

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

**Audited Financial Statements**

**For The Year Ended  
June 30, 2014**



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

June 30, 2014

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## *Independent Auditor's Report*

Board of Education  
Park Ridge-Niles School District No. 64  
Park Ridge, IL

### **Report on the Financial Statements**

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, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Park Ridge-Niles School District No. 64's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Park Ridge-Niles School District No. 64's 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 Park Ridge-Niles School District No. 64, as of June 30, 2014, 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 analysis and budgetary comparison information on pages 3-12 and 48* 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 Park Ridge-Niles School District No. 64's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section 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 September 24, 2014 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 Park Ridge-Niles School District No. 64's internal control over financial reporting and compliance.



Klein Hall CPAs  
Aurora, Illinois  
September 24, 2014



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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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, 2014. 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 \$6.7. This represents a 9% increase from 2013.
- General revenues accounted for \$65.8 in revenue or 75% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$21.5 or 25% of total revenues of \$87.3.
- Total revenues and total expenses both increased 7% from the prior year, which indicates the District is operating within its available resources.
- The District is positioned to receive a Recognition financial profile rating from the Illinois State Board of Education for 2014, which is the highest possible rating. The State Board officially approves the ratings in March.

**Overview of the Financial Statements**

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

The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

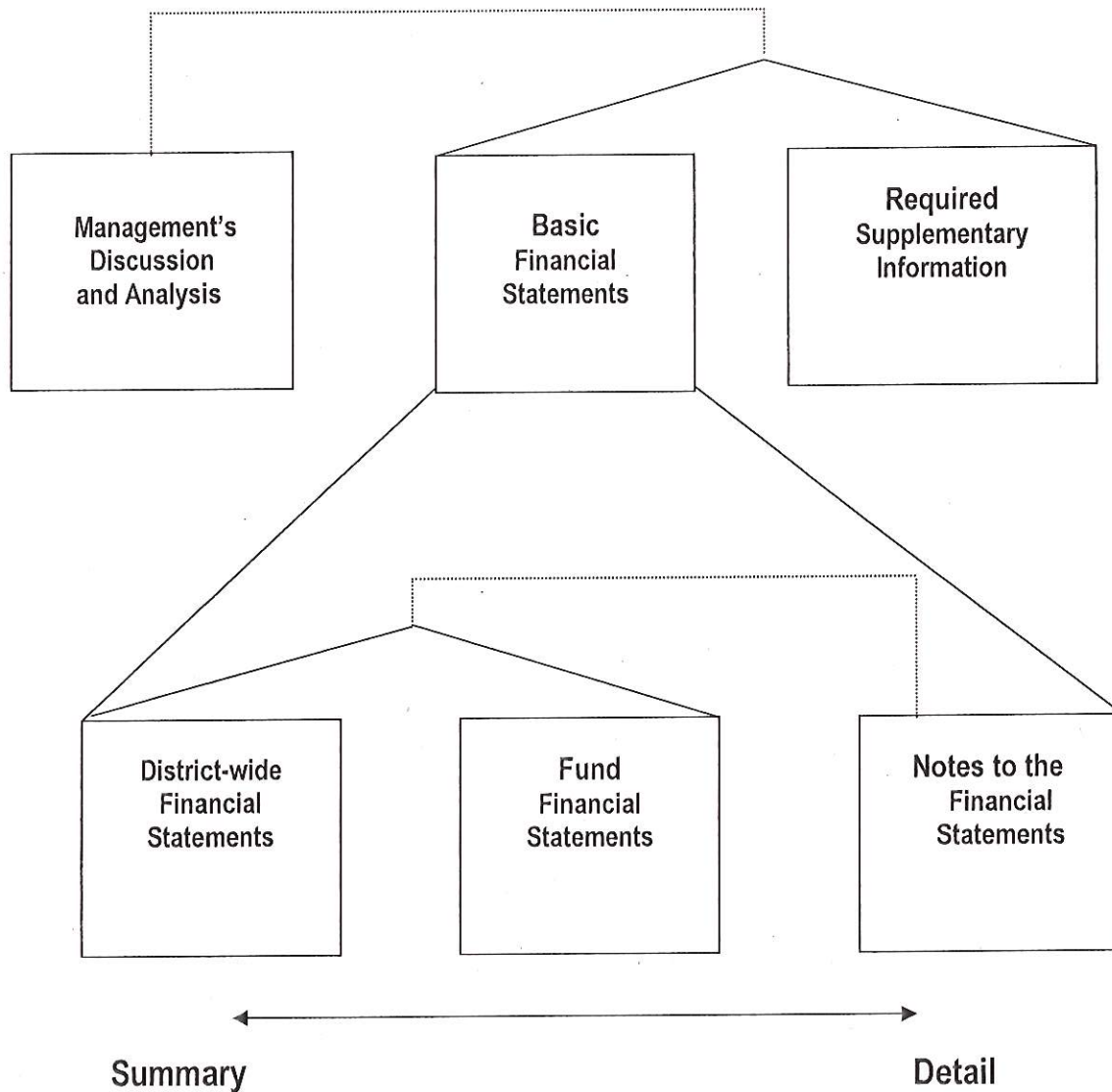
The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**  
***Organization of Park Ridge-Niles School District No. 64 Annual Financial Report***



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2**

***Major Features of the District-wide and Fund Financial Statements***

	District-wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as Educational and Operations & Maintenance	Instances in which the District administers resources on behalf of someone else, such as student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**

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***District-wide Statements***

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

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets, liabilities and other inflows/outflows – is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities must be considered.

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

***Fund Financial Statements***

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

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

The District has two categories of funds:

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information after each of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**

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

Net position: The District's *combined* net position increased 8.9% to \$82.0 million as of June 30, 2014 (See Figure A-3).

Figure A-3

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities	
	2014	2013
Assets:		
Current and other assets	\$ 98.0	\$ 88.0
Capital assets	43.1	39.0
Total assets	<u>141.1</u>	<u>127.0</u>
Liabilities:		
Current liabilities	7.8	7.6
Long-term debt outstanding	19.9	13.4
Total liabilities	<u>27.7</u>	<u>21.0</u>
Deferred Inflows:		
Unearned property tax revenue	31.4	30.7
Total Deferred Inflows	<u>31.4</u>	<u>30.7</u>
Net position:		
Invested in capital assets, net of related debt	25.6	28.1
Restricted	17.4	14.4
Unrestricted	39.0	32.8
Total net position	<u>\$ 82.0</u>	<u>\$ 75.3</u>

The District continues to maintain a stable financial position.

The District's total revenues increased 7% to \$87.3 million (See Figure A-4). 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 7% to \$80.6 million (See Figure A-4). The District's expenses are predominantly related to instructing, caring for (pupil services), and transporting students (77%). The District's administrative and business activities accounted for 9% of total costs and another 9% was for maintenance and operation of the District's buildings. 5% of expenses relate to community services, tuition paid to private facilities, and interest on long-term debt.

Total revenues surpassed expenses, increasing net position by \$6.7 million over last year.



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**

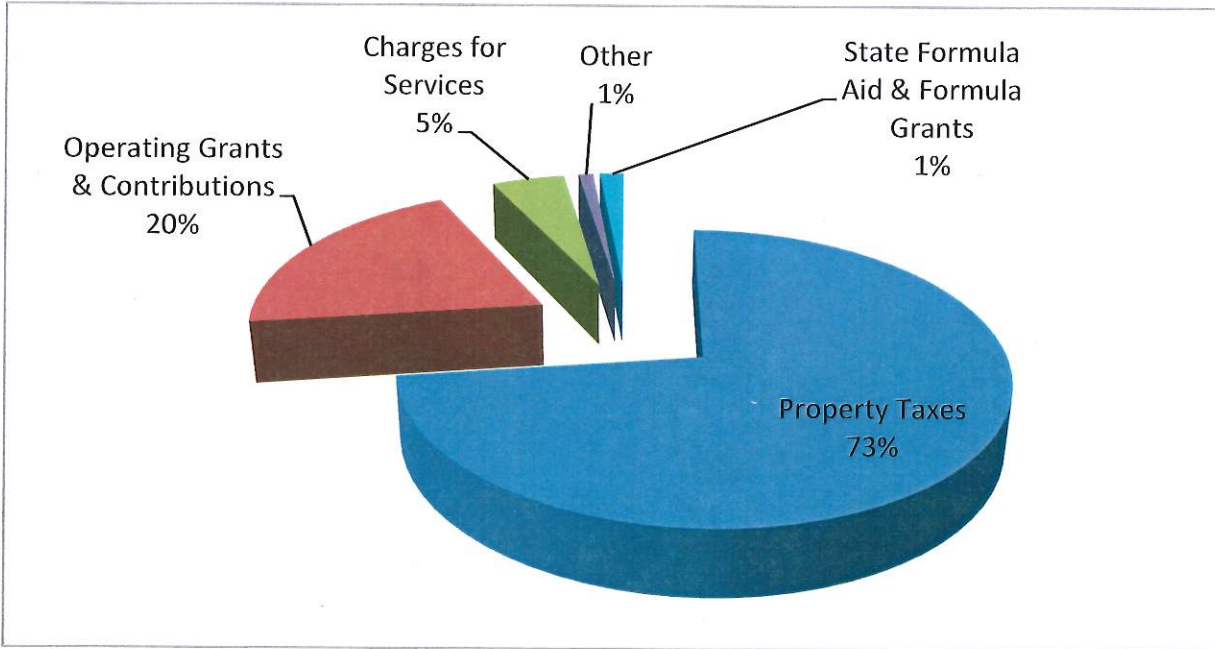
Figure A-4

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

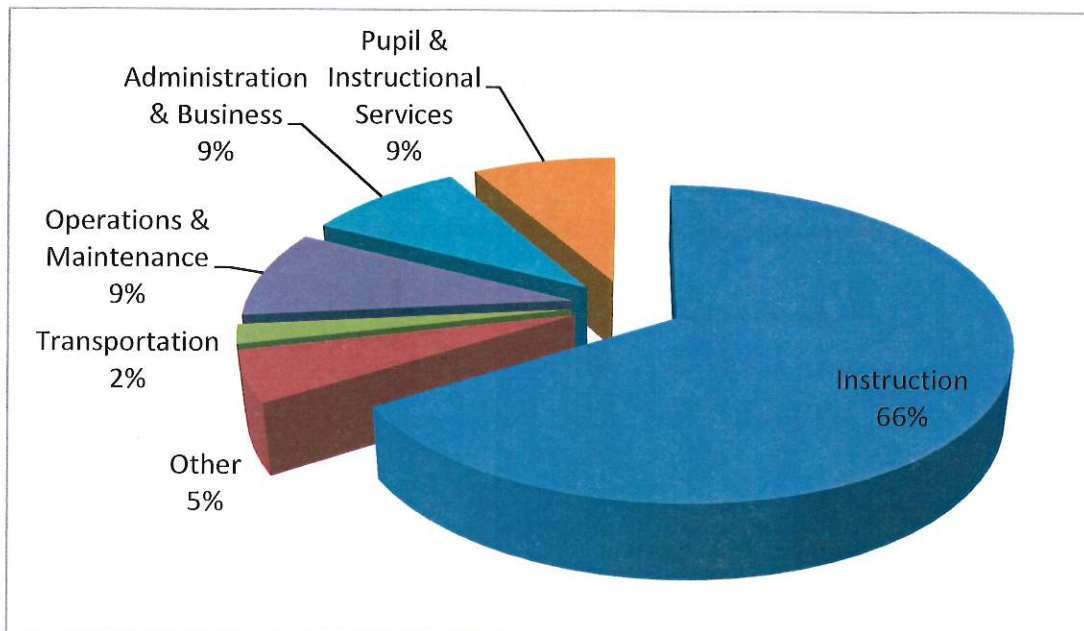
	Governmental Activities	
	2014	2013
Revenues		
<i>Program Revenues</i>		
Charges for Services	\$ 4.1	\$ 4.2
Operating Grants & Contributions	17.4	14.8
Capital Grants & Contributions	-	-
<i>General Revenues</i>		
Taxes	63.6	61.5
General State Aid	1.4	1.3
Other	0.8	0.1
Total Revenues	<u>\$ 87.3</u>	<u>\$ 81.9</u>
Expenses		
Instruction	53.2	49.5
Pupil & Instructional Services	6.9	6.0
Administration & Business	7.4	7.2
Transportation	1.6	1.6
Operations & Maintenance	7.4	7.0
Other	4.1	4.2
Total Expenses	<u>\$ 80.6</u>	<u>\$ 75.5</u>
<b>Increase in net position</b>	<u><b>\$ 6.7</b></u>	<u><b>\$ 6.4</b></u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

**Figure A-5 Sources of Revenues for Fiscal Year 2014**



**Figure A-6 Expenses for Fiscal Year 2014**



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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***Governmental Activities***

The District's governmental activities reported a 7% increase in revenues and a 7% increase in expenses as compared to the prior year. This resulted in a \$6.7 million increase in net position for fiscal year 2013-14.

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. Six of its eight governmental funds reported increases in fund balance in fiscal year 2013-14. The governmental funds as a whole reported fund balances of \$58.8 million, as compared to last year's ending fund balances of \$49.7 million. The increase is largely attributable to the District taking advantage of some favorable interest rates to issue \$8.6 million of General Obligation Bonds for the purpose of funding capital projects in the summers of 2014 and 2015. The bond issuance aids the District in its efforts to extend the referendum dollars from 2007 as long as possible.

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 \$41.4 million of the District's \$58.8 million total fund balance is considered unassigned. This means the remaining \$17.4 million of fund balance is 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 greater than budgeted revenues by \$12.7 million. The District does not budget for retirement payments made by the State of Illinois on behalf of the District's employees because they are recorded as a revenue and expenditure for identical amounts. Therefore, if the \$13.2 million of on-behalf payment revenues are excluded, the District's General Fund revenues were less than budgeted by \$0.5 million. This equates to only a 0.8% difference from budget, which is remarkable given the uncertainty involved with predicting when tax collections and state grant revenue will be received.
- The General Fund's expenditures were greater than budgeted by \$10.9 million. If the \$13.2 million of on-behalf payment expenditures are again excluded, the District's expenditures were less than budgeted by \$2.3 million (or 3.7%). The District continues to control its spending while continuing to provide a high-quality education and new learning opportunities for its students.



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**UNAUDITED**

**Capital Asset and Debt Administration**

***Capital Assets***

By the end of 2014, the District had invested \$43.1 million in a broad range of capital assets, including school buildings, computer equipment, audio-visual equipment and administrative offices (See Figure A-7). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was approximately \$1.9 million, while additions to buildings and equipment amounted to \$6.0 million.

Figure A-7

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

	Governmental Activities	
	2014	2013
Land	\$ 0.4	\$ 0.4
Construction in progress	1.5	-
Buildings & improvements	40.8	38.2
Equipment	0.4	0.4
<b>TOTAL</b>	<b>\$ 43.1</b>	<b>\$ 39.0</b>

***Long-Term Debt***

At year-end, the District had \$19.9 million in general obligation bonds, retirement obligations, and other long-term debt outstanding – as shown in Figure A-8. (More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.)

Figure A-8

Outstanding Long-Term Debt (in millions of dollars)

	Total School District	
	2014	2013
General obligation bonds	\$ 16.5	\$ 10.8
Other long-term debt	3.4	2.7
<b>TOTAL</b>	<b>\$ 19.9</b>	<b>\$ 13.5</b>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED**

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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 2013 CPI-U of 1.7% affected the District's ability to increase its operating fund revenues for fiscal year 2014-15 and beyond, although the passage of the 2007 referendum has positioned the District to survive the economic storm without dismantling its educational programs.

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.

**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, 2014**

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments	\$ 65,788,880
Receivables:	
Property taxes	31,439,084
Due from other governments	194,065
Other receivables	266,635
Other current assets	370,552
Capital assets:	
Land and construction in progress	1,902,117
Other capital assets, net of accumulated depreciation	<u>41,204,791</u>
Total Assets	<u>141,166,124</u>
<b>Liabilities, Deferred Inflows and Net Position</b>	
Liabilities	
Accounts payable	1,152,000
Accrued salaries and related expenditures	6,644,285
Noncurrent liabilities:	
Due within one year	2,785,393
Due in more than one year	<u>17,081,097</u>
Total Liabilities	<u>27,662,775</u>
Deferred Inflows	
Unearned property tax revenue	<u>31,439,084</u>
Total Deferred Inflows	<u>31,439,084</u>
Net Position	
Invested in capital assets, net of related debt	25,683,301
Restricted	17,378,039
Unrestricted	<u>39,002,925</u>
Total Net Position	<u><u>\$ 82,064,265</u></u>

See accompanying notes to basic financial statements

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Assets
					Total
					Governmental
					Activities
<b>Governmental Activities:</b>					
Instructional services:					
Regular programs	\$ 41,665,941	\$ 374,467	\$ 13,220,249	\$ -	\$ (28,071,225)
Special programs	10,748,004	-	3,320,718	-	(7,427,286)
Other programs	800,680	1,625,178	81,415	-	905,913
Support services:					
Pupils	4,377,223	-	-	-	(4,377,223)
Instructional staff	2,350,615	-	-	-	(2,350,615)
General administration	2,451,532	-	-	-	(2,451,532)
School administration	3,028,805	-	-	-	(3,028,805)
Business	1,944,634	1,907,707	32,928	-	(3,999)
Operation and maintenance					
of facilities	7,354,627	127,851	234,632	-	(6,992,144)
Transportation	1,605,490	67,529	548,855	-	(989,106)
Central	1,660,934	-	-	-	(1,660,934)
Community services	985,754	-	-	-	(985,754)
Payments to other districts	841,977	-	-	-	(841,977)
Interest on long-term liabilities	725,692	-	-	-	(725,692)
<b>Total school district</b>	<b>\$ 80,541,908</b>	<b>\$ 4,102,732</b>	<b>\$ 17,438,797</b>	<b>\$ -</b>	<b>(59,000,379)</b>

**General revenues:**

Property taxes levied for:	
General purposes	56,626,041
Transportation	972,999
Retirement	1,803,909
Debt service	3,020,266
Personal property replacement taxes	1,142,261
Federal and state aid not restricted to specific purposes	1,359,583
Earnings on investments	651,955
Miscellaneous	183,060
<b>Total general revenues</b>	<b>65,760,074</b>

Change in net position 6,759,695

Net position - beginning 75,304,570

Net position - ending \$ 82,064,265

See accompanying notes to basic financial statements



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
<b>Assets:</b>			
Cash and investments	\$ 49,090,017	\$ 16,698,863	\$ 65,788,880
Receivables:			
Property taxes	28,087,752	3,351,332	31,439,084
Due from other governments	194,065	-	194,065
Other receivables	243,013	23,622	266,635
Other current assets	328,065	42,487	370,552
<b>TOTAL ASSETS</b>	<u><u>\$ 77,942,912</u></u>	<u><u>\$ 20,116,304</u></u>	<u><u>\$ 98,059,216</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 336,868	\$ 815,132	\$ 1,152,000
Accrued salaries and related expenditures	6,644,285	-	6,644,285
<b>Total Liabilities</b>	<u>6,981,153</u>	<u>815,132</u>	<u>7,796,285</u>
<b>Deferred Inflows:</b>			
Unearned property tax revenue	<u>28,087,752</u>	<u>3,351,332</u>	<u>31,439,084</u>
<b>Fund Balances:</b>			
Restricted	1,428,199	-	1,428,199
Unassigned	41,445,808	-	41,445,808
Reported as:			
Restricted - Capital Projects Funds	-	8,325,139	8,325,139
Restricted - Special Revenues Funds	-	3,952,890	3,952,890
Restricted - Debt Service Funds	-	3,671,811	3,671,811
<b>Total Fund Balances</b>	<u>42,874,007</u>	<u>15,949,840</u>	<u>58,823,847</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u><u>\$ 77,942,912</u></u>	<u><u>\$ 20,116,304</u></u>	<u><u>\$ 98,059,216</u></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, 2014**

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<b>Total fund balances - governmental funds</b>	<b>\$ 58,823,847</b>
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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 \$76,804,617 and the accumulated depreciation is \$33,697,709.	43,106,908
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General obligation bonds	(17,423,607)	
Other post employment benefits	(2,177,490)	
Compensated absences	<u>(265,393)</u>	
		<u>(19,866,490)</u>

<b>Net position of governmental activities</b>	<b><u><u>\$ 82,064,265</u></u></b>
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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, 2014**

	General	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 62,192,998	\$ 6,134,186	\$ 68,327,184
State sources	16,684,067	784,134	17,468,201
Federal sources	1,506,218	-	1,506,218
Total Revenues	80,383,283	6,918,320	87,301,603
<b>EXPENDITURES</b>			
Current operating:			
Instruction	52,498,487	939,215	53,437,702
Support services	20,247,507	8,491,179	28,738,686
Community services	872,644	91,907	964,551
Payments to other districts	837,196	-	837,196
Debt service:			
Principal	-	2,275,000	2,275,000
Interest and other	-	706,195	706,195
Total Expenditures	74,455,834	12,503,496	86,959,330
Excess of revenues over expenditures	5,927,449	(5,585,176)	342,273
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	8,808,944	8,600,000	17,408,944
Principal on bond sold	7,767,770	932,230	8,700,000
Premium on bond sold	832,230	-	832,230
Deposit with paying agent	-	(788,480)	(788,480)
Sale of capital asset	1,000	-	1,000
Transfers out	(17,376,377)	(32,567)	(17,408,944)
Total other financing sources (uses)	33,567	8,711,183	8,744,750
Net changes in fund balance	5,961,016	3,126,007	9,087,023
Fund balances at beginning of year	36,912,991	12,823,833	49,736,824
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 42,874,007</b>	<b>\$ 15,949,840</b>	<b>\$ 58,823,847</b>

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, 2014**

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<b>Net change in fund balances - total governmental funds</b>	<b>\$ 9,087,023</b>
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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	6,031,572	
Depreciation expense	<u>(1,927,634)</u>	
		4,103,938

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:

Increase in other post employment benefits	(287,070)	
Decrease in compensated absences	82,702	
Decrease in net pension obligation - IMRF	<u>261,349</u>	
		56,981

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 issuance costs on bond issuance	(21,345)	
Bond proceeds	(8,700,000)	
Premium on bond proceeds	(832,230)	
Bonds defeased	710,000	
Amortization of premium on bond issuances	80,328	
Repayment of bond and loan principal	<u>2,275,000</u>	
		<u>(6,488,247)</u>

<b>Change in net position of governmental activities</b>	<b>\$ <u>6,759,695</u></b>
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See accompanying notes to basic financial statements

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**AGENCY FUND - ACTIVITY FUND**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2014**

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**Assets:**

Cash	<u>\$ 106,931</u>
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**Liabilities:**

Due to organizations	<u>\$ 106,931</u>
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See accompanying notes to basic financial statements.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements  
June 30, 2014

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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 (concluded)**

June 30, 2014

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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 required to be 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, 2014

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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, 2014

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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



**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2014

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year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

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

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

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

**d. Deposits and Investments**

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

**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.

Assets	Years
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, 2014

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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 Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ 31,439,084	\$ 31,439,084
Total	<u>\$ 31,439,084</u>	<u>\$ 31,439,084</u>

**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



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

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

June 30, 2014

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collections. Taxes levied in one calendar year become due and payable in two installments on March 1 and September 1 during the following calendar year. The first installment is an estimated bill and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment, and equalization, and any changes from the prior year will be reflected in the second installment bill. Substantial collections are received by the District in March and September.

In the fund financial statements, the property tax levy receivable collected within the current year 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, 2014 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

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

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

June 30, 2014

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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.

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 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, 2013, from which such summarized information was derived.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2014

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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.

**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.

**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

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

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

June 30, 2014

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 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, 2014, the fair value of all cash and investments held by the Treasurer's office was \$401,332,438 and the fair value of the District's proportionate share of the pool was \$65,788,880.

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	\$ 96,964	\$ 98,604

#### **Investments**

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



**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2014

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Investment Type	Fair Value	Maturity	Portfolio	Interest Rate
Illinois School District Liquid Asset Fund	\$ 9,967	On demand	100%	Variable

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

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

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

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAm and are valued at share price, which is the price for which the investment could be sold.

*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 of failure of the financial institution holding the funds. As of June 30, 2014, the bank balance of the District's deposits with financial institutions totaled \$98,604; this amount was fully insured through FDIC.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2014

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 353,013	\$ -	\$ -	\$ 353,013
Construction in progress	-	1,549,104	-	1,549,104
Total capital assets not being depreciated	353,013	1,549,104	-	1,902,117
Capital assets, being depreciated:				
Buildings	56,419,561	4,327,060	-	60,746,621
Improvements other than buildings	5,711,780	44,765	-	5,756,545
Equipment and vehicles	8,327,139	110,643	38,448	8,399,334
Total capital assets being depreciated	70,458,480	4,482,468	38,448	74,902,500
Accumulated depreciation for:				
Buildings	23,136,970	1,487,707	-	24,624,677
Improvements other than buildings	823,345	280,116	-	1,103,461
Equipment and vehicles	7,848,208	159,811	38,448	7,969,571
Total accumulation depreciation	31,808,523	1,927,634	38,448	33,697,709
Total capital assets being depreciated, net	38,649,957	2,554,834	-	41,204,791
Total capital assets, net	\$ 39,002,970	\$ 4,103,938	\$ -	\$ 43,106,908



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2014

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

Instructional services:	
Regular programs	\$ 31,420
Special programs	41,830
Fiscal services	2,699
Internal services	1,735
Supporting services:	
Business	531,256
Operations and maintenance of facilities	1,273,588
Community services	23,903
Central	21,203
	<u>\$ 1,927,634</u>

**NOTE 4. LONG-TERM DEBT**

Long-term debt activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amount due in one year
General Obligation Bonds Payable:					
3/13/14 A General Obligation	\$ -	\$ 7,900,000	\$ -	\$ 7,900,000	\$ -
3/13/14 B Taxable General Obligation	-	800,000	-	800,000	-
12/1/08 General Obligation Refunding					
School Bonds	1,475,000	-	315,000	1,160,000	370,000
11/1/01 School Bonds, Series 2001	9,305,000	-	2,670,000	6,635,000	2,150,000
Total Bonds Payable	10,780,000	8,700,000	2,985,000	16,495,000	2,520,000
Net OPEB Obligation	1,890,420	287,070	-	2,177,490	-
Premium on Bonds Issued	176,705	832,230	80,328	928,607	-
Compensated Absences	348,095	415,646	498,350	265,393	265,393
Net Pension Obligation - IMRF	261,349	-	261,349	-	-
Total Long-Term Debt	<u>\$ 13,456,569</u>	<u>\$ 10,234,946</u>	<u>\$ 3,825,027</u>	<u>\$ 19,866,490</u>	<u>\$ 2,785,393</u>

**General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2014 are comprised of the following individual issues:

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2014

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Series 2014A general obligation bonds dated March 18, 2014 issued in the original principal amount of \$7,900,000 for the purpose of funding; principal payments from \$340,000 to \$2,065,000 due annually from 2018 through 2022 at an interest rate of 3.00% to 4.00%.

Series 2014B funding and refunding bonds dated March 18, 2014 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.

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 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%.

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, 2014, \$9,305,000 of bonds outstanding is considered defeased.

At June 30, 2014 the annual cash flow requirements of all bonds payable to retirement were as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2015	\$ 2,520,000	\$ 657,800	\$ 3,177,800
2016	2,570,000	523,488	3,093,488
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
2020-2022	4,350,000	173,300	4,523,300
Total	\$ 16,495,000	\$ 2,209,538	\$ 18,704,538

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$3,671,811 of fund equity available in the Debt Service Fund to service outstanding bonds payable.



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

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

June 30, 2014

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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, 2014 the statutory debt limit for the District was \$96,561,280 providing a debt margin of \$83,738,091 after taking into account amounts available in the Debt Service Fund.

#### **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, 1441 Lake Street, Libertyville, IL 60048.

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.

#### **NOTE 7. RETIREMENT FUND COMMITMENTS**

##### **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



## PARK RIDGE-NILES SCHOOL DISTRICT 64

### Notes to Financial Statements (continued)

June 30, 2014

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System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants 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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state to make a contribution to THIS Fund.

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

**On Behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$353,274, and the district recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and 2012 were 0.92% and 0.88% of pay, respectively. State contributions on behalf of district employees were \$323,298, and \$300,380, respectively.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and 2012, respectively. For the year ended June 30, 2014, the District paid \$262,224 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$242,474 and \$225,285 to the THIS Fund, respectively, 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 2013 report is 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

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

## Notes to Financial Statements (continued)

June 30, 2014

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, 2013	June 30, 2014
Annual Required Contribution	\$ 563,419	\$ 563,419
Interest on net OPEB Obligations	78,934	94,521
Adjustment to annual required contribution	(97,805)	(117,119)
Total Annual OPEB Cost	544,548	540,821
Contributions made by the District	(232,799)	(253,751)
Increase in net OPEB obligation	311,749	287,070
Net OPEB obligation - Beginning of Year	1,578,671	1,890,420
Net OPEB obligation - End of Year	\$ 1,890,420	\$ 2,177,490

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, 2014 and the preceding year are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2014	\$ 540,821	46.9%	\$ 2,177,490
June 30, 2013	\$ 544,548	47.8%	\$ 1,890,420

The funded status of the Retirees' Health Plan as of June 30, 2014, the most recent actuarial valuation date, is as follows:



**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2014

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	2014
Actuarial accrued liability (AAL)	\$ 5,001,428
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	5,001,428
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	33,860,725
UALL as a percentage of covered payroll	14.8%

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan 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, 2014 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 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 5 percent investment rate of return and a 3.5% per year salary progression.

### **Retirement Plans**

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards, are members of IMRF.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2014

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**Illinois Teachers' Retirement System**

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after June 30, 2013, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees. The District's total earnings reported to TRS was \$36,420,034 for the year ended June 30, 2014.

**On-behalf contributions.** The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$12,866,975 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013, and June 30, 2012, the contribution rates were 28.05 percent (\$9,824,711) and 24.91 percent (\$8,467,342), respectively.

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

**2.2 Formula Contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$211,236. Contributions for the years ending June 30, 2013, and June 30, 2012, were \$203,818 and \$197,978, respectively.

**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, district contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

## PARK RIDGE-NILES SCHOOL DISTRICT 64

### Notes to Financial Statements (continued)

June 30, 2014

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For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2013 and 2012 the employer contribution was 28.05 and 24.91 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2014, salaries totaling \$82,912 were paid from federal and special trust funds that required employer contributions of \$29,359. For the years ended June 30, 2013 and June 30, 2012, required district contributions were \$32,369 and \$35,450, respectively.

**Early Retirement Option (ERO).** The district is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the district paid \$116,667 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the district made \$0 and \$79,866, to TRS for district ERO contributions, respectively.

#### **Salary increases over 6 percent and excess sick leave.**

If a district grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the district makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2014, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2013 and 2012, the District made payments of \$25,319 and \$18,601 in employer contributions due on salary increases in excess of 6 percent, respectively.

If a district grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the district makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the year ended June 30, 2013 and 2012, the District made payments of \$2,122 and \$6,923, respectively in employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report*



## PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2014

for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://www.trs.illinois.gov>.

### **Illinois Municipal Retirement Fund:**

*Plan Description.* The district's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The district plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), and 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).

*Funding Policy.* As set by statute, your district Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires districts to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The district annual required contribution rate for calendar year 2013 was 13.82 percent. The district also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for the calendar year 2013 was \$1,162,621.

### Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 1,162,621	100%	\$ -
12/31/2012	1,050,506	97%	261,349
12/31/2011	1,016,769	90%	104,758

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your district Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The district Regular plan's



**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2014

unfunded actuarial accrued at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 64.28 percent funded. The actuarial accrued liability for benefits was \$19,541,641 and the actuarial value of assets was \$12,562,155, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,979,486. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$8,412,599 and the ratio of the UAAL to the covered payroll was 83 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 8. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)**

The District is a member of 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, 1441 Lake Street, Libertyville, IL 60048.

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

Expenditures exceeded the budgeted amount in the following Funds:

	Budget	Actual	Over (under)
General Fund:			
Educational Account	\$ 57,061,368	\$68,398,308	\$ 11,336,940
Operation and Maintenance Account	5,703,210	5,269,715	(433,495)
Tort and Immunity Account	794,818	787,811	(7,007)
Total General Fund:	<u>\$ 63,559,396</u>	<u>\$74,455,834</u>	<u>\$ 10,896,438</u>
Debt Service Fund	<u>\$ 2,795,575</u>	<u>\$ 2,981,195</u>	<u>\$ 185,620</u>
Capital Projects Fund	<u>\$ 5,073,886</u>	<u>\$ 5,440,440</u>	<u>\$ 366,554</u>

The expenditure variance was sufficiently absorbed by surpluses that existed at the beginning of the

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Financial Statements (continued)  
June 30, 2014

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, 2014:

Transfer From	Transfer To	Amount
General Fund - Working Cash Account	General Fund - Education Account	\$ 176,377
General Fund - Working Cash Account	General Fund - Operations & Maintenance Account	8,600,000
General Fund - Operations & Maintenance Account	Capital Projects Fund	8,600,000
Debt Service Fund	General Fund - Education Account	<u>32,567</u>
	Total Transfers	<u>\$ 17,408,944</u>

Transfers to the General Fund were for transfers of investment income. Transfers from the General Fund to the Capital Projects Fund were to provide funds for capital expenditures.

**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



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

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

June 30, 2014

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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 \$1,428,199.

#### **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, 2014, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

#### **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 \$300,352. 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.

No committed balances existed as of June 30, 2014.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Notes to Financial Statements (continued)

June 30, 2014

**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.

No assigned balances existed as of June 30, 2014.

**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. Reconciliation of Fund Balance Reporting**

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational	\$ -	\$ -	\$ -	\$ -	\$ 25,751,539
Operations & Maintenance	-	-	-	-	1,428,982
Debt Service	-	3,671,811	-	-	-
Transportation	-	3,202,011	-	-	-
Municipal Retirement	-	750,879	-	-	-
Capital Projects	-	8,325,139	-	-	-
Working Cash	-	-	-	-	14,265,287
Tort Liability	-	1,428,199	-	-	-
	\$ -	\$ 17,378,039	\$ -	\$ -	\$ 41,445,808

**G. 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 (concluded)  
June 30, 2014

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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, 2014, the District was committed to approximately \$3,000,000 in ongoing construction contracts.

**NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE**

During the fiscal year ended June 30, 2014, the District implemented the requirements of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities." Statement 63 is effective for the District's fiscal year ending June 30, 2014 and provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. As such, the District modified its government-wide financial statement presentation to incorporate these requirements.

Statement 65 is effective for the District's fiscal year ended June 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

**PARK RIDGE-NILES SCHOOL DISTRICT 64**

Schedule of Funding Progress  
Illinois Municipal Retirement Fund  
June 30, 2014

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2013	\$12,562,155	\$ 19,541,641	\$ 6,979,486	64.28%	\$ 8,412,599	82.96%
12/31/2012	11,177,577	18,187,351	7,009,774	61.46%	7,857,184	89.21%
12/31/2011	11,520,892	18,481,649	6,960,757	62.34%	7,702,793	90.37%

On the market value basis, the actuarial value of assets as of December 31, 2013 is \$15,773,322.  
On a market basis, the funded ratio would be 80.72%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Park Ridge SD 64. The do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.



**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Schedule of Funding Progress (Unaudited)  
Other Postemployment Benefits  
June 30, 2014

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>
June 30, 2009	\$ -	\$4,424,147	\$4,424,147	0.00%
June 30, 2010	-	4,761,869	4,761,869	0.00%
June 30, 2011	-	4,802,303	4,802,303	0.00%
June 30, 2012	-	5,171,355	5,171,355	0.00%
June 30, 2013	-	4,734,856	4,734,856	0.00%
June 30, 2014	-	5,001,428	5,001,428	0.00%

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL**  
**YEAR ENDED JUNE 30, 2014**

	General		
	Original and Final Budget	Actual	Variance Over/ (Under)
<b>REVENUES</b>			
Local sources	\$ 62,726,520	\$ 62,192,998	\$ (533,522)
State sources	3,413,303	16,684,067	13,270,764
Federal sources	1,524,833	1,506,218	(18,615)
Total Revenues	67,664,656	80,383,283	12,718,627
<b>EXPENDITURES</b>			
Current operating:			
Instruction	40,674,475	52,498,487	(11,824,012)
Support services	21,103,214	20,242,726	860,488
Community services	901,513	872,644	28,869
Payments to other districts	880,194	841,977	38,217
Total Expenditures	63,559,396	74,455,834	(10,896,438)
Excess of revenues over expenditures	4,105,260	5,927,449	1,822,189
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	186,900	8,808,944	8,622,044
Principal on bond sold	-	7,767,770	7,767,770
Premium on bond sold	-	832,230	832,230
Sale of capital asset	-	1,000	1,000
Transfers out	(173,700)	(17,376,377)	(17,202,677)
Total other financing sources (uses)	13,200	33,567	20,367
Net changes in fund balance	\$ 4,118,460	5,961,016	\$ 1,842,556
Fund balances at beginning of year		36,912,991	
FUND BALANCES AT END OF YEAR		\$ 42,874,007	

**PARK RIDGE-NILES SCHOOL DISTRICT 64**  
Notes to Required Supplementary Information  
Budgetary Comparison Schedules  
June 30, 2014

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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 23, 2013.
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, 2014**

	Educational	Operations and Maintenance	Working Cash	Tort and Immunity	Total General
<b><u>ASSETS</u></b>					
Cash and investments	\$ 32,052,468	\$ 1,511,909	\$ 14,099,760	\$ 1,425,880	\$ 49,090,017
Receivables:					
Property taxes	24,118,105	3,442,773	211,309	315,565	28,087,752
Due from other governments	194,065	-	-	-	194,065
Other receivables	124,856	307	115,053	2,797	243,013
Other current assets	277,591	-	50,474	-	328,065
<b>TOTAL ASSETS</b>	<b>\$ 56,767,085</b>	<b>\$ 4,954,989</b>	<b>\$ 14,476,596</b>	<b>\$ 1,744,242</b>	<b>\$ 77,942,912</b>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>					
<b>Liabilities:</b>					
Accounts payable	\$ 253,156	\$ 83,234	\$ -	\$ 478	\$ 336,868
Accrued salaries and related expenditures	6,644,285	-	-	-	6,644,285
<b>Total Liabilities</b>	<b>6,897,441</b>	<b>83,234</b>	<b>-</b>	<b>478</b>	<b>6,981,153</b>
<b>Deferred Inflows:</b>					
Unearned property tax revenue	24,118,105	3,442,773	211,309	315,565	28,087,752
<b>Fund Balances:</b>					
Restricted	-	-	-	1,428,199	1,428,199
Unassigned	25,751,539	1,428,982	14,265,287	-	41,445,808
<b>Total Fund Balances</b>	<b>25,751,539</b>	<b>1,428,982</b>	<b>14,265,287</b>	<b>1,428,199</b>	<b>42,874,007</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>	<b>\$ 56,767,085</b>	<b>\$ 4,954,989</b>	<b>\$ 14,476,596</b>	<b>\$ 1,744,242</b>	<b>\$ 77,942,912</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, 2014**

	Educational	Operations and Maintenance	Working Cash	Tort and Immunity	Total General
<b>REVENUES</b>					
Local sources	\$ 52,774,525	\$ 8,222,904	\$ 590,181	\$ 605,388	\$ 62,192,998
State sources	16,684,067	-	-	-	16,684,067
Federal sources	1,506,218	-	-	-	1,506,218
Total Revenues	70,964,810	8,222,904	590,181	605,388	80,383,283
<b>EXPENDITURES</b>					
Current operating:					
Instruction	52,498,487	-	-	-	52,498,487
Support services	14,189,981	5,269,715	-	787,811	20,247,507
Community services	872,644	-	-	-	872,644
Payments to other districts	837,196	-	-	-	837,196
Total Expenditures	68,398,308	5,269,715	-	787,811	74,455,834
Excess (deficiency) of revenues over expenditures	2,566,502	2,953,189	590,181	(182,423)	5,927,449
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	208,944	8,600,000	-	-	8,808,944
Principal on bond sold	-	-	7,767,770	-	7,767,770
Premium on bond sold	-	-	832,230	-	832,230
Sale of capital asset	-	1,000	-	-	1,000
Transfers out	-	(8,600,000)	(8,776,377)	-	(17,376,377)
Total other financing sources (uses)	208,944	1,000	(176,377)	-	33,567
Net changes in fund balance	2,775,446	2,954,189	413,804	(182,423)	5,961,016
Fund balances (deficit) at beginning of year	22,976,093	(1,525,207)	13,851,483	1,610,622	36,912,991
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 25,751,539</u>	<u>\$ 1,428,982</u>	<u>\$ 14,265,287</u>	<u>\$ 1,428,199</u>	<u>\$ 42,874,007</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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			
	Final Budget	Actual	Variance over/under	2013 Actual
REVENUES				
Local Sources:				
General tax levy	\$ 47,945,000	\$ 47,176,032	\$ (768,968)	\$ 44,910,597
Special education levy	406,360	389,958	(16,402)	449,468
Corporate replacement taxes	1,018,144	1,018,607	463	1,034,473
Tuition	299,501	306,280	6,779	299,435
Earnings on investments	292,100	284,620	(7,480)	(8,268)
Food services	511,000	755,948	244,948	509,509
Pupil activities	62,800	68,187	5,387	62,330
Textbooks	919,700	1,151,759	232,059	919,496
Contributions and donations	3,700	400	(3,300)	3,666
Payments of surplus monies from TIF districts	636,329	503,379	(132,950)	636,329
Payment from other LEA's	259,364	264,426	5,062	474,376
Other	941,300	854,929	(86,371)	1,028,342
Total Local Sources	53,295,298	52,774,525	(520,773)	50,319,753
State Sources:				
General state aid	1,359,713	1,359,583	(130)	1,361,764
Bilingual education	2,164	-	(2,164)	77
Special education	1,996,355	2,096,966	100,611	2,605,936
School lunch aid	1,750	919	(831)	1,169
On behalf payments to TRS from the state	-	13,220,249	13,220,249	10,148,009
Other grants-in-aid	3,321	6,350	3,029	3,321
Total State Sources	3,363,303	16,684,067	13,320,764	14,120,276
Federal Sources:				
National school lunch program	32,523	32,009	(514)	39,054
Preschool flow through	17,873	19,048	1,175	20,603
IDEA	1,211,749	1,204,704	(7,045)	1,065,906
Medicaid matching	186,531	175,392	(11,139)	186,509
Title II - teacher quality	74,975	75,065	90	70,380
Other	1,182	-	(1,182)	1,182
Total Federal Sources	1,524,833	1,506,218	(18,615)	1,383,634
Total Revenues	\$ 58,183,434	\$ 70,964,810	\$ 12,781,376	\$ 65,823,663

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs:				
Salaries	\$ 25,042,446	\$ 24,297,522	\$ 744,924	\$ 23,692,705
Employee benefits	2,955,902	2,735,905	219,997	2,554,437
On-behalf payments to TRS from the state	-	13,220,249	(13,220,249)	10,148,009
Purchased services	56,866	69,601	(12,735)	58,330
Supplies and materials	1,064,306	999,146	65,160	1,179,799
Capital outlay	226,800	237,784	(10,984)	86,572
Other	1,500	1,280	220	1,316
Total	29,347,820	41,561,487	(12,213,667)	37,721,168
Special programs:				
Salaries	5,944,971	6,263,763	(318,792)	5,946,499
Employee benefits	1,023,064	1,077,897	(54,833)	901,759
Purchased services	26,263	30,251	(3,988)	66,252
Supplies and materials	72,481	69,605	2,876	72,979
Capital outlay	9,000	4,996	4,004	1,495
Total	7,075,779	7,446,512	(370,733)	6,988,984
Special programs pre-K:				
Salaries	1,212,616	541,297	671,319	568,017
Employee benefits	67,589	67,062	527	58,276
Purchased services	-	3,047	(3,047)	-
Supplies and materials	10,440	13,106	(2,666)	10,577
Total	1,290,645	624,512	666,133	636,870
Remedial and supplemental programs K-12				
Salaries	99,335	122,286	(22,951)	93,122
Employee benefits	20,529	25,195	(4,666)	17,679
Total	\$ 119,864	\$ 147,481	\$ (27,617)	\$ 110,801

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Interscholastic programs:				
Salaries	\$ 90,200	\$ 95,633	\$ (5,433)	\$ 85,159
Employee benefits	1,113	1,155	(42)	1,034
Purchased services	10,760	5,819	4,941	7,820
Supplies and materials	4,500	5,841	(1,341)	3,860
Capital outlay	500	-	500	-
Other	2,400	1,400	1,000	2,292
Total	109,473	109,848	(375)	100,165
Summer school:				
Salaries	202,500	160,993	41,507	194,442
Employee benefits	1,982	1,572	410	1,848
Purchased services	8,500	6,980	1,520	7,972
Supplies and materials	9,500	9,674	(174)	9,765
Total	222,482	179,219	43,263	214,027
Gifted programs:				
Salaries	1,019,834	1,025,874	(6,040)	951,720
Employee benefits	135,300	126,200	9,100	116,425
Purchased services	12,000	2,776	9,224	-
Supplies and materials	9,959	10,547	(588)	5,271
Total	1,177,093	1,165,397	11,696	1,073,416
Bilingual:				
Salaries	415,793	402,867	12,926	389,815
Employee benefits	53,326	51,165	2,161	45,919
Purchased services	2,200	779	1,421	728
Supplies and materials	10,000	12,974	(2,974)	14,159
Total	481,319	467,785	13,534	450,621
Special education programs K-12- private tuition				
Other objects	850,000	796,246	53,754	1,090,042
Total	850,000	796,246	53,754	1,090,042
Total Instruction	\$ 40,674,475	\$ 52,498,487	\$ (11,824,012)	\$ 48,386,094

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Support Services:				
Pupils:				
Attendance and social work:				
Salaries	\$ 983,884	\$ 956,366	\$ 27,518	\$ 920,086
Employee benefits	112,654	113,302	(648)	101,617
Supplies and materials	315	173	142	57
Total	1,096,853	1,069,841	27,012	1,021,760
Guidance services:				
Salaries	153,132	146,491	6,641	143,553
Employee benefits	11,438	10,560	878	9,927
Supplies and materials	2,900	2,141	759	1,770
Total	167,470	159,192	8,278	155,250
Health services:				
Salaries	941,763	926,752	15,011	821,386
Employee benefits	134,150	130,985	3,165	119,266
Purchased services	49,170	46,017	3,153	33,262
Supplies and materials	15,830	6,605	9,225	7,631
Capital outlay	1,535	-	1,535	-
Total	1,142,448	1,110,359	32,089	981,545
Psychological services:				
Salaries	456,916	427,613	29,303	446,151
Employee benefits	35,170	28,410	6,760	32,422
Purchased services	7,339	5,945	1,394	5,063
Supplies and materials	6,942	6,918	24	7,230
Other	700	700	-	700
Total	507,067	469,586	37,481	491,566
Speech pathology and audiology services:				
Salaries	1,327,458	1,226,238	101,220	1,241,527
Employee benefits	173,409	151,606	21,803	151,611
Purchased services	2,300	125	2,175	113
Supplies and materials	1,626	862	764	959
Total	\$ 1,504,793	\$ 1,378,831	\$ 125,962	\$ 1,394,210

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Instructional staff:				
Improvement of instruction services:				
Salaries	\$ 536,913	\$ 581,867	\$ (44,954)	\$ 456,627
Employee benefits	71,887	76,396	(4,509)	67,865
Purchased services	245,987	180,918	65,069	173,829
Supplies and materials	425,270	463,688	(38,418)	57,006
Other	1,319	600	719	600
Total	1,281,376	1,303,469	(22,093)	755,927
Education media:				
Salaries	729,514	711,479	18,035	676,227
Employee benefits	97,922	89,383	8,539	85,884
Purchased services	56,000	56,149	(149)	49,835
Supplies and materials	100,224	86,701	13,523	97,558
Total	983,660	943,712	39,948	909,504
Assessment and testing:				
Purchased services	36,000	12,000	24,000	26,121
Total	36,000	12,000	24,000	26,121
General administration:				
Board of education:				
Salaries	25,000	-	25,000	6,622
Employee Benefits	430,774	401,052	29,722	703,451
Purchased services	245,259	377,708	(132,449)	212,529
Supplies and materials	1,400	1,431	(31)	507
Other	16,000	10,833	5,167	11,658
Total	718,433	791,024	(72,591)	934,767
Executive administration:				
Salaries	281,143	284,901	(3,758)	270,916
Employee benefits	41,094	43,631	(2,537)	37,471
Purchased services	9,920	6,149	3,771	8,456
Supplies and materials	500	489	11	742
Capital outlay	2,000	1,332	668	1,939
Other	3,000	4,902	(1,902)	2,690
Total	\$ 337,657	\$ 341,404	\$ (3,747)	\$ 322,214

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Special area administrative services:				
Salaries	\$ 256,300	\$ 254,776	\$ 1,524	\$ 257,482
Employee benefits	63,353	56,880	6,473	57,605
Purchased services	6,563	3,073	3,490	2,655
Supplies and materials	-	54	(54)	-
Total	326,216	314,783	11,433	317,742
School administration:				
Office of the principal:				
Salaries	2,306,856	2,326,541	(19,685)	2,236,405
Employee benefits	487,889	470,827	17,062	442,039
Purchased services	77,676	45,444	32,232	42,586
Supplies and materials	29,640	16,193	13,447	22,244
Total	2,902,061	2,859,005	43,056	2,743,274
Fiscal services:				
Salaries	534,773	594,759	(59,986)	586,922
Employee benefits	75,148	74,596	552	64,875
Purchased services	60,320	107,580	(47,260)	56,630
Supplies and materials	4,500	2,924	1,576	3,770
Capital outlay	6,000	2,991	3,009	-
Other	90,000	112,081	(22,081)	84,594
Total	770,741	894,931	(124,190)	796,791
Pupil transportation services:				
Purchased services	-	157	(157)	402
Total	-	157	(157)	402
Food services:				
Purchased services	575,003	566,887	8,116	551,638
Supplies and materials	2,500	5,951	(3,451)	-
Total	577,503	572,838	4,665	551,638
Internal services:				
Employee benefits	100	-	100	61
Purchased services	263,687	237,389	26,298	295,292
Supplies and materials	67,224	59,791	7,433	65,070
Total	\$ 331,011	\$ 297,180	\$ 33,831	\$ 360,423

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Information services:				
Salaries	\$ 108,716	\$ 108,716	\$ -	\$ 103,583
Employee benefits	235	190	45	163
Purchased services	64,639	34,499	30,140	3,872
Total	173,590	143,405	30,185	107,618
Staff services:				
Salaries	384,536	291,920	92,616	341,036
Employee benefits	65,543	59,654	5,889	58,715
Purchased services	70,949	83,980	(13,031)	62,431
Supplies and materials	1,500	53	1,447	1,077
Capital outlay	-	-	-	4,204
Total	522,528	435,607	86,921	467,463
Data processing services:				
Salaries	610,161	588,372	21,789	573,700
Employee benefits	118,269	111,806	6,463	105,238
Purchased services	231,860	150,319	81,541	118,712
Supplies and materials	95,250	49,816	45,434	51,742
Capital outlay	189,300	192,344	(3,044)	29,775
Total	1,244,840	1,092,657	152,183	879,167
Total Support Services	14,624,247	14,189,981	434,266	13,217,382
Community services:				
Salaries	807,500	802,936	4,564	811,394
Employee benefits	34,508	25,878	8,630	8,105
Purchased services	16,505	14,277	2,228	18,619
Supplies and materials	43,000	29,395	13,605	29,431
Other	-	158	(158)	-
Total Community Services	\$ 901,513	\$ 872,644	\$ 28,869	\$ 867,549

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Payments to other districts and governmental units:				
Payments for special education programs	\$ 861,133	\$ 837,196	\$ 23,937	\$ 890,622
Total	861,133	837,196	23,937	890,622
Total Expenditures	57,061,368	68,398,308	(11,336,940)	63,361,647
Excess of revenues over expenditures	1,122,066	2,566,502	1,444,436	2,462,016
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	186,900	208,944	22,044	184,659
Transfers out	-	-	-	(2,000,000)
Total other financing sources (uses)	186,900	208,944	22,044	(1,815,341)
Net changes in fund balance	<u>\$ 1,308,966</u>	2,775,446	<u>\$ 1,466,480</u>	646,675
Fund balance at beginning of year		22,976,093		22,329,418
FUND BALANCE AT END OF YEAR		<u>\$ 25,751,539</u>		<u>\$ 22,976,093</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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 8,180,000	\$ 8,086,148	\$ (93,852)	\$ 8,097,402
Earnings on investments	3,600	7,508	3,908	3,762
Rentals	56,556	52,293	(4,263)	55,920
Donations	-	-	-	-
Other	31,952	76,955	45,003	217,344
Total Local Sources	8,272,108	8,222,904	(49,204)	8,374,428
State Sources:				
Infrastructure improvements	50,000	-	(50,000)	-
Total State Sources	50,000	-	(50,000)	-
Federal Sources:				
Other federal aid (refund)	-	-	-	(6)
Total Federal Sources	-	-	-	(6)
Total Revenues	8,322,108	8,222,904	(99,204)	8,374,422
<b>EXPENDITURES</b>				
Current operating:				
Support services:				
Facilities acquisition services:				
Purchased services	200,000	10,467	189,533	41,326
Total Facilities Acquisition Services	200,000	10,467	189,533	41,326
Operations and maintenance of				
Plant services:				
Salaries	2,700,158	2,592,678	107,480	2,596,658
Employee benefits	432,329	368,900	63,429	392,878
Purchased services	859,213	936,500	(77,287)	1,012,334
Supplies and materials	1,003,849	897,564	106,285	847,601
Capital outlay	488,600	458,825	29,775	279,056
Total Operation and Maintenance of Plant Services	5,484,149	5,254,467	229,682	5,128,527
Total Support Services	\$ 5,684,149	\$ 5,264,934	\$ 419,215	\$ 5,169,853

(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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Payments to other districts and governmental units:				
Purchased services	\$ 19,061	\$ 4,781	\$ 14,280	\$ 25,703
Total payments to other districts	19,061	4,781	14,280	25,703
Total Expenditures	5,703,210	5,269,715	433,495	5,195,556
Excess of revenues over expenditures	2,618,898	2,953,189	(532,699)	3,178,866
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	8,600,000	8,600,000	-
Sale of capital asset	-	1,000	1,000	-
Transfers out	-	(8,600,000)	(8,600,000)	(3,500,000)
Total other financing sources (uses)	-	1,000	1,000	(3,500,000)
Net changes in fund balance	\$ 2,618,898	2,954,189	\$ (531,699)	(321,134)
Fund deficit at beginning of year		(1,525,207)		(1,204,073)
FUND BALANCE (DEFICIT) AT END OF YEAR		\$ 1,428,982		\$ (1,525,207)



**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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy (refund)	\$ 390,000	\$ 389,981	\$ (19)	\$ 448,596
Earnings on investments	173,700	200,200	26,500	(28,450)
Total Local Sources	563,700	590,181	26,481	420,146
Total Revenues	563,700	590,181	26,481	420,146
Excess of revenues over expenditures	563,700	590,181	26,481	420,146
<b>OTHER FINANCING SOURCES (USES)</b>				
Principal on bond sold	-	7,767,770	7,767,770	-
Premium on bond sold	-	832,230	832,230	-
Transfers out	(173,700)	(8,776,377)	(8,602,677)	(171,954)
Total other financing sources (uses)	(173,700)	(176,377)	(2,677)	(171,954)
Net changes in fund balance	<u>\$ 390,000</u>	413,804	<u>\$ 23,804</u>	248,192
Fund balance at beginning of year		13,851,483		13,603,291
FUND BALANCE AT END OF YEAR		<u>\$ 14,265,287</u>		<u>\$ 13,851,483</u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**TORT IMMUNITY AND JUDGMENT ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
Tort immunity levy	\$ 588,000	\$ 583,922	\$ (4,078)	\$ 646,342
Earnings on investments	7,000	13,798	6,798	(5,756)
Other	414	7,668	7,254	414
Total Local Sources	595,414	605,388	9,974	641,000
<b>EXPENDITURES</b>				
Support services:				
Workers' compensation or workers' occupational disease act payment:				
Purchased services	435,900	409,406	26,494	420,818
Total	435,900	409,406	26,494	420,818
Unemployment insurance payment:				
Employee benefits	10,020	24,060	(14,040)	9,366
Total	10,020	24,060	(14,040)	9,366
Insurance payment:				
Purchased services	183,898	169,491	14,407	174,284
Total	183,898	169,491	14,407	174,284
Risk management and claims services payments:				
Purchased services	35,000	25,786	9,214	2,371
Supplies and materials	-	13	(13)	-
Capital outlay	130,000	153,433	(23,433)	-
Total	165,000	179,232	(14,232)	2,371
Educational, inspectional, supervisory services related to loss prevention of reduction:				
Supplies and materials	-	5,622	(5,622)	6,941
Total	-	5,622	(5,622)	6,941
Total support	\$ 794,818	\$ 787,811	\$ 7,007	\$ 613,780

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**TORT IMMUNITY AND JUDGMENT ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
Total Expenditures	794,818	787,811	7,007	613,780
Excess (deficiency) of revenues over expenditures	<u>\$ (199,404)</u>	(182,423)	<u>\$ 16,981</u>	27,220
Fund balance at beginning of year		1,610,622		1,583,402
FUND BALANCE AT END OF YEAR		<u>\$ 1,428,199</u>		<u>\$ 1,610,622</u>



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>					
<b>Assets:</b>					
Cash and investments	\$ 3,162,662	\$ 745,993	\$ 3,671,811	\$ 9,118,397	\$ 16,698,863
Receivables:					
Property taxes	526,841	1,099,884	1,724,607	-	3,351,332
Other receivables	18,097	4,886	-	639	23,622
Other assets	38,614	-	-	3,873	42,487
<b>TOTAL ASSETS</b>	<u>\$ 3,746,214</u>	<u>\$ 1,850,763</u>	<u>\$ 5,396,418</u>	<u>\$ 9,122,909</u>	<u>\$ 20,116,304</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>					
<b>Liabilities:</b>					
Accounts payable	\$ 17,362	\$ -	\$ -	\$ 797,770	\$ 815,132
<b>Total Liabilities</b>	<u>17,362</u>	<u>-</u>	<u>-</u>	<u>797,770</u>	<u>815,132</u>
<b>Deferred Inflows:</b>					
Unearned property tax revenue	<u>526,841</u>	<u>1,099,884</u>	<u>1,724,607</u>	<u>-</u>	<u>3,351,332</u>
<b>Fund Balance:</b>					
Restricted	<u>3,202,011</u>	<u>750,879</u>	<u>3,671,811</u>	<u>8,325,139</u>	<u>15,949,840</u>
<b>Total Fund Balance</b>	<u>3,202,011</u>	<u>750,879</u>	<u>3,671,811</u>	<u>8,325,139</u>	<u>15,949,840</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 3,746,214</u>	<u>\$ 1,850,763</u>	<u>\$ 5,396,418</u>	<u>\$ 9,122,909</u>	<u>\$ 20,116,304</u>

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Transportation	Municipal Retirement/ Social Security	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 1,075,917	\$ 1,932,538	\$ 3,083,793	\$ 41,938	\$ 6,134,186
State sources	548,855	-	-	235,279	784,134
Total Revenues	<u>1,624,772</u>	<u>1,932,538</u>	<u>3,083,793</u>	<u>277,217</u>	<u>6,918,320</u>
<b>EXPENDITURES</b>					
Current operating:					
Instruction	-	939,215	-	-	939,215
Support services	1,605,490	1,445,249	-	5,440,440	8,491,179
Community services	-	91,907	-	-	91,907
Debt service:					
Principal	-	-	2,275,000	-	2,275,000
Interest and other	-	-	706,195	-	706,195
Total Expenditures	<u>1,605,490</u>	<u>2,476,371</u>	<u>2,981,195</u>	<u>5,440,440</u>	<u>12,503,496</u>
Excess (deficiency) of revenues over expenditures	<u>19,282</u>	<u>(543,833)</u>	<u>102,598</u>	<u>(5,163,223)</u>	<u>(5,585,176)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	8,600,000	8,600,000
Principal on bond sold	-	-	932,230	-	932,230
Deposit with paying agent	-	-	(788,480)	-	(788,480)
Transfers Out	-	-	(32,567)	-	(32,567)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>111,183</u>	<u>8,600,000</u>	<u>8,711,183</u>
Net changes in fund balance	19,282	(543,833)	213,781	3,436,777	3,126,007
Fund balances at beginning of year	<u>3,182,729</u>	<u>1,294,712</u>	<u>3,458,030</u>	<u>4,888,362</u>	<u>12,823,833</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,202,011</u>	<u>\$ 750,879</u>	<u>\$ 3,671,811</u>	<u>\$ 8,325,139</u>	<u>\$ 15,949,840</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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 985,000	\$ 972,999	\$ (12,001)	\$ 1,205,431
Regular transportation fees	63,087	67,529	4,442	63,008
Earnings on investments	16,200	35,389	19,189	5,819
Total Local Sources	1,064,287	1,075,917	11,630	1,274,258
State Sources:				
Transportation aid	576,929	548,855	(28,074)	704,979
Total State Sources	576,929	548,855	(28,074)	704,979
Total Revenues	1,641,216	1,624,772	(16,444)	1,979,237
<b>EXPENDITURES</b>				
Current operating:				
Support Services:				
Pupil Transportation Services:				
Salaries	31,250	13,258	17,992	30,628
Employee benefits	-	1,708	(1,708)	-
Purchased services	1,640,550	1,590,524	50,026	1,595,115
Total Support Services	1,671,800	1,605,490	66,310	1,625,743
Total Expenditures	1,671,800	1,605,490	66,310	1,625,743
Excess (deficiency) of revenues over expenditures	\$ (30,584)	19,282	\$ 49,866	353,494
Fund balance at beginning of year		3,182,729		2,829,235
FUND BALANCE AT END OF YEAR		\$ 3,202,011		\$ 3,182,729



**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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 787,000	\$ 1,024,398	\$ 237,398	\$ 854,208
Social security/medicare only levy	789,000	779,511	(9,489)	854,208
Corporate replacement taxes	94,687	123,654	28,967	94,687
Earnings on investments	8,000	4,975	(3,025)	6,617
Total Local Sources	1,678,687	1,932,538	253,851	1,809,720
Total Revenues	1,678,687	1,932,538	253,851	1,809,720
<b>EXPENDITURES</b>				
Current operating:				
Instruction				
Regular programs	391,204	368,799	22,405	359,441
Special education programs	588,533	537,739	50,794	538,981
Interscholastic programs	2,634	2,498	136	2,411
Summer school programs	9,396	6,992	2,404	8,572
Gifted programs	18,268	15,235	3,033	16,777
Bilingual programs	5,968	7,952	(1,984)	5,492
Total instruction	1,016,003	939,215	76,788	931,674
Support Services				
Pupils	187,545	189,414	(1,869)	171,791
Instructional staff	91,111	91,434	(323)	83,511
General administration	239,187	217,842	21,345	71,304
School administration	221,956	169,800	52,156	203,626
Business	666,686	619,053	47,633	610,022
Central	167,304	157,706	9,598	153,163
Total support services	1,573,789	1,445,249	128,540	1,293,417
Community services				
Community services - employee benefits	111,101	91,907	19,194	100,962
Total Expenditures	2,700,893	2,476,371	224,522	2,326,053
Deficiency of revenues over expenditures	\$ (1,022,206)	(543,833)	\$ 478,373	(516,333)
Fund balance at beginning of year		1,294,712		1,811,045
FUND BALANCE AT END OF YEAR		\$ 750,879		\$ 1,294,712

**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, 2014 WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
General tax levy	\$ 3,062,200	\$ 3,020,266	\$ (41,934)	\$ 2,863,992
Earnings on investments	13,200	63,527	50,327	(19,446)
Total Local Sources	3,075,400	3,083,793	8,393	2,844,546
Total Revenues	3,075,400	3,083,793	8,393	2,844,546
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	2,275,000	2,275,000	-	2,160,000
Interest on bonds	510,575	558,867	(48,292)	627,888
Other	10,000	147,328	(137,328)	3,577
Total Expenditures	2,795,575	2,981,195	(185,620)	2,791,465
Excess of revenues over expenditures	279,825	102,598	(177,227)	53,081
<b>OTHER FINANCING SOURCES (USES)</b>				
Principal on bond sold	-	932,230	932,230	-
Deposit with paying agent	-	(788,480)	(788,480)	-
Transfers out	(13,200)	(32,567)	(19,367)	(12,705)
Total other financing sources (uses)	(13,200)	111,183	124,383	(12,705)
Net changes in fund balance	\$ 266,625	213,781	\$ (52,844)	40,376
Fund balance at beginning of year		3,458,030		3,417,654
FUND BALANCE AT END OF YEAR		\$ 3,671,811		\$ 3,458,030

**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, 2014, WITH COMPARATIVE ACTUAL TOTALS FOR 2013**

	2014			2013
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources:				
Earnings on investments	\$ 2,500	\$ 41,938	\$ 39,438	\$ (2,127)
Total Local Sources	2,500	41,938	39,438	(2,127)
State Sources:				
Other grants-in-aid	-	235,279	235,279	-
Total State Sources	-	235,279	235,279	-
Total Revenues	2,500	277,217	274,717	(2,127)
<b>EXPENDITURES</b>				
Facilities acquisition:				
Purchased services	873,886	689,897	183,989	330,029
Capital outlay	4,200,000	4,749,770	(549,770)	2,348,206
Total support services	5,073,886	5,439,667	(365,781)	2,678,235
Other support services:				
Purchased services	-	68	(68)	-
Other	-	705	(705)	-
Total other support services	-	773	(773)	-
Total Expenditures	5,073,886	5,440,440	(366,554)	2,678,235
Deficiency of revenues over expenditures	(5,071,386)	(5,163,223)	641,271	(2,680,362)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	8,600,000	8,600,000	5,500,000
Net changes in fund balance	\$ (5,071,386)	3,436,777	\$ 9,241,271	2,819,638
Fund balance at beginning of year		4,888,362		2,068,724
FUND BALANCE AT END OF YEAR		\$ 8,325,139		\$ 4,888,362



**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**AGENCY FUND - ACTIVITY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>Assets:</b>				
Cash	\$ 95,465	\$ 410,903	\$ 399,437	\$ 106,931
<b>Liabilities:</b>				
Due to organizations	\$ 95,465	\$ 410,903	\$ 399,437	\$ 106,931

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

	2013	2012	2011	2010	2009
Assessed Valuation	<u>\$ 1,399,438,847</u>	<u>\$ 1,705,216,205</u>	<u>\$ 1,843,115,448</u>	<u>\$ 2,016,342,297</u>	<u>\$ 2,137,881,366</u>
Rates extended:					
Educational	3.4609	2.7710	2.3906	2.1686	1.8996
Tort immunity	0.0440	0.0348	0.0394	0.0360	0.0635
Special education	0.0294	0.0233	0.0284	0.0240	0.0212
Operations and maintenance	0.5439	0.4796	0.4513	0.3815	0.3177
Transportation	0.0734	0.0581	0.0805	0.0841	0.0953
Illinois municipal retirement/ Social security	0.1533	0.0930	0.1036	0.1080	0.1122
Debt service	0.2368	0.1752	0.1621	0.1483	0.1258
Working cash	0.0294	0.0233	0.0282	0.0000	0.0500
Total rates extended	<u>4.5711</u>	<u>3.6583</u>	<u>3.2841</u>	<u>2.9505</u>	<u>2.6853</u>
Property tax extensions:					
Educational	\$ 48,433,179	\$ 47,251,541	\$ 44,061,698	\$ 43,726,428	\$ 40,611,477
Tort immunity	615,753	593,415	726,892	726,337	1,358,238
Special education	411,435	397,315	523,689	484,225	452,746
Operations and maintenance	7,611,547	8,178,216	8,318,803	7,691,912	6,791,191
Transportation	1,027,188	990,730	1,483,786	1,694,787	2,037,358
Illinois municipal retirement/ Social security	2,145,339	1,585,850	1,907,724	2,179,012	2,399,554
Debt service	3,313,381	2,988,064	2,987,250	2,991,030	2,690,520
Working cash	411,435	397,315	519,209	-	1,068,457
Total levies extended	<u>\$ 63,969,257</u>	<u>\$ 62,382,446</u>	<u>\$ 60,529,051</u>	<u>\$ 59,493,731</u>	<u>\$ 57,409,541</u>
Total collections	<u>\$ 32,530,173</u>	<u>\$ 61,824,683</u>	<u>\$ 60,377,816</u>	<u>\$ 57,441,746</u>	<u>\$ 56,434,406</u>
Percentage of extensions collected	<u>50.85%</u>	<u>99.11%</u>	<u>99.75%</u>	<u>96.55%</u>	<u>98.30%</u>

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

Source of information: Cook County Levy, Rate and Extension Reports for 2009-2013.

**PARK RIDGE-NILES SCHOOL DISTRICT NO. 64**  
**OPERATING COST AND TUITION CHARGE**  
**YEARS ENDED JUNE 30, 2013 AND JUNE 30, 2012**

	<u>2,014</u>	<u>2013</u>
Expenditures:		
Educational Fund	\$ 55,178,059	\$ 53,213,638
Operations and Maintenance Fund	5,269,715	5,195,556
Debt Service Fund	2,981,195	2,791,465
Transportation Fund	1,605,490	1,625,743
Municipal Retirement/Social Security Fund	2,476,371	2,326,053
Tort Immunity Fund	<u>787,811</u>	<u>613,780</u>
Total expenditures	<u>68,298,641</u>	<u>65,766,235</u>
Less revenues/expenditures not applicable to operating expense of regular program:		
Summer school	186,211	222,599
Tuition paid	796,246	1,090,042
Community services	964,551	968,511
Capital outlay	898,272	403,041
Bond and other principal retired	2,275,000	2,160,000
Payments to other districts and governmental units	<u>1,520,518</u>	<u>1,596,744</u>
	<u>6,640,798</u>	<u>6,440,937</u>
Regular operating expenditures	61,657,843	59,325,298
Offsetting revenues	<u>7,298,941</u>	<u>7,667,535</u>
Net operating expenditures	54,358,902	51,657,763
Depreciation allowance	<u>1,927,634</u>	<u>1,573,286</u>
Total allowance for tuition computation	<u>\$ 56,286,536</u>	<u>\$ 53,231,049</u>
Average daily attendance	<u>4,069</u>	<u>3,985</u>
Per capita tuition charge	<u>\$ 13,833</u>	<u>\$ 13,357</u>

Source of information: 2013 & 2014 annual financial reports