,428   | \$5,001,428                                  | 0.00%                             |
| June 30, 2015                           | -  | 5,699,733   | 5,699,733                                    | 0.00%                             |
| June 30, 2016                           | -  | 6,075,531   | 6,075,531                                    | 0.00%                             |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2016**

|   | General Fund                    |                      |                              |
|---|---------------------------------|----------------------|------------------------------|
|   | Original and<br>Final<br>Budget | Actual               | Variance<br>Over/<br>(Under) |
| <b>REVENUES</b>                             |                                 |                      |                              |
| Local sources                               | \$ 63,917,445                   | \$ 64,156,425        | \$ 238,980                   |
| State sources                               | 18,549,906                      | 17,960,140           | (589,766)                    |
| Federal sources                             | 1,645,265                       | 1,658,758            | 13,493                       |
| <b>Total Revenues</b>                       | <b>84,112,616</b>               | <b>83,775,323</b>    | <b>(337,293)</b>             |
| <b>EXPENDITURES</b>                         |                                 |                      |                              |
| Current operating:                          |                                 |                      |                              |
| Instruction                                 | 56,413,434                      | 54,548,580           | 1,864,854                    |
| Support services                            | 22,715,803                      | 22,169,166           | 546,637                      |
| Community services                          | 395,903                         | 499,733              | (103,830)                    |
| Payments to other districts                 | 873,500                         | 1,080,270            | (206,770)                    |
| <b>Total Expenditures</b>                   | <b>80,398,640</b>               | <b>78,297,749</b>    | <b>2,100,891</b>             |
| <b>Excess of revenues over expenditures</b> | <b>3,713,976</b>                | <b>5,477,574</b>     | <b>1,763,598</b>             |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                                 |                      |                              |
| Sale of capital asset                       | -                               | 500                  | 500                          |
| Transfers out                               | (196,807)                       | (5,696,807)          | (5,500,000)                  |
| <b>Total other financing sources (uses)</b> | <b>(196,807)</b>                | <b>(5,696,307)</b>   | <b>(5,499,500)</b>           |
| <b>Net changes in fund balance</b>          | <b>\$ 3,517,169</b>             | <b>(218,733)</b>     | <b>\$ (3,735,902)</b>        |
| <b>Fund balances at beginning of year</b>   |                                 | <b>46,221,126</b>    |                              |
| <b>FUND BALANCES AT END OF YEAR</b>         |                                 | <b>\$ 46,002,393</b> |                              |

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison Schedules**  
**June 30, 2016**

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**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, which was not amended, was adopted on September 28, 2015.
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.



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**GENERAL FUND**  
**BALANCE SHEET BY ACCOUNT**  
**JUNE 30, 2016**

|  | <u>Educational</u>   | <u>Operations<br/>and<br/>Maintenance</u> | <u>Working<br/>Cash</u> | <u>Tort<br/>Immunity</u> | <u>Total<br/>General</u> |
|--|----------------------|---|-------------------------|--------------------------|--------------------------|
| <b><u>ASSETS</u></b>   |                      |   |                         |                          |                          |
| Cash and investments   | \$ 31,927,219        | \$ 6,717,758                              | \$ 9,711,394            | \$ 987,981               | \$ 49,344,352            |
| Receivables:   |                      |   |                         |                          |                          |
| Property taxes   | 24,106,130           | 3,445,916                                 | 224,734                 | 349,586                  | 28,126,366               |
| Due from other governments                                       | 1,272,534            | -   | -                       | -                        | 1,272,534                |
| Other receivables  | 82,891               | 12,467                                    | 26,007                  | 26                       | 121,391                  |
| Prepaid items  | 143,828              | 50,415                                    | 27,472                  | 14                       | 221,729                  |
| <b>TOTAL ASSETS</b>  | <b>\$ 57,532,602</b> | <b>\$ 10,226,556</b>                      | <b>\$ 9,989,607</b>     | <b>\$ 1,337,607</b>      | <b>\$ 79,086,372</b>     |
| <b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>    |                      |   |                         |                          |                          |
| <b>Liabilities:</b>  |                      |   |                         |                          |                          |
| Accounts payable   | \$ 797,601           | \$ 66,285                                 | \$ -                    | \$ -                     | \$ 863,886               |
| Accrued salaries and<br>related expenditures                     | 4,049,709            | 25,468                                    | -                       | -                        | 4,075,177                |
| <b>Total Liabilities</b>   | <b>4,847,310</b>     | <b>91,753</b>                             | <b>-</b>                | <b>-</b>                 | <b>4,939,063</b>         |
| <b>Deferred Inflows:</b>   |                      |   |                         |                          |                          |
| Unavailable property tax revenue                                 | 24,124,680           | 3,445,916                                 | 224,734                 | 349,586                  | 28,144,916               |
| <b>Fund Balances:</b>  |                      |   |                         |                          |                          |
| Nonspendable   |                      |   |                         |                          |                          |
| Prepaid items  | 143,828              | 50,415                                    | 27,472                  | 14                       | 221,729                  |
| Restricted   |                      |   |                         |                          |                          |
| Tort immunity  | -                    | -   | -                       | 988,007                  | 988,007                  |
| Unassigned   | 28,416,784           | 6,638,472                                 | 9,737,401               | -                        | 44,792,657               |
| <b>Total Fund Balances</b>                                       | <b>28,560,612</b>    | <b>6,688,887</b>                          | <b>9,764,873</b>        | <b>988,021</b>           | <b>46,002,393</b>        |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS AND FUND BALANCES</b> | <b>\$ 57,532,602</b> | <b>\$ 10,226,556</b>                      | <b>\$ 9,989,607</b>     | <b>\$ 1,337,607</b>      | <b>\$ 79,086,372</b>     |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES BY ACCOUNT**  
**YEAR ENDED JUNE 30, 2016**

|  | <u>Educational</u>   | <u>Operations<br/>and<br/>Maintenance</u> | <u>Working<br/>Cash</u> | <u>Tort<br/>Immunity</u> | <u>Total<br/>General</u> |
|--|----------------------|---|-------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                      |                      |   |                         |                          |                          |
| Local sources  | \$ 54,863,864        | \$ 7,990,485                              | \$ 616,809              | \$ 685,267               | \$ 64,156,425            |
| State sources  | 17,960,140           | -   | -                       | -                        | 17,960,140               |
| Federal sources                                      | 1,658,758            | -   | -                       | -                        | 1,658,758                |
| <b>Total Revenues</b>                                | <u>74,482,762</u>    | <u>7,990,485</u>                          | <u>616,809</u>          | <u>685,267</u>           | <u>83,775,323</u>        |
| <b>EXPENDITURES</b>                                  |                      |   |                         |                          |                          |
| Current operating:                                   |                      |   |                         |                          |                          |
| Instruction  | 54,548,580           | -   | -                       | -                        | 54,548,580               |
| Support services                                     | 16,269,152           | 5,130,242                                 | -                       | 769,772                  | 22,169,166               |
| Community services                                   | 499,733              | -   | -                       | -                        | 499,733                  |
| Payments to other districts                          | 1,080,270            | -   | -                       | -                        | 1,080,270                |
| <b>Total Expenditures</b>                            | <u>72,397,735</u>    | <u>5,130,242</u>                          | <u>-</u>                | <u>769,772</u>           | <u>78,297,749</u>        |
| Excess (deficiency) of revenues<br>over expenditures | <u>2,085,027</u>     | <u>2,860,243</u>                          | <u>616,809</u>          | <u>(84,505)</u>          | <u>5,477,574</u>         |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                      |   |                         |                          |                          |
| Transfers out  | (196,807)            | -   | (5,500,000)             | -                        | (5,696,807)              |
| Sale of capital asset                                | -                    | 500                                       | -                       | -                        | 500                      |
| <b>Total other financing sources (uses)</b>          | <u>(196,807)</u>     | <u>500</u>                                | <u>(5,500,000)</u>      | <u>-</u>                 | <u>(5,696,307)</u>       |
| Net changes in fund balance                          | 1,888,220            | 2,860,743                                 | (4,883,191)             | (84,505)                 | (218,733)                |
| Fund balances at beginning of year                   | 26,672,392           | 3,828,144                                 | 14,648,064              | 1,072,526                | 46,221,126               |
| <b>FUND BALANCES AT<br/>END OF YEAR</b>              | <u>\$ 28,560,612</u> | <u>\$ 6,688,887</u>                       | <u>\$ 9,764,873</u>     | <u>\$ 988,021</u>        | <u>\$ 46,002,393</u>     |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|   | 2016            |               |                        | 2015          |
|---|-----------------|---------------|------------------------|---------------|
|   | Final<br>Budget | Actual        | Variance<br>over/under | Actual        |
| <b>REVENUES</b>                               |                 |               |                        |               |
| Local Sources:                                |                 |               |                        |               |
| General tax levy                              | \$ 48,445,000   | \$ 48,223,031 | \$ (221,969)           | \$ 47,225,493 |
| Special education levy                        | 1,768,100       | 1,693,866     | (74,234)               | 1,027,963     |
| Corporate replacement taxes                   | 1,042,602       | 994,147       | (48,455)               | 1,102,021     |
| Tuition                                       | 305,220         | 422,260       | 117,040                | 322,134       |
| Earnings on investments                       | 302,786         | 612,442       | 309,656                | 369,743       |
| Food services                                 | 589,200         | 577,146       | (12,054)               | 637,703       |
| Pupil activities                              | 67,787          | 73,879        | 6,092                  | 1,689,737     |
| Textbooks                                     | 1,019,976       | 1,050,109     | 30,133                 | -             |
| Contributions and donations                   | 500             | 109,953       | 109,453                | 300           |
| Payments of surplus monies from TIF districts | 700,000         | 720,000       | 20,000                 | 215,971       |
| Other   | 392,125         | 387,031       | (5,094)                | 515,564       |
| Total Local Sources                           | 54,633,296      | 54,863,864    | 230,568                | 53,106,629    |
| State Sources:                                |                 |               |                        |               |
| General state aid                             | 1,573,205       | 1,572,924     | (281)                  | 1,353,495     |
| Special education                             | 1,972,996       | 2,083,906     | 110,910                | 2,050,885     |
| School lunch aid                              | 560             | 454           | (106)                  | 802           |
| On behalf payments to TRS from the state      | 15,000,000      | 14,300,182    | (699,818)              | 12,901,627    |
| Other grants-in-aid                           | 3,145           | 2,674         | (471)                  | 3,246         |
| Total State Sources                           | 18,549,906      | 17,960,140    | (589,766)              | 16,310,055    |
| Federal Sources:                              |                 |               |                        |               |
| National school lunch program                 | 37,100          | 30,545        | (6,555)                | 34,599        |
| Title I - low income                          | 300,000         | 262,575       | (37,425)               | 128,821       |
| Preschool flow through                        | 17,480          | 17,480        | -                      | 17,951        |
| IDEA  | 1,045,108       | 1,004,663     | (40,445)               | 1,002,708     |
| Medicaid matching                             | 175,392         | 258,659       | 83,267                 | 228,739       |
| Title II - teacher quality                    | 70,185          | 84,836        | 14,651                 | 40,965        |
| Total Federal Sources                         | 1,645,265       | 1,658,758     | 13,493                 | 1,453,783     |
| Total Revenues                                | \$ 74,828,467   | \$ 74,482,762 | \$ (345,705)           | \$ 70,870,467 |

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016            |               |                        | 2015          |
|--|-----------------|---------------|------------------------|---------------|
|  | Final<br>Budget | Actual        | Variance<br>over/under | Actual        |
| <b>EXPENDITURES</b>                      |                 |               |                        |               |
| Current operating:                       |                 |               |                        |               |
| Instruction:                             |                 |               |                        |               |
| Regular programs:                        |                 |               |                        |               |
| Salaries                                 | \$ 25,075,820   | \$ 24,511,629 | \$ 564,191             | \$ 24,975,365 |
| Employee benefits                        | 2,763,015       | 2,653,970     | 109,045                | 2,790,559     |
| On-behalf payments to TRS from the state | 15,000,000      | 14,300,182    | 699,818                | 12,901,627    |
| Purchased services                       | 92,266          | 137,144       | (44,878)               | 89,189        |
| Supplies and materials                   | 530,943         | 521,455       | 9,488                  | 484,460       |
| Capital outlay                           | 10,000          | 8,675         | 1,325                  | 9,620         |
| Other                                    | 10,945          | 2,920         | 8,025                  | 1,465         |
| Non capitalized equipment                | 31,000          | 4,400         | 26,600                 | 27,864        |
| Total                                    | 43,513,989      | 42,140,375    | 1,373,614              | 41,280,149    |
| Special programs:                        |                 |               |                        |               |
| Salaries                                 | 6,004,060       | 5,510,234     | 493,826                | 5,904,839     |
| Employee benefits                        | 1,053,451       | 1,045,657     | 7,794                  | 1,129,273     |
| Purchased services                       | 48,326          | 47,242        | 1,084                  | 29,723        |
| Supplies and materials                   | 185,000         | 112,380       | 72,620                 | 73,783        |
| Capital outlay                           | 30,000          | 19,140        | 10,860                 | -             |
| Non capitalized equipment                | -               | 4,085         | (4,085)                | -             |
| Total                                    | 7,320,837       | 6,738,738     | 582,099                | 7,137,618     |
| Special programs pre-K:                  |                 |               |                        |               |
| Salaries                                 | 785,146         | 791,495       | (6,349)                | 790,637       |
| Employee benefits                        | 55,853          | 163,458       | (107,605)              | 74,871        |
| Supplies and materials                   | 26,000          | 28,001        | (2,001)                | 20,230        |
| Total                                    | 866,999         | 982,954       | (115,955)              | 885,738       |
| Remedial and supplemental programs K-12  |                 |               |                        |               |
| Salaries                                 | 129,352         | 180,558       | (51,206)               | 170,978       |
| Employee benefits                        | 72,024          | 68,256        | 3,768                  | 28,670        |
| Purchased services                       | 3,948           | 1,800         | 2,148                  | -             |
| Supplies and materials                   | 24,156          | 7,031         | 17,125                 | -             |
| Other objects                            | 16,167          | 17,814        | (1,647)                | -             |
| Total                                    | 245,647         | 275,459       | (29,812)               | 199,648       |

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|                                  | 2016             |                  |                        | 2015             |
|----------------------------------|------------------|------------------|------------------------|------------------|
|                                  | Final<br>Budget  | Actual           | Variance<br>over/under | Actual           |
| <b>CTE programs:</b>             |                  |                  |                        |                  |
| Salaries                         | \$ 1,065,000     | \$ 1,014,969     | \$ 50,031              | \$ -             |
| Employee benefits                | 17,600           | 117,505          | (99,905)               | -                |
| Purchased services               | 4,750            | 4,761            | (11)                   | 3,065            |
| Supplies and materials           | 62,788           | 87,963           | (25,175)               | 48,850           |
| Capital outlay                   | -                | -                | -                      | 11,750           |
| <b>Total</b>                     | <b>1,150,138</b> | <b>1,225,198</b> | <b>(75,060)</b>        | <b>63,665</b>    |
| <b>Interscholastic programs:</b> |                  |                  |                        |                  |
| Salaries                         | 146,000          | 155,143          | (9,143)                | 100,381          |
| Employee benefits                | 1,900            | 1,907            | (7)                    | 1,197            |
| Purchased services               | 11,600           | 8,808            | 2,792                  | 7,622            |
| Supplies and materials           | 8,900            | 7,512            | 1,388                  | 6,533            |
| Capital outlay                   | 1,000            | -                | 1,000                  | 240              |
| Other                            | 2,900            | 1,240            | 1,660                  | 2,046            |
| <b>Total</b>                     | <b>172,300</b>   | <b>174,610</b>   | <b>(2,310)</b>         | <b>118,019</b>   |
| <b>Summer school:</b>            |                  |                  |                        |                  |
| Salaries                         | 317,500          | 333,251          | (15,751)               | 197,982          |
| Employee benefits                | -                | 4,370            | (4,370)                | 2,016            |
| Purchased services               | 2,000            | 7,884            | (5,884)                | 1,703            |
| Supplies and materials           | 9,500            | 16,872           | (7,372)                | 11,381           |
| <b>Total</b>                     | <b>329,000</b>   | <b>362,377</b>   | <b>(33,377)</b>        | <b>213,082</b>   |
| <b>Gifted programs:</b>          |                  |                  |                        |                  |
| Salaries                         | 1,235,700        | 1,161,268        | 74,432                 | 1,220,745        |
| Employee benefits                | 154,267          | 133,941          | 20,326                 | 146,636          |
| Purchased services               | 3,000            | 560              | 2,440                  | 519              |
| Supplies and materials           | 16,985           | 14,052           | 2,933                  | 13,982           |
| Other objects                    | 209              | -                | 209                    | -                |
| <b>Total</b>                     | <b>1,410,161</b> | <b>1,309,821</b> | <b>100,340</b>         | <b>1,381,882</b> |
| <b>Bilingual:</b>                |                  |                  |                        |                  |
| Salaries                         | 594,000          | 584,266          | 9,734                  | 532,616          |
| Employee benefits                | 55,563           | 80,558           | (24,995)               | 54,237           |
| Purchased services               | 2,300            | 236              | 2,064                  | 1,762            |
| Supplies and materials           | 2,500            | -                | 2,500                  | 2,609            |
| <b>Total</b>                     | <b>654,363</b>   | <b>665,060</b>   | <b>(10,697)</b>        | <b>591,224</b>   |

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016            |            |                        | 2015       |
|--|-----------------|------------|------------------------|------------|
|  | Final<br>Budget | Actual     | Variance<br>over/under | Actual     |
| Special education programs K-12- private tuition |                 |            |                        |            |
| Other objects                                    | \$ 750,000      | \$ 673,988 | \$ 76,012              | \$ 844,186 |
| Total  | 750,000         | 673,988    | 76,012                 | 844,186    |
| Total Instruction                                | 56,413,434      | 54,548,580 | 1,864,854              | 52,715,211 |
| Support Services:                                |                 |            |                        |            |
| Pupils:  |                 |            |                        |            |
| Attendance and social work:                      |                 |            |                        |            |
| Salaries   | 948,000         | 944,147    | 3,853                  | 989,843    |
| Employee benefits                                | 86,381          | 122,612    | (36,231)               | 122,730    |
| Purchased services                               | -               | 40,968     | (40,968)               | -          |
| Supplies and materials                           | 70,450          | 49,227     | 21,223                 | 187        |
| Total  | 1,104,831       | 1,156,954  | (52,123)               | 1,112,760  |
| Guidance services:                               |                 |            |                        |            |
| Salaries   | 159,000         | 161,437    | (2,437)                | 152,168    |
| Employee benefits                                | 11,438          | 11,264     | 174                    | 11,120     |
| Supplies and materials                           | 2,900           | -          | 2,900                  | 2,027      |
| Total  | 173,338         | 172,701    | 637                    | 165,315    |
| Health services:                                 |                 |            |                        |            |
| Salaries   | 967,021         | 857,115    | 109,906                | 941,551    |
| Employee benefits                                | 593,000         | 131,201    | 461,799                | 141,039    |
| Purchased services                               | 101,470         | 161,067    | (59,597)               | 88,843     |
| Supplies and materials                           | 10,000          | 6,398      | 3,602                  | 13,177     |
| Capital outlay                                   | 1,535           | -          | 1,535                  | 12,044     |
| Non-capitalized equipment                        | -               | 1,395      | (1,395)                | 2,006      |
| Total  | 1,673,026       | 1,157,176  | 515,850                | 1,198,660  |
| Psychological services:                          |                 |            |                        |            |
| Salaries   | 412,596         | 394,147    | 18,449                 | 465,258    |
| Employee benefits                                | 29,827          | 34,367     | (4,540)                | 31,971     |
| Purchased services                               | 1,795           | 340        | 1,455                  | 4,258      |
| Supplies and materials                           | -               | 2,382      | (2,382)                | 17,661     |
| Other  | -               | 525        | (525)                  | 525        |
| Total  | 444,218         | 431,761    | 12,457                 | 519,673    |

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|   | 2016             |                  |                        | 2015             |
|---|------------------|------------------|------------------------|------------------|
|   | Final<br>Budget  | Actual           | Variance<br>over/under | Actual           |
| <b>Speech pathology and audiology services:</b> |                  |                  |                        |                  |
| Salaries  | \$ 1,127,000     | \$ 1,137,074     | \$ (10,074)            | \$ 1,262,399     |
| Employee benefits                               | 172,366          | 150,087          | 22,279                 | 174,035          |
| Purchased services                              | 500              | 29               | 471                    | 112              |
| Supplies and materials                          | 1,000            | -                | 1,000                  | 1,364            |
| Other   | -                | 750              | (750)                  | -                |
| <b>Total</b>                                    | <b>1,300,866</b> | <b>1,287,940</b> | <b>12,926</b>          | <b>1,437,910</b> |
| <b>Other support services:</b>                  |                  |                  |                        |                  |
| Salaries  | 422,500          | 513,701          | (91,201)               | -                |
| Employee benefits                               | 200              | 2,079            | (1,879)                | -                |
| Purchased services                              | 21,000           | 14,695           | 6,305                  | -                |
| Supplies and materials                          | 11,000           | 17,899           | (6,899)                | -                |
| <b>Total</b>                                    | <b>454,700</b>   | <b>548,374</b>   | <b>(93,674)</b>        | <b>-</b>         |
| <b>Instructional staff:</b>                     |                  |                  |                        |                  |
| <b>Improvement of instruction services:</b>     |                  |                  |                        |                  |
| Salaries  | 618,081          | 491,327          | 126,754                | 644,020          |
| Employee benefits                               | 90,468           | 85,308           | 5,160                  | 76,175           |
| Purchased services                              | 329,895          | 216,329          | 113,566                | 251,690          |
| Supplies and materials                          | 47,300           | 21,001           | 26,299                 | 20,967           |
| Other   | 5,940            | 2,680            | 3,260                  | 600              |
| <b>Total</b>                                    | <b>1,091,684</b> | <b>816,645</b>   | <b>275,039</b>         | <b>993,452</b>   |
| <b>Education media:</b>                         |                  |                  |                        |                  |
| Salaries  | 2,014,661        | 1,930,285        | 84,376                 | 679,750          |
| Employee benefits                               | 203,402          | 325,336          | (121,934)              | 96,023           |
| Purchased services                              | 306,142          | 326,835          | (20,693)               | 64,250           |
| Supplies and materials                          | 764,915          | 816,060          | (51,145)               | 1,523,031        |
| Capital outlay                                  | 71,900           | 45,713           | 26,187                 | -                |
| Other   | -                | (408)            | 408                    | -                |
| Non-capitalized equipment                       | -                | 182,081          | (182,081)              | -                |
| <b>Total</b>                                    | <b>3,361,020</b> | <b>3,625,902</b> | <b>(264,882)</b>       | <b>2,363,054</b> |
| <b>Assessment and testing:</b>                  |                  |                  |                        |                  |
| Purchased services                              | -                | 17,600           | (17,600)               | -                |
| Supplies and materials                          | 2,000            | 4,913            | (2,913)                | 7,051            |
| <b>Total</b>                                    | <b>2,000</b>     | <b>22,513</b>    | <b>(20,513)</b>        | <b>7,051</b>     |

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016             |                  |                        | 2015             |
|--|------------------|------------------|------------------------|------------------|
|  | Final<br>Budget  | Actual           | Variance<br>over/under | Actual           |
| <b>General administration:</b>                 |                  |                  |                        |                  |
| Board of education:                            |                  |                  |                        |                  |
| Salaries                                       | \$ -             | \$ 5,022         | \$ (5,022)             | \$ -             |
| Employee Benefits                              | 250,330          | 160,442          | 89,888                 | 306,454          |
| Purchased services                             | 334,800          | 469,370          | (134,570)              | 367,343          |
| Supplies and materials                         | 20,250           | 16,831           | 3,419                  | 3,688            |
| Other  | 16,000           | 13,607           | 2,393                  | 13,339           |
| <b>Total</b>                                   | <b>621,380</b>   | <b>665,272</b>   | <b>(43,892)</b>        | <b>690,824</b>   |
| <b>Executive administration:</b>               |                  |                  |                        |                  |
| Salaries                                       | 280,020          | 277,081          | 2,939                  | 279,407          |
| Employee benefits                              | 52,223           | 67,556           | (15,333)               | 56,127           |
| Purchased services                             | 40,660           | 41,507           | (847)                  | 12,133           |
| Supplies and materials                         | 4,500            | 2,712            | 1,788                  | 3,590            |
| Capital outlay                                 | -                | -                | -                      | 2,736            |
| Other  | 3,500            | 3,913            | (413)                  | 3,045            |
| <b>Total</b>                                   | <b>380,903</b>   | <b>392,769</b>   | <b>(11,866)</b>        | <b>357,038</b>   |
| <b>Special area administrative services:</b>   |                  |                  |                        |                  |
| Salaries                                       | 352,915          | 352,317          | 598                    | 356,893          |
| Employee benefits                              | 75,907           | 90,548           | (14,641)               | 78,050           |
| Purchased services                             | 12,697           | 1,871            | 10,826                 | 7,653            |
| Supplies and materials                         | 1,000            | -                | 1,000                  | -                |
| <b>Total</b>                                   | <b>442,519</b>   | <b>444,736</b>   | <b>(2,217)</b>         | <b>442,596</b>   |
| <b>School administration:</b>                  |                  |                  |                        |                  |
| Office of the principal:                       |                  |                  |                        |                  |
| Salaries                                       | 2,134,194        | 2,130,161        | 4,033                  | 2,304,849        |
| Employee benefits                              | 477,457          | 637,465          | (160,008)              | 502,105          |
| Purchased services                             | 96,898           | 24,639           | 72,259                 | 38,702           |
| Supplies and materials                         | 13,712           | 9,523            | 4,189                  | 11,968           |
| Non-capitalized equipment                      | 12,000           | -                | 12,000                 | 13,635           |
| <b>Total</b>                                   | <b>2,734,261</b> | <b>2,801,788</b> | <b>(67,527)</b>        | <b>2,871,259</b> |
| <b>Direction of business support services:</b> |                  |                  |                        |                  |
| Salaries                                       | 172,234          | 168,340          | 3,894                  | 210,432          |
| Employee benefits                              | 21,200           | 48,626           | (27,426)               | 15,316           |
| Purchased services                             | 4,160            | 5,716            | (1,556)                | 6,642            |
| <b>Total</b>                                   | <b>197,594</b>   | <b>222,682</b>   | <b>(25,088)</b>        | <b>232,390</b>   |

(Continued)



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|   | 2016            |                |                        | 2015           |
|---|-----------------|----------------|------------------------|----------------|
|   | Final<br>Budget | Actual         | Variance<br>over/under | Actual         |
| <b>Fiscal services:</b>                   |                 |                |                        |                |
| Salaries                                  | \$ 413,200      | \$ 410,056     | \$ 3,144               | \$ 397,613     |
| Employee benefits                         | 117,755         | 70,873         | 46,882                 | 69,259         |
| Purchased services                        | 113,840         | 110,410        | 3,430                  | 72,949         |
| Supplies and materials                    | 10,500          | 4,920          | 5,580                  | 6,773          |
| Capital outlay                            | 13,500          | -              | 13,500                 | -              |
| Other                                     | 137,500         | 85,743         | 51,757                 | 126,430        |
| <b>Total</b>                              | <b>806,295</b>  | <b>682,002</b> | <b>124,293</b>         | <b>673,024</b> |
| <b>Pupil transportation services:</b>     |                 |                |                        |                |
| Purchased services                        | -               | -              | -                      | 49,406         |
| <b>Total</b>                              | <b>-</b>        | <b>-</b>       | <b>-</b>               | <b>49,406</b>  |
| <b>Food services:</b>                     |                 |                |                        |                |
| Purchased services                        | 575,003         | 566,584        | 8,419                  | 571,503        |
| Supplies and materials                    | 6,000           | 815            | 5,185                  | 1,744          |
| <b>Total</b>                              | <b>581,003</b>  | <b>567,399</b> | <b>13,604</b>          | <b>573,247</b> |
| <b>Internal services:</b>                 |                 |                |                        |                |
| Purchased services                        | 150,700         | 143,575        | 7,125                  | 175,928        |
| Supplies and materials                    | 73,500          | 57,235         | 16,265                 | 58,669         |
| <b>Total</b>                              | <b>224,200</b>  | <b>200,810</b> | <b>23,390</b>          | <b>234,597</b> |
| <b>Planning, R&amp;D, and evaluation:</b> |                 |                |                        |                |
| Purchased services                        | -               | 18,400         | (18,400)               | -              |
| <b>Total</b>                              | <b>-</b>        | <b>18,400</b>  | <b>(18,400)</b>        | <b>-</b>       |
| <b>Information services:</b>              |                 |                |                        |                |
| Salaries                                  | 114,100         | 118,537        | (4,437)                | 111,523        |
| Employee benefits                         | 6,124           | 319            | 5,805                  | 203            |
| Purchased services                        | 354,373         | 343,127        | 11,246                 | 19,558         |
| Supplies and materials                    | -               | 2,511          | (2,511)                | -              |
| Capital outlay                            | -               | -              | -                      | 287,782        |
| <b>Total</b>                              | <b>474,597</b>  | <b>464,494</b> | <b>10,103</b>          | <b>419,066</b> |

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016              |                   |                        | 2015              |
|--|-------------------|-------------------|------------------------|-------------------|
|  | Final<br>Budget   | Actual            | Variance<br>over/under | Actual            |
| <b>Staff services:</b>                                       |                   |                   |                        |                   |
| Salaries   | \$ 400,517        | \$ 404,730        | \$ (4,213)             | \$ 317,109        |
| Employee benefits  | 88,230            | 83,017            | 5,213                  | 63,703            |
| Purchased services   | 142,660           | 99,048            | 43,612                 | 78,116            |
| Supplies and materials                                       | 1,500             | 2,039             | (539)                  | 40                |
| <b>Total</b>   | <b>632,907</b>    | <b>588,834</b>    | <b>44,073</b>          | <b>458,968</b>    |
| <b>Data processing services:</b>                             |                   |                   |                        |                   |
| Salaries   | -                 | -                 | -                      | 690,727           |
| Employee benefits  | -                 | -                 | -                      | 109,563           |
| Purchased services   | -                 | -                 | -                      | 143,159           |
| Capital outlay   | -                 | -                 | -                      | 410,067           |
| Non capitalized equipment                                    | -                 | -                 | -                      | 11,181            |
| <b>Total</b>   | <b>-</b>          | <b>-</b>          | <b>-</b>               | <b>1,364,697</b>  |
| <b>Total Support Services</b>                                | <b>16,701,342</b> | <b>16,269,152</b> | <b>432,190</b>         | <b>16,164,987</b> |
| <b>Community services:</b>                                   |                   |                   |                        |                   |
| Salaries   | 344,100           | 385,352           | (41,252)               | 734,952           |
| Employee benefits  | 23,203            | 87,691            | (64,488)               | 43,764            |
| Purchased services   | 11,500            | 11,922            | (422)                  | 21,334            |
| Supplies and materials                                       | 17,100            | 11,556            | 5,544                  | 19,087            |
| Other  | -                 | 3,212             | (3,212)                | -                 |
| <b>Total Community Services</b>                              | <b>395,903</b>    | <b>499,733</b>    | <b>(103,830)</b>       | <b>819,137</b>    |
| <b>Payments to other districts and governmental units:</b>   |                   |                   |                        |                   |
| Payments for special education programs                      |                   |                   |                        |                   |
| Purchased services   | 42,000            | 74,703            | (32,703)               | 20,008            |
| Other  | -                 | -                 | -                      | 852,275           |
| Tuition  | 831,500           | 1,005,567         | (174,067)              | -                 |
| <b>Total</b>   | <b>873,500</b>    | <b>1,080,270</b>  | <b>(206,770)</b>       | <b>872,283</b>    |
| <b>Total Expenditures</b>                                    | <b>74,384,179</b> | <b>72,397,735</b> | <b>1,986,444</b>       | <b>70,571,618</b> |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>444,288</b>    | <b>2,085,027</b>  | <b>1,640,739</b>       | <b>298,849</b>    |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**EDUCATIONAL ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|                                       | 2016              |                      |                        | 2015                 |
|---------------------------------------|-------------------|----------------------|------------------------|----------------------|
|                                       | Final<br>Budget   | Actual               | Variance<br>over/under | Actual               |
| <b>OTHER FINANCING SOURCES (USES)</b> |                   |                      |                        |                      |
| Capital lease proceeds                | \$ -              | \$ -                 | \$ -                   | \$ 615,117           |
| Transfers in                          | -                 | -                    | -                      | 161,515              |
| Transfers out                         | (196,807)         | (196,807)            | -                      | (154,628)            |
| Total other financing sources (uses)  | (196,807)         | (196,807)            | -                      | 622,004              |
| Net changes in fund balance           | <u>\$ 247,481</u> | <u>1,888,220</u>     | <u>\$ 1,640,739</u>    | <u>920,853</u>       |
| Fund balance at beginning of year     |                   | <u>26,672,392</u>    |                        | <u>25,751,539</u>    |
| FUND BALANCE AT END OF YEAR           |                   | <u>\$ 28,560,612</u> |                        | <u>\$ 26,672,392</u> |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016            |              |                        | 2015         |
|--|-----------------|--------------|------------------------|--------------|
|  | Final<br>Budget | Actual       | Variance<br>over/under | Actual       |
| <b>REVENUES</b>                                      |                 |              |                        |              |
| Local Sources:                                       |                 |              |                        |              |
| General tax levy                                     | \$ 7,670,000    | \$ 7,433,170 | \$ (236,830)           | \$ 7,506,696 |
| Earnings on investments                              | 13,925          | 42,960       | 29,035                 | 12,982       |
| Rentals  | 53,248          | 92,178       | 38,930                 | 65,177       |
| Other  | 298,451         | 422,177      | 123,726                | 82,932       |
| Total Local Sources                                  | 8,035,624       | 7,990,485    | (45,139)               | 7,667,787    |
| Total Revenues                                       | 8,035,624       | 7,990,485    | (45,139)               | 7,667,787    |
| <b>EXPENDITURES</b>                                  |                 |              |                        |              |
| Current operating:                                   |                 |              |                        |              |
| Support services:                                    |                 |              |                        |              |
| Facilities acquisition services:                     |                 |              |                        |              |
| Purchased services                                   | 20,000          | 21,635       | (1,635)                | 1,085        |
| Capital outlay                                       | 50,000          | -            | 50,000                 | 951          |
| Total Facilities Acquisition Services                | 70,000          | 21,635       | 48,365                 | 2,036        |
| Operations and maintenance of                        |                 |              |                        |              |
| Plant services:                                      |                 |              |                        |              |
| Salaries   | 2,709,187       | 2,509,282    | 199,905                | 2,655,243    |
| Employee benefits                                    | 391,835         | 443,342      | (51,507)               | 385,064      |
| Purchased services                                   | 777,595         | 750,616      | 26,979                 | 1,070,441    |
| Supplies and materials                               | 1,043,968       | 1,166,051    | (122,083)              | 941,401      |
| Capital outlay                                       | 278,750         | 219,419      | 59,331                 | 105,494      |
| Non-capitalized equipment                            |                 | 19,897       | (19,897)               | 88,741       |
| Total Operation and Maintenance<br>of Plant Services | 5,201,335       | 5,108,607    | 92,728                 | 5,246,384    |
| Total Support Services                               | 5,271,335       | 5,130,242    | 141,093                | 5,248,420    |
| Payments to other districts and governmental units:  |                 |              |                        |              |
| Purchased services                                   |                 |              |                        | 21,037       |
| Total payments to other districts                    |                 |              | -                      | 21,037       |
| Total Expenditures                                   | 5,271,335       | 5,130,242    | 141,093                | 5,269,457    |
| Excess of revenues over expenditures                 | 2,764,289       | 2,860,243    | 95,954                 | 2,398,330    |

(Continued)

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|   | 2016                |                     |                        | 2015                |
|---|---------------------|---------------------|------------------------|---------------------|
|   | Final<br>Budget     | Actual              | Variance<br>over/under | Actual              |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                     |                     |                        |                     |
| Sale of capital asset                       | \$ -                | \$ 500              | \$ 500                 | \$ 832              |
| Total other financing sources (uses)        | -                   | 500                 | 500                    | 832                 |
| Net changes in fund balance                 | <u>\$ 2,764,289</u> | <u>2,860,743</u>    | <u>\$ 96,454</u>       | <u>2,399,162</u>    |
| Fund balance (deficit) at beginning of year |                     | <u>3,828,144</u>    |                        | <u>1,428,982</u>    |
| FUND BALANCE AT END OF YEAR                 |                     | <u>\$ 6,688,887</u> |                        | <u>\$ 3,828,144</u> |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**WORKING CASH ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|                                       | 2016              |                     |                        | 2015                 |
|---------------------------------------|-------------------|---------------------|------------------------|----------------------|
|                                       | Final<br>Budget   | Actual              | Variance<br>over/under | Actual               |
| <b>REVENUES</b>                       |                   |                     |                        |                      |
| Local Sources:                        |                   |                     |                        |                      |
| General tax levy                      | \$ 418,000        | \$ 445,693          | \$ 27,693              | \$ 408,488           |
| Earnings on investments               | 176,810           | 171,116             | (5,694)                | 135,804              |
| Total Local Sources                   | 594,810           | 616,809             | 21,999                 | 544,292              |
| Total Revenues                        | 594,810           | 616,809             | 21,999                 | 544,292              |
| Excess of revenues over expenditures  | 594,810           | 616,809             | 21,999                 | 544,292              |
| <b>OTHER FINANCING SOURCES (USES)</b> |                   |                     |                        |                      |
| Transfers out                         | -                 | (5,500,000)         | (5,500,000)            | (161,515)            |
| Total other financing sources (uses)  | -                 | (5,500,000)         | (5,500,000)            | (161,515)            |
| Net changes in fund balance           | <u>\$ 594,810</u> | <u>(4,883,191)</u>  | <u>\$ (5,478,001)</u>  | 382,777              |
| Fund balance at beginning of year     |                   | 14,648,064          |                        | 14,265,287           |
| FUND BALANCE AT END OF YEAR           |                   | <u>\$ 9,764,873</u> |                        | <u>\$ 14,648,064</u> |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**TORT IMMUNITY ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016            |            |                        | 2015         |
|--|-----------------|------------|------------------------|--------------|
|  | Final<br>Budget | Actual     | Variance<br>over/under | Actual       |
| <b>REVENUES</b>  |                 |            |                        |              |
| Local Sources:   |                 |            |                        |              |
| Tort immunity levy   | \$ 647,100      | \$ 681,209 | \$ 34,109              | \$ 611,357   |
| Earnings on investments  | 5,890           | 4,058      | (1,832)                | 10,884       |
| Other  | 725             | -          | (725)                  | 1,081        |
| Total Local Sources  | 653,715         | 685,267    | 31,552                 | 623,322      |
| <b>EXPENDITURES</b>  |                 |            |                        |              |
| Support Services:  |                 |            |                        |              |
| Workers' compensation or workers' occupational disease act payment:                      |                 |            |                        |              |
| Purchased services   | 574,292         | 565,571    | 8,721                  | 464,666      |
| Total  | 574,292         | 565,571    | 8,721                  | 464,666      |
| Unemployment insurance payment:  |                 |            |                        |              |
| Employee benefits  | 5,000           | 36,148     | (31,148)               | 12,682       |
| Purchased services   | -               | 1,250      | (1,250)                | -            |
| Total  | 5,000           | 37,398     | (32,398)               | 12,682       |
| Insurance payment:   |                 |            |                        |              |
| Purchased services   | 163,834         | 165,984    | (2,150)                | 169,651      |
| Total  | 163,834         | 165,984    | (2,150)                | 169,651      |
| Educational, inspectional, supervisory services related to loss prevention of reduction: |                 |            |                        |              |
| Purchased services   | -               | 819        | (819)                  | 72,549       |
| Supplies and materials   | -               | -          | -                      | 11,407       |
| Capital outlay   | -               | -          | -                      | 243,406      |
| Non-capitalized equipment  | -               | -          | -                      | 4,634        |
| Total  | -               | 819        | (819)                  | 331,996      |
| Total Support Services   | 743,126         | 769,772    | (26,646)               | 978,995      |
| Total Expenditures   | 743,126         | 769,772    | (26,646)               | 978,995      |
| Net changes in fund balance  | \$ (89,411)     | (84,505)   | \$ 4,906               | (355,673)    |
| Fund balance at beginning of year  |                 | 1,072,526  |                        | 1,428,199    |
| FUND BALANCE AT END OF YEAR  |                 | \$ 988,021 |                        | \$ 1,072,526 |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

|   | <u>Transportation</u> | <u>Municipal<br/>Retirement/<br/>Social<br/>Security</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|---|-----------------------|--|-------------------------|-----------------------------|--|
| <b><u>ASSETS</u></b>  |                       |  |                         |                             |  |
| <b>Assets:</b>  |                       |  |                         |                             |  |
| Cash and investments  | \$ 2,179,973          | \$ 836,107   | \$ 3,989,615            | \$ 5,359,459                | \$ 12,365,154  |
| Receivables:  |                       |  |                         |                             |  |
| Property taxes  | 998,816               | 1,106,189  | 1,609,129               | -                           | 3,714,134  |
| Due from other governments                                      | 231,394               | -  | -                       | -                           | 231,394  |
| Other receivables   | 13,663                | -  | -                       | 25,722                      | 39,385   |
| Prepaid items   | 16,631                | -  | -                       | 14,132                      | 30,763   |
| <b>TOTAL ASSETS</b>   | <b>\$ 3,440,477</b>   | <b>\$ 1,942,296</b>                                      | <b>\$ 5,598,744</b>     | <b>\$ 5,399,313</b>         | <b>\$ 16,380,830</b>                                 |
| <b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>   |                       |  |                         |                             |  |
| <b>Liabilities:</b>   |                       |  |                         |                             |  |
| Accounts payable  | \$ 226,843            | \$ -   | \$ -                    | \$ 1,177,748                | \$ 1,404,591   |
| <b>Total Liabilities</b>  | <b>226,843</b>        | <b>-</b>   | <b>-</b>                | <b>1,177,748</b>            | <b>1,404,591</b>                                     |
| <b>Deferred Inflows:</b>  |                       |  |                         |                             |  |
| Unavailable property tax revenue                                | 998,816               | 1,106,189  | 1,609,129               | -                           | 3,714,134  |
| <b>Fund Balance:</b>  |                       |  |                         |                             |  |
| Nonspendable  | 16,631                | -  | -                       | 14,132                      | 30,763   |
| Restricted  |                       |  |                         |                             |  |
| Student transportation  | 2,198,187             | -  | -                       | -                           | 2,198,187  |
| Employee retirement   | -                     | 836,107  | -                       | -                           | 836,107  |
| Debt service  | -                     | -  | 3,989,615               | -                           | 3,989,615  |
| Capital projects  | -                     | -  | -                       | 4,207,433                   | 4,207,433  |
| <b>Total Fund Balance</b>                                       | <b>2,214,818</b>      | <b>836,107</b>   | <b>3,989,615</b>        | <b>4,221,565</b>            | <b>11,262,105</b>                                    |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS AND FUND BALANCE</b> | <b>\$ 3,440,477</b>   | <b>\$ 1,942,296</b>                                      | <b>\$ 5,598,744</b>     | <b>\$ 5,399,313</b>         | <b>\$ 16,380,830</b>                                 |



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2016**

|  | Transportation      | Municipal<br>Retirement/<br>Social<br>Security | Debt<br>Service     | Capital<br>Projects | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------|--|---------------------|---------------------|--|
| <b>REVENUES</b>                                      |                     |  |                     |                     |  |
| Local sources  | \$ 1,645,209        | \$ 2,386,535                                   | \$ 3,341,376        | \$ 14,305           | \$ 7,387,425                               |
| State sources  | 692,242             | -  | -                   | -                   | 692,242                                    |
| <b>Total Revenues</b>                                | <u>2,337,451</u>    | <u>2,386,535</u>                               | <u>3,341,376</u>    | <u>14,305</u>       | <u>8,079,667</u>                           |
| <b>EXPENDITURES</b>                                  |                     |  |                     |                     |  |
| Current operating:                                   |                     |  |                     |                     |  |
| Instruction  | -                   | 906,608  | -                   | -                   | 906,608                                    |
| Support services                                     | 2,619,208           | 1,300,521                                      | -                   | 4,900,945           | 8,820,674                                  |
| Community services                                   | 118,420             | 44,437   | -                   | -                   | 162,857                                    |
| Debt service:  |                     |  |                     |                     |  |
| Principal  | -                   | -  | 2,736,455           | -                   | 2,736,455                                  |
| Interest and other                                   | -                   | -  | 556,068             | -                   | 556,068                                    |
| <b>Total Expenditures</b>                            | <u>2,737,628</u>    | <u>2,251,566</u>                               | <u>3,292,523</u>    | <u>4,900,945</u>    | <u>13,182,662</u>                          |
| Excess (deficiency) of revenues<br>over expenditures | <u>(400,177)</u>    | <u>134,969</u>                                 | <u>48,853</u>       | <u>(4,886,640)</u>  | <u>(5,102,995)</u>                         |
| <b>OTHER FINANCING SOURCES</b>                       |                     |  |                     |                     |  |
| Transfers In   | -                   | -  | 196,807             | 5,500,000           | 5,696,807                                  |
| <b>Total other financing uses</b>                    | <u>-</u>            | <u>-</u>                                       | <u>196,807</u>      | <u>5,500,000</u>    | <u>5,696,807</u>                           |
| Net changes in fund balance                          | (400,177)           | 134,969  | 245,660             | 613,360             | 593,812                                    |
| Fund balances at beginning of year                   | 2,614,995           | 701,138  | 3,743,955           | 3,608,205           | 10,668,293                                 |
| <b>FUND BALANCES AT END OF YEAR</b>                  | <u>\$ 2,214,818</u> | <u>\$ 836,107</u>                              | <u>\$ 3,989,615</u> | <u>\$ 4,221,565</u> | <u>\$ 11,262,105</u>                       |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|                                   | 2016            |              |                        | 2015         |
|-----------------------------------|-----------------|--------------|------------------------|--------------|
|                                   | Final<br>Budget | Actual       | Variance<br>over/under | Actual       |
| <b>REVENUES</b>                   |                 |              |                        |              |
| Local Sources:                    |                 |              |                        |              |
| General tax levy                  | \$ 1,094,200    | \$ 1,580,252 | \$ 486,052             | \$ 1,019,847 |
| Regular transportation fees       | 53,390          | 53,167       | (223)                  | 53,835       |
| Earnings on investments           | 24,733          | 11,790       | (12,943)               | 33,543       |
| Other                             | -               | -            | -                      | 660          |
| Total Local Sources               | 1,172,323       | 1,645,209    | 472,886                | 1,107,885    |
| State Sources:                    |                 |              |                        |              |
| Transportation aid                | 506,005         | 692,242      | 186,237                | 483,761      |
| Total State Sources               | 506,005         | 692,242      | 186,237                | 483,761      |
| Total Revenues                    | 1,678,328       | 2,337,451    | 659,123                | 1,591,646    |
| <b>EXPENDITURES</b>               |                 |              |                        |              |
| Current operating:                |                 |              |                        |              |
| Support Services:                 |                 |              |                        |              |
| Pupil Transportation Services:    |                 |              |                        |              |
| Salaries                          | 65,075          | 62,289       | 2,786                  | 13,438       |
| Employee benefits                 | 2,670           | 2,832        | (162)                  | 1,747        |
| Purchased services                | 1,985,300       | 2,554,087    | (568,787)              | 2,163,477    |
| Total Support Services            | 2,053,045       | 2,619,208    | (566,163)              | 2,178,662    |
| Community Services:               |                 |              |                        |              |
| Purchased services                | 174,100         | 118,420      | 55,680                 | -            |
| Total Community Services          | 174,100         | 118,420      | 55,680                 | -            |
| Total Expenditures                | 2,227,145       | 2,737,628    | (510,483)              | 2,178,662    |
| Net changes in fund balance       | \$ (548,817)    | (400,177)    | \$ 148,640             | (587,016)    |
| Fund balance at beginning of year |                 | 2,614,995    |                        | 3,202,011    |
| FUND BALANCE AT END OF YEAR       |                 | \$ 2,214,818 |                        | \$ 2,614,995 |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016            |              |                        | 2015         |
|--|-----------------|--------------|------------------------|--------------|
|  | Final<br>Budget | Actual       | Variance<br>over/under | Actual       |
| <b>REVENUES</b>                        |                 |              |                        |              |
| Local Sources:                         |                 |              |                        |              |
| General tax levy                       | \$ 1,246,200    | \$ 1,389,888 | \$ 143,688             | \$ 1,316,749 |
| Social security/medicare only levy     | 836,400         | 864,054      | 27,654                 | 815,596      |
| Corporate replacement taxes            | 125,931         | 130,021      | 4,090                  | 125,931      |
| Earnings on investments                | 3,330           | 2,572        | (758)                  | 2,205        |
| Total Local Sources                    | 2,211,861       | 2,386,535    | 174,674                | 2,260,481    |
| Total Revenues                         | 2,211,861       | 2,386,535    | 174,674                | 2,260,481    |
| <b>EXPENDITURES</b>                    |                 |              |                        |              |
| Current operating:                     |                 |              |                        |              |
| Instruction                            |                 |              |                        |              |
| Regular programs                       | 372,900         | 357,471      | 15,429                 | 217,938      |
| Pre-k                                  | 3,400           | -            | 3,400                  | 145,452      |
| Special education programs             | 507,700         | 489,467      | 18,233                 | 516,496      |
| CTE programs                           | 15,500          | 14,034       | 1,466                  | -            |
| Interscholastic programs               | 4,150           | 5,122        | (972)                  | 3,374        |
| Summer school programs                 | -               | 15,118       | (15,118)               | 8,280        |
| Gifted programs                        | 20,950          | 17,226       | 3,724                  | 17,838       |
| Bilingual programs                     | 8,700           | 8,170        | 530                    | 10,138       |
| Total instruction                      | 933,300         | 906,608      | 26,692                 | 919,516      |
| Support Services                       |                 |              |                        |              |
| Pupils                                 | 175,440         | 201,036      | (25,596)               | 190,025      |
| Instructional staff                    | 226,840         | 213,233      | 13,607                 | 82,799       |
| General administration                 | 108,725         | 81,868       | 26,857                 | 99,160       |
| School administration                  | 151,100         | 144,193      | 6,907                  | 158,950      |
| Business                               | 639,900         | 596,930      | 42,970                 | 634,183      |
| Central                                | 66,240          | 63,261       | 2,979                  | 165,276      |
| Total support services                 | 1,368,245       | 1,300,521    | 67,724                 | 1,330,393    |
| Community services                     |                 |              |                        |              |
| Community services - employee benefits | 33,700          | 44,437       | (10,737)               | 60,313       |
| Total Expenditures                     | 2,335,245       | 2,251,566    | 83,679                 | 2,310,222    |
| Net changes in fund balance            | \$ (123,384)    | 134,969      | \$ 258,353             | (49,741)     |
| Fund balance at beginning of year      |                 | 701,138      |                        | 750,879      |
| FUND BALANCE AT END OF YEAR            |                 | \$ 836,107   |                        | \$ 701,138   |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016            |              |                        | 2015         |
|--|-----------------|--------------|------------------------|--------------|
|  | Final<br>Budget | Actual       | Variance<br>over/under | Actual       |
| <b>REVENUES</b>                                      |                 |              |                        |              |
| Local Sources:                                       |                 |              |                        |              |
| General tax levy                                     | \$ 3,309,000    | \$ 3,332,682 | \$ 23,682              | \$ 3,246,908 |
| Earnings on investments                              | 5,901           | 8,694        | 2,793                  | 6,559        |
| Total Local Sources                                  | 3,314,901       | 3,341,376    | 26,475                 | 3,253,467    |
| Total Revenues                                       | 3,314,901       | 3,341,376    | 26,475                 | 3,253,467    |
| <b>EXPENDITURES</b>                                  |                 |              |                        |              |
| Debt service:  |                 |              |                        |              |
| Principal retirement                                 | 2,736,455       | 2,736,455    | -                      | 2,647,957    |
| Interest on bonds                                    | 553,840         | 553,840      | -                      | 684,471      |
| Other  | 10,000          | 2,228        | 7,772                  | 3,523        |
| Total Expenditures                                   | 3,300,295       | 3,292,523    | 7,772                  | 3,335,951    |
| Excess of revenues (deficiency)<br>over expenditures | 14,606          | 48,853       | 34,247                 | (82,484)     |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                 |              |                        |              |
| Transfers in   | 196,807         | 196,807      | -                      | 154,628      |
| Total other financing sources (uses)                 | 196,807         | 196,807      | -                      | 154,628      |
| Net changes in fund balance                          | \$ 211,413      | 245,660      | \$ 34,247              | 72,144       |
| Fund balance at beginning of year                    |                 | 3,743,955    |                        | 3,671,811    |
| FUND BALANCE AT END OF YEAR                          |                 | \$ 3,989,615 |                        | \$ 3,743,955 |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

|  | 2016            |                     |                        | 2015                |
|--|-----------------|---------------------|------------------------|---------------------|
|  | Final<br>Budget | Actual              | Variance<br>over/under | Actual              |
| <b>REVENUES</b>                          |                 |                     |                        |                     |
| Local Sources:                           |                 |                     |                        |                     |
| Earnings on investments                  | \$ -            | \$ 9,055            | \$ 9,055               | \$ 32,429           |
| Other                                    | -               | 5,250               | 5,250                  | 10,886              |
| Total Local Sources                      | -               | 14,305              | 9,055                  | 43,315              |
| State Sources:                           |                 |                     |                        |                     |
| Other grants-in-aid                      | -               | -                   | -                      | 111,822             |
| Total State Sources                      | -               | -                   | -                      | 111,822             |
| Total Revenues                           | -               | 14,305              | 9,055                  | 155,137             |
| <b>EXPENDITURES</b>                      |                 |                     |                        |                     |
| Facilities acquisition:                  |                 |                     |                        |                     |
| Salaries                                 | -               | -                   | -                      | 30,750              |
| Purchased services                       | 165,000         | 1,315,598           | (1,150,598)            | 603,857             |
| Capital outlay                           | 3,742,359       | 3,585,347           | 157,012                | 4,237,386           |
| Other Objects                            | -               | -                   | -                      | 78                  |
| Total support services                   | 3,907,359       | 4,900,945           | (993,586)              | 4,872,071           |
| Total Expenditures                       | 3,907,359       | 4,900,945           | (993,586)              | 4,872,071           |
| Deficiency of revenues over expenditures | (3,907,359)     | (4,886,640)         | (984,531)              | (4,716,934)         |
| <b>OTHER FINANCING SOURCES</b>           |                 |                     |                        |                     |
| Transfers in                             | -               | 5,500,000           | 5,500,000              | -                   |
| Net changes in fund balance              | \$ (3,907,359)  | 613,360             | \$ 4,515,469           | (4,716,934)         |
| Fund balance at beginning of year        |                 | 3,608,205           |                        | 8,325,139           |
| <b>FUND BALANCE AT END OF YEAR</b>       |                 | <u>\$ 4,221,565</u> |                        | <u>\$ 3,608,205</u> |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**AGENCY FUND - ACTIVITY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2016**

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|                      | Balance<br>July 1,<br>2015 | Additions  | Deductions | Balance<br>June 30,<br>2016 |
|----------------------|----------------------------|------------|------------|-----------------------------|
| <b>Assets:</b>       |                            |            |            |                             |
| Cash                 | \$ 198,774                 | \$ 322,640 | \$ 389,619 | \$ 131,795                  |
| <b>Liabilities:</b>  |                            |            |            |                             |
| Due to organizations | \$ 198,774                 | \$ 322,640 | \$ 389,619 | \$ 131,795                  |

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**LAST FIVE TAX LEVY YEARS**

|   | 2015                   | 2014                    | 2013                    | 2012                    | 2011                    |
|---|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Assessed Valuation</b>                         | <u>\$1,371,795,137</u> | <u>\$ 1,414,256,518</u> | <u>\$ 1,399,438,847</u> | <u>\$ 1,705,216,205</u> | <u>\$ 1,843,115,448</u> |
| <b>Rates extended:</b>                            |                        |                         |                         |                         |                         |
| Educational                                       | 3.5000                 | 3.4048                  | 3.4609                  | 2.7710                  | 2.3906                  |
| Tort immunity                                     | 0.0526                 | 0.0448                  | 0.0440                  | 0.0348                  | 0.0394                  |
| Special education                                 | 0.1243                 | 0.1170                  | 0.0294                  | 0.0233                  | 0.0284                  |
| Operations and maintenance                        | 0.5181                 | 0.5468                  | 0.5439                  | 0.4796                  | 0.4513                  |
| Transportation                                    | 0.1502                 | 0.0748                  | 0.0734                  | 0.0581                  | 0.0805                  |
| Illinois municipal retirement/<br>Social security | 0.1663                 | 0.1562                  | 0.1533                  | 0.0930                  | 0.1036                  |
| Debt service                                      | 0.2420                 | 0.2352                  | 0.2368                  | 0.1752                  | 0.1621                  |
| Working cash                                      | 0.0338                 | 0.0300                  | 0.0294                  | 0.0233                  | 0.0282                  |
| <b>Total rates extended</b>                       | <u>4.7873</u>          | <u>4.6096</u>           | <u>4.5711</u>           | <u>3.6583</u>           | <u>3.2841</u>           |
| <b>Property tax extensions:</b>                   |                        |                         |                         |                         |                         |
| Educational                                       | \$ 48,012,830          | \$ 48,151,978           | \$ 48,433,179           | \$ 47,251,541           | \$ 44,061,698           |
| Tort immunity                                     | 721,000                | 634,226                 | 615,753                 | 593,415                 | 726,892                 |
| Special education                                 | 1,704,650              | 1,654,366               | 411,435                 | 397,315                 | 523,689                 |
| Operations and maintenance                        | 7,107,000              | 7,733,420               | 7,611,547               | 8,178,216               | 8,318,803               |
| Transportation                                    | 2,060,000              | 1,058,004               | 1,027,188               | 990,730                 | 1,483,786               |
| Illinois municipal retirement/<br>Social security | 2,281,450              | 2,209,699               | 2,145,339               | 1,585,850               | 1,907,724               |
| Debt service                                      | 3,318,735              | 3,326,689               | 3,313,381               | 2,988,064               | 2,987,250               |
| Working cash                                      | 463,500                | 423,778                 | 411,435                 | 397,315                 | 519,209                 |
| <b>Total levies extended</b>                      | <u>\$ 65,669,165</u>   | <u>\$ 65,192,160</u>    | <u>\$ 63,969,257</u>    | <u>\$ 62,382,446</u>    | <u>\$ 60,529,051</u>    |
| <b>Total collections</b>                          | <u>\$ 34,004,698</u>   | <u>\$ 64,892,714</u>    | <u>\$ 63,197,229</u>    | <u>\$ 61,519,147</u>    | <u>\$ 60,377,816</u>    |
| <b>Percentage of extensions<br/>collected</b>     | <u>51.78%</u>          | <u>99.54%</u>           | <u>98.79%</u>           | <u>98.62%</u>           | <u>99.75%</u>           |

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

Source of information: Cook County Levy, Rate and Extension Reports for 2011-2015.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**OPERATING COST AND TUITION CHARGE**  
**YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

|  | 2016                 | 2015                 |
|--|----------------------|----------------------|
| Expenditures:  |                      |                      |
| Educational Fund   | \$ 58,097,553        | \$ 57,669,991        |
| Operations and Maintenance Fund  | 5,130,242            | 5,269,457            |
| Debt Service Fund  | 3,292,523            | 3,335,951            |
| Transportation Fund  | 2,737,628            | 2,178,662            |
| Municipal Retirement/Social Security Fund  | 2,251,566            | 2,310,222            |
| Tort Immunity Fund   | 769,772              | 978,995              |
| Total expenditures   | <u>72,279,284</u>    | <u>71,743,278</u>    |
| Less revenues/expenditures not applicable to operating expense of regular program: |                      |                      |
| Summer school  | 377,495              | 221,362              |
| Tuition paid   | 673,988              | 844,186              |
| Community services   | 662,590              | 879,450              |
| Capital outlay   | 292,947              | 840,684              |
| Non-capitalized equipment  | 211,858              | 143,427              |
| Bond and other principal retired   | 2,736,455            | 2,647,957            |
| Payments to other districts and governmental units                                 | 2,161,655            | 1,990,736            |
|  | <u>7,116,988</u>     | <u>7,567,802</u>     |
| Regular operating expenditures   | 65,162,296           | 64,175,476           |
| Offsetting revenues  | <u>6,234,278</u>     | <u>6,880,306</u>     |
| Net operating expenditures   | 58,928,018           | 57,295,170           |
| Depreciation allowance   | <u>2,427,247</u>     | <u>2,243,630</u>     |
| Total allowance for tuition computation  | <u>\$ 61,355,265</u> | <u>\$ 59,538,800</u> |
| Average daily attendance   | <u>4,093</u>         | <u>4,110</u>         |
| Per capita tuition charge  | <u>\$ 14,989</u>     | <u>\$ 14,485</u>     |

Source of information: 2015 & 2016 annual financial reports



