

**PARK RIDGE-NILES
SCHOOL DISTRICT 64**

Annual Financial Report

For the year ended
June 30, 2019

PARK RIDGE-NILES SCHOOL DISTRICT 64

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Park Ridge-Niles School District 64 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Park Ridge-Niles School District 64 as of June 30, 2019, 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 other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2018, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual, related to the 2018 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 schedules of revenues, expenditures and changes in fund balances - budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2019, on our consideration of Park Ridge-Niles School District 64's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Klein Hall CPAs". The signature is written in a cursive, flowing style.

Klein Hall CPAs
Aurora, Illinois
October 3, 2019

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2019

This section of Park Ridge-Niles School District 64's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section. All amounts are expressed in millions of dollars unless otherwise noted.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999. The MD&A is management's explanation of the District's financial position.

Financial Highlights

- In total, net position decreased by \$1.8 million. This is due to increases in operating costs during the year.
- General revenues accounted for \$73.2 in revenue or 67.5% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$35.2 million or 32.5% of total revenues of \$108.4 million.
- For the 11th consecutive year, the District is positioned to receive a Recognition financial profile rating from the Illinois State Board of Education in 2019, which is the highest possible rating. The State Board officially approves the ratings in March.
- The District made payments of \$1,830,000 on its Series 2014A bonds during the year. This leaves an outstanding balance of \$4,350,000 on the District's bond issue.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

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

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

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis
For the Year Ended June 30, 2019

Fund financial statements

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

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

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

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

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

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

Notes to the financial statements

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

Other information

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2019

Financial Analysis of the District as a Whole

Net position: The *combined* net position decreased 8.8% to \$18.6 million as of June 30, 2019 (See Figure A-1). The decrease is mainly attributable to increases in operating costs.

Figure A-1

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities	
	2019	2018
Assets		
Current and other assets	\$ 92.6	\$ 98.6
Capital assets	47.5	43.6
Total Assets	140.1	142.2
Deferred Outflows		
Deferred outflows related to pensions and OPEB	9.7	5.3
Total Deferred Outflows	9.7	5.3
Liabilities		
Current and other liabilities	5.8	6.8
Long-term debt outstanding	79.6	78.2
Total Liabilities	85.4	85.0
Deferred Inflows		
Property taxes levied for subsequent year	33.2	31.7
Deferred inflows related to pensions and OPEB	12.6	10.4
Total Deferred Inflows	45.8	42.1
Net position		
Net investment in capital assets	34.1	31.6
Restricted	15.5	16.8
Unrestricted	(31.0)	(28.0)
Total Net Position	\$ 18.6	\$ 20.4

The District's total revenues increased 12.2% to \$108.4 million (See Figure A-2). A new accounting principle was implemented in fiscal year 2019 which changed the accounting for payments made by the State to TRS on behalf of the District. This accounting change is responsible for 10.2% of the 12.2% increase in revenues from the prior year. Property taxes account for approximately 62.0% of the District's total revenues. An additional 31.6% of the District's revenue comes from Evidence Based Funding and state and federal grants. Only 6.4% comes from direct charges for services in the form of student fees or other miscellaneous local revenues such as interest income.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2019

The total cost of all programs and services increased 13.1% to \$110.2 million (See Figure A-2). A new accounting principle was implemented in fiscal year 2019 which changed the accounting for payments made by the State to TRS on behalf of the District. This accounting change is responsible for 10.2% of the 13.1% increase in expenses from the prior year. The District's expenses are predominantly related to instructing, caring for (pupil services), and transporting students 78.3%. Administrative and business activities accounted for 7.9% of total costs, and another 10.2% was for maintenance and operation of the District's buildings. 3.6% of expenses relate to community services, tuition paid to private facilities, and interest on long-term debt, which are combined into the other category. The percentage allocations by category returned to normal in 2019.

Total expenses surpassed revenues, decreasing net position by \$1.8 million from last year.

Figure A-2

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

	Governmental Activities	
	2019	2018
Revenues		
<i>Program Revenues</i>		
Charges for Services	\$ 4.3	\$ 4.5
Operating Grants & Contributions	30.9	21.2
Capital Grants & Contributions	-	-
<i>General Revenues</i>		
Taxes	67.2	66.8
Evidence based funding	3.4	3.4
Other	2.6	0.7
Total Revenues	108.4	96.6
Expenses		
Instruction	72.8	63.1
Pupil & Instructional Services	10.1	10.1
Administration & Business	8.7	8.3
Transportation	3.4	3.1
Operations & Maintenance	11.2	9.2
Other	4.0	3.6
Total Expenses	110.2	97.4
Increase (decrease) in net position	(1.8)	(0.8)
Net position - beginning of year, original	20.4	68.2
Prior period adjustment	0.0	-47.0
Net position - beginning of year, restated	20.4	21.2
Net position - end of year	\$ 18.6	\$ 20.4

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis
For the Year Ended June 30, 2019

Figure A-3 Sources of Revenues for Fiscal Year 2019

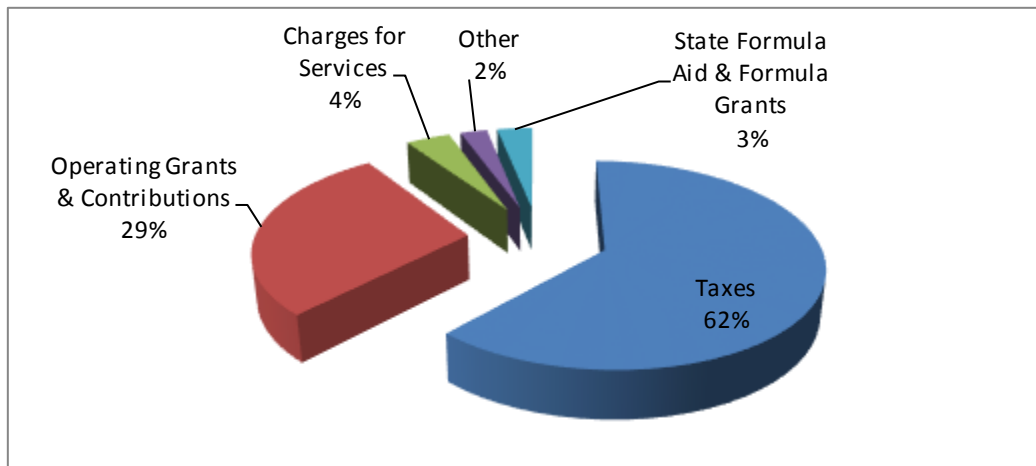
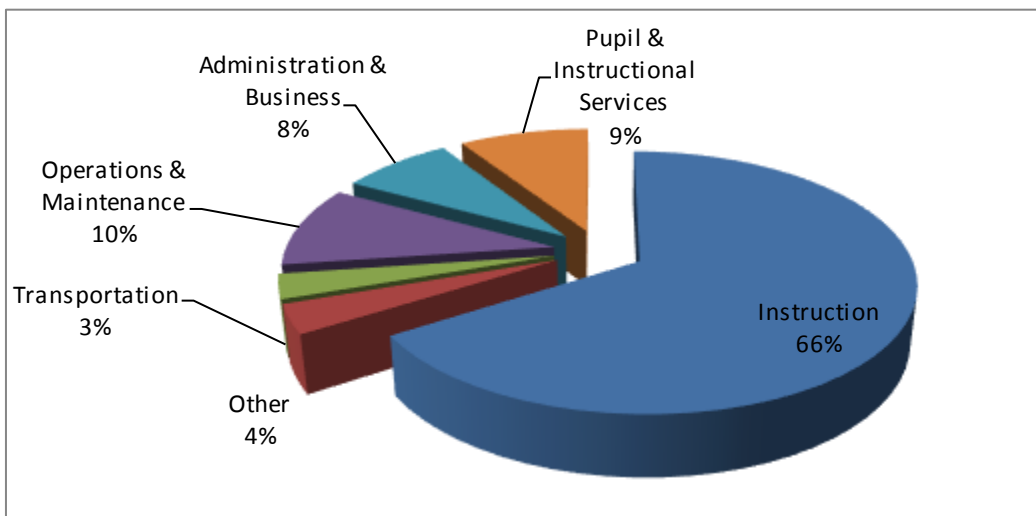


Figure A-4 Expenses for Fiscal Year 2019



Governmental Activities

The District's governmental activities reported a 12.2% increase in revenues and a 13.1% increase in expenses as compared to the prior year. This resulted in a \$1.8 million decrease in net position for fiscal year 2018-19.

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis
For the Year Ended June 30, 2019

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. The governmental funds as a whole reported fund balances of \$53.6 million, as compared to last year's ending fund balances of \$59.8 million. Three of the five governmental funds reported increases in fund balance in fiscal year 2018-19. The General Fund and the Capital Projects Fund were the two exceptions, and both funds were projected to increase in the 2018-19 budget. When the budget was prepared the District was expecting to issue \$9.5 million of bonds within the General Fund and transfer those funds to the Capital Projects Fund for facility improvements. The District elected not to issue the bonds this year and instead abated \$7 million from the General Fund to the Capital Projects Fund. The General Fund's fund balance decreased \$5 million because there were no bond proceeds to offset the abatement. The Capital Projects Fund's fund balance decreased \$2.3 million because there was \$2.5 million less fund balance abated since no bond proceeds were available. However, this decision to utilize fund balance reserves means there was no increase to the Debt Service tax levy for District taxpayers.

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 \$38.1 million of the District's \$53.6 million total fund balance is considered unassigned. This means the remaining \$15.5 million of fund balance is nonspendable or restricted for specific purposes such as debt service, retirement benefits, transportation, tort liability or capital projects.

General Fund Budgetary Highlights

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

- Revenues in the General Fund were lower than budgeted revenues by \$11.4 million. This equates to a 11.2% difference from budget and is attributable to the difficulty in predicting the amount of payments made by the State to TRS on behalf of the District. Budgeted revenues for on behalf payments exceeded actual revenues by \$12.7 million. The remainder of the budgetary difference in the General Fund is primarily due to earnings on investments exceeding expectations by \$1.2 million.
- The General Fund's expenditures were lower than budgeted by \$14.3 million (14.1%). Instructional budgeted expenditures exceeded actual expenditures by \$13.1 million. This is again due to the variance in on behalf payments from the State to TRS. Education media (technology) supplies were the largest area under budget (\$0.7 million) due to a large order as part of the student Chromebooks refresh cycle that was accrued in the previous fiscal year but paid for in 2018-19. Several purchased services accounts were under budget including: Food Services due to a conservative budget for the second year implementation of the elementary hot lunch program. Termination benefits were also under budget by \$0.2 million because many of this year's payouts to retirees for unused sick days and retirement incentives were accrued as liabilities in the prior year. The budget also includes a provision for contingencies in the amount of \$0.4 million with no actual expenses.
- In 2018-19 the District budgeted for a \$9.5 million bond issuance in the General Fund and a corresponding transfer of those funds to the Capital Projects Fund. The District did not issue the bonds but did abate \$7 million of fund balance in the General Fund to the Capital Projects Fund resulting in a \$7 million budget variance within the other financing sources and uses section of the financial statements.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2019

Capital Asset and Debt Administration***Capital Assets***

By the end of 2019, the District had invested \$47.1 million in a broad range of capital assets, including school buildings, computer equipment, audio-visual equipment and administrative offices (See Figure A-5). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was approximately \$3.0 million, while additions to buildings and equipment amounted to \$6.5 million (before a conversion of construction in progress of (\$0.5) million). Deletions in 2019 were insignificant.

Figure A-5

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

	Governmental Activities	
	2019	2018
Land	\$ 0.4	\$ 0.4
Construction in progress	1.2	1.7
Buildings & improvements	44.1	39.9
Equipment	1.8	1.6
TOTAL	\$ 47.5	\$ 43.6

Long-Term Debt

At year-end, the District had \$79.6 million in general obligation bonds, retirement obligations, and other long-term liabilities outstanding – as shown in Figure A-6. (More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements.)

Figure A-6

Outstanding Long-Term Debt (in millions of dollars)

	Total School District	
	2019	2018
General obligation bonds	\$ 5.2	\$ 7.3
Other long-term debt	74.4	70.9
TOTAL	\$ 79.6	\$ 78.2

PARK RIDGE-NILES SCHOOL DISTRICT 64

Management's Discussion and Analysis

For the Year Ended June 30, 2019

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 2018 CPI-U of 1.9% affects the District's ability to increase its operating fund revenues for fiscal year 2019-20 and beyond.

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

The District's schools continue to undergo a significant amount of work to make critical infrastructure improvements, address health and life safety recommendations, and enhance security. Several years ago a financing framework was developed as a roadmap to provide the necessary funding for these projects. Phase 3 of the financing framework originally proposed the issuance of Working Cash bonds in 2019 and 2020. The District opted to use fund balance reserves in 2019 instead of issuing bonds. The Board of Education's current authority to issue bonds expired in April 2019, so in the upcoming year the District will be revisiting its plans for funding the construction work outlined for the summer of 2020 and beyond.

The District also continues to monitor the political landscape in the State of Illinois. The District closely follows news from Springfield as it becomes available on topics such as pension reform, school funding, and other educational mandates that could impact future revenues and expenditures of the District. The District's long-term financial projection assumptions are adjusted and reviewed several times each year with the Board of Education to reflect any significant legislative changes on the horizon.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office:

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Statement of Net Position

June 30, 2019

	Governmental Activities
Assets	
Cash and investments	\$ 58,089,614
Receivables	
Property taxes	33,203,401
Due from other governments	1,045,458
Other receivables	236,401
Capital assets	
Land and construction in progress	1,590,132
Other capital assets, net of accumulated depreciation	45,921,192
Total Assets	140,086,198
Deferred Outflows	
Deferred outflows related to pensions	7,542,480
Deferred outflows related to other post-employment benefits	2,140,782
Total Deferred Outflows	9,683,262
Liabilities	
Accounts payable	1,466,415
Accrued interest payable	38,661
Accrued salaries and related expenditures	4,273,108
Noncurrent liabilities:	
Due within one year	2,809,173
Due in more than one year	76,753,618
Total Liabilities	85,340,975
Deferred Inflows	
Property taxes levied for subsequent year	33,203,401
Deferred inflows related to pensions	4,101,412
Deferred inflows related to other post-employment benefits	8,486,056
Total Deferred Inflows	45,790,869
Net Position	
Net investment in capital assets	34,103,500
Restricted for	
Tort immunity	808,003
Student transportation	4,414,362
Employee retirement	1,762,658
Capital projects	4,768,854
Debt service	3,729,796
Unrestricted	(30,949,557)
Total Net Position	\$ 18,637,616

See accompanying notes to basic financial statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

Statement of Activities

Year Ended June 30, 2019

Functions	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total
				Governmental Activities
Governmental Activities				
Instructional services				
Regular programs	\$ 31,104,512	\$ 1,689,385	\$ 235,744	\$ (29,179,383)
Special programs	8,590,815	-	1,303,654	(7,287,161)
Other programs	5,083,462	1,135,668	56,321	(3,891,473)
State retirement contributions	28,000,879	-	28,000,879	-
Support services				
Pupils	5,908,820	-	-	(5,908,820)
Instructional staff	4,215,518	-	-	(4,215,518)
General administration	2,462,797	-	-	(2,462,797)
School administration	3,168,248	-	-	(3,168,248)
Business	3,092,026	1,162,348	28,463	(1,901,215)
Operation and maintenance of facilities	11,203,259	318,947	3,119	(10,881,193)
Transportation	3,357,811	34,378	1,300,532	(2,022,901)
Central	1,540,481	-	-	(1,540,481)
Community services	996,818	-	-	(996,818)
Payments to other districts	1,087,610	-	-	(1,087,610)
Interest on long-term liabilities	326,146	-	-	(326,146)
Total school district	<u>\$ 110,139,202</u>	<u>\$ 4,340,726</u>	<u>\$ 30,928,712</u>	<u>(74,869,764)</u>
General revenues				
Property taxes levied for				
General purposes				59,320,796
Transportation				2,573,696
Retirement				2,086,065
Debt service				2,015,010
Personal property replacement taxes				1,137,352
State aid not restricted to specific purposes				3,362,248
Earnings on investments				2,278,176
Miscellaneous				328,697
Total general revenues				<u>73,102,040</u>
Change in net position				(1,767,724)
Net position - beginning				<u>20,405,340</u>
Net position - ending				\$ 18,637,616

See accompanying notes to basic financial statements

PARK RIDGE-NILES SCHOOL DISTRICT 64

Balance Sheet
 Governmental Funds
 June 30, 2019

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 42,323,710	\$ 5,798,675	\$ 9,967,229	\$ 58,089,614
Receivables				
Property taxes	30,267,846	-	2,935,555	33,203,401
Due from other governments	723,610	-	321,848	1,045,458
Other receivables	214,183	-	22,218	236,401
Total Assets	<u>\$ 73,529,349</u>	<u>\$ 5,798,675</u>	<u>\$ 13,246,850</u>	<u>\$ 92,574,874</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 32,115	\$ 1,029,821	\$ 404,479	\$ 1,466,415
Accrued salaries and related expenditures	4,273,108	-	-	4,273,108
Total Liabilities	<u>4,305,223</u>	<u>1,029,821</u>	<u>404,479</u>	<u>5,739,523</u>
Deferred Inflows				
Property taxes levied for subsequent year	<u>30,267,846</u>	<u>-</u>	<u>2,935,555</u>	<u>33,203,401</u>
Total Deferred Inflows	<u>30,267,846</u>	<u>-</u>	<u>2,935,555</u>	<u>33,203,401</u>
Fund Balances				
Restricted				
Tort immunity	808,003	-	-	808,003
Student transportation	-	-	4,414,362	4,414,362
Employee retirement	-	-	1,762,658	1,762,658
Capital projects	-	4,768,854	-	4,768,854
Debt service	-	-	3,729,796	3,729,796
Unassigned	<u>38,148,277</u>	<u>-</u>	<u>-</u>	<u>38,148,277</u>
Total Fund Balances	<u>38,956,280</u>	<u>4,768,854</u>	<u>9,906,816</u>	<u>53,631,950</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u><u>\$ 73,529,349</u></u>	<u><u>\$ 5,798,675</u></u>	<u><u>\$ 13,246,850</u></u>	<u><u>\$ 92,574,874</u></u>

See accompanying notes to basic financial statements.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Reconciliation of the Balance Sheet of Governmental Funds

To the Statement of Net Position

June 30, 2019

Total fund balances - governmental funds	\$ 53,631,950
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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 \$94,175,785 and the accumulated depreciation is \$46,664,461.	47,511,324
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(38,661)
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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.

Bonds and capital leases	(13,407,824)
Other post employment benefits	(52,703,602)
Net pension liability - TRS	(4,272,827)
Net pension liability - IMRF	(8,959,295)
Compensated absences	(219,243)

Deferred inflows and outflows of resources related to pensions and other post-employment benefits are not reported in governmental funds

Deferred outflows	9,683,262
Deferred inflows	(12,587,468)

Net position of governmental activities	<u>\$ 18,637,616</u>
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See accompanying notes to basic financial statements

PARK RIDGE-NILE SCHOOL DISTRICT 64

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2019

	General	Capital Projects	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES				
Local sources	\$ 66,665,885	\$ 36,198	\$ 7,133,956	\$ 73,836,039
State sources	21,746,551	-	1,668,387	23,414,938
Federal sources	1,764,155	-	-	1,764,155
Total Revenues	90,176,591	36,198	8,802,343	99,015,132
EXPENDITURES				
Current operating				
Instruction	60,181,339	-	889,875	61,071,214
Support services	25,084,060	9,321,598	4,617,712	39,023,370
Community services	791,832	-	168,192	960,024
Payments to other districts	1,074,715	-	12,895	1,087,610
Debt service				
Principal	-	-	2,524,853	2,524,853
Interest and other	-	-	536,782	536,782
Total Expenditures	87,131,946	9,321,598	8,750,309	105,203,853
Excess (deficiency) of revenues over expenditures	3,044,645	(9,285,400)	52,034	(6,188,721)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,000,000	1,033,425	8,033,425
Transfers out	(8,033,425)	-	-	(8,033,425)
Total other financing sources (uses)	(8,033,425)	7,000,000	1,033,425	-
Net change in fund balance	(4,988,780)	(2,285,400)	1,085,459	(6,188,721)
Fund balances at beginning of year	43,945,060	7,054,254	8,821,357	59,820,671
FUND BALANCES AT END OF YEAR	\$ 38,956,280	\$ 4,768,854	\$ 9,906,816	\$ 53,631,950

See accompanying notes to basic financial statements.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2019

Net change in fund balances - total governmental funds **\$ (6,188,721)**

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	7,410,869
Depreciation expense	(2,967,257)
Conversions from construction in progress and disposals of capital assets	(498,420)

Because some of the governmental revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. (383,814)

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

Change in accrued interest on debt	7,650
Change in other post employment benefits	(709,709)
Change in other post employment benefits - THIS	1,124,435
Change in compensated absences	9,533
Change in net pension liability - TRS	1,308,750
Change in net pension liability - IMRF	(6,006,494)
Change in deferred inflows/outflows related to pensions	5,096,837
Change in deferred inflows/outflows related to other post-employment benefits	(2,847,900)
Change in long-term portion of termination benefits	148,678

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

Amortization of premium on bond issuances	202,986
Repayment of bond and loan principal	2,524,853

Change in net position of governmental activities **\$ (1,767,724)**

PARK RIDGE-NILES SCHOOL DISTRICT 64
Agency Fund - Activity Fund
Statement of Fiduciary Assets and Liabilities
June 30, 2019

Assets

Cash	<u>\$ 100,466</u>
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Liabilities

Due to organizations	<u>\$ 100,466</u>
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PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. The Reporting Entity

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

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

b. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

Governmental funds include the following funds:

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fiduciary Fund

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

The District reports the following funds as major governmental funds:

General Fund
Capital Projects Fund

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

c. Basis of Presentation

i. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. All of the District's operating activities are considered "governmental activities"; that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

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

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

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

d. Deposits and Investments

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**e. Capital Assets**

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

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

f. Receivables and Payables

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

g. Deferred Inflows/Unearned Revenue

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

h. Property Taxes

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

i. Personal Property Replacement Taxes

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

j. Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when in benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2019 are determined on the basis of current salary rates and include salary related payments.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

k. Long-term Obligations

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

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

l. Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which such summarized information was derived.

m. Eliminations and Reclassifications

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

n. Net Position

Government-Wide Statements

Net Position is classified and displayed in three components:

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

o. Pensions

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

2. DEPOSITS AND INVESTMENTS

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

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

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

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

2. DEPOSITS AND INVESTMENTS (Continued)

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

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

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2019, the fair value of all cash and investments held by the Treasurer's office was \$508,186,871 and the fair value of the District's proportionate share of the pool was \$58,089,614.

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

b. Deposits and Custodial Credit Risk

	Carrying Value	Bank Balance
Deposits with financial institutions - Fiduciary Funds	\$ 90,083	\$ 96,021

c. Investments

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. There were no known restrictions on redemption of the District's investments as of June 30, 2019.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

2. DEPOSITS AND INVESTMENTS (Continued)

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

Investment Type	Fair Value	Maturity (in years)	Agency Rating
		Less than 1	
ISDLAF+ Liquid Class	\$ 682	\$ 682	AAA
ISDLAF+ MAX	9,701	9,701	AAA
Total	\$ 10,383	\$ 10,383	

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

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

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

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 353,013	\$ -	\$ -	\$ 353,013
Construction in progress	1,737,261	1,237,119	1,737,261	1,237,119
Total capital assets not being depreciated	2,090,274	1,237,119	1,737,261	1,590,132
Capital assets, being depreciated				
Buildings	69,541,795	6,567,889	-	76,109,684
Improvements other than buildings	4,163,124	182,497	-	4,345,621
Equipment and vehicles	11,469,865	662,943	2,460	12,130,348
Total capital assets being depreciated	85,174,784	7,413,329	2,460	92,585,653
Accumulated depreciation for				
Buildings	31,603,549	2,412,225	-	34,015,774
Improvements other than buildings	2,185,010	153,859	-	2,338,869
Equipment and vehicles	9,910,367	401,173	1,722	10,309,818
Total accumulation depreciation	43,698,926	2,967,257	1,722	46,664,461
Total capital assets being depreciated, net	41,475,858	4,446,072	738	45,921,192
Total capital assets, net	\$ 43,566,132	\$ 5,683,191	\$ 1,737,999	\$ 47,511,324

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

Instructional services	
Regular programs	\$ 48,366
Special programs	64,389
Fiscal services	4,154
Internal services	2,671
Supporting services	
Business	817,776
Operations and maintenance of facilities	1,960,467
Community services	36,794
Central	32,640
	<u>\$ 2,967,257</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

4. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amount due in one year
General Obligation Bonds Payable					
3/13/14 A General Obligation	\$ 6,180,000	\$ -	\$ 1,830,000	\$ 4,350,000	\$ 1,945,000
4/27/17 Debt Certificates	8,370,000	-	465,000	7,905,000	485,000
Premium on Bonds Issued	1,086,571	-	202,986	883,585	-
Capital Lease	499,092	-	229,853	269,239	159,930
Net Pension Liability:					
Teachers' Retirement System	5,581,577	-	1,308,750	4,272,827	-
Illinois Municipal Retirement Fund	2,952,801	6,006,494	-	8,959,295	-
Other Post-Employment Benefit Liability:					
Teachers' Health Insurance Security Fund	45,132,164	-	1,124,435	44,007,729	-
Post-Employment Healthcare Plan	7,986,164	709,709	-	8,695,873	-
Compensated Absences	228,776	433,042	442,575	219,243	219,243
Termination benefits	148,678	-	148,678	-	-
Total Long-Term Debt	<u>\$ 78,165,823</u>	<u>\$ 7,149,245</u>	<u>\$ 5,752,277</u>	<u>\$ 79,562,791</u>	<u>\$ 2,809,173</u>

a. General Obligation Bonds Payable

General obligation bonds payable at June 30, 2019 are comprised of the following individual issues:

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

At June 30, 2019 the annual cash flow requirements of all bonds payable to retirement were as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 1,945,000	\$ 121,700	\$ 2,066,700
2021	2,065,000	46,500	2,111,500
2022	340,000	5,100	345,100
Total	<u>\$ 4,350,000</u>	<u>\$ 173,300</u>	<u>\$ 4,523,300</u>

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

4. LONG-TERM DEBT (Continued)

The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2019 the statutory debt limit for the District was \$112,441,628 providing a debt margin of \$103,647,185 after taking into account amounts available in the Debt Service Fund.

b. Debt Certificates

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

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2020	\$ 485,000	\$ 303,325	\$ 788,325
2021	500,000	283,925	783,925
2022	515,000	268,925	783,925
2023	535,000	248,325	783,325
2024	560,000	226,925	786,925
2025-2029	3,130,000	796,775	3,926,775
2030-2032	2,180,000	176,600	2,356,600
Total	<u>\$ 7,905,000</u>	<u>\$ 2,304,800</u>	<u>\$ 10,209,800</u>

c. Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2019, \$846,083 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

	Amount
2020	\$ 168,333
2021	113,072
Total minimum lease payments	281,405
Less: amount representing interest	(12,166)
Present value of minimum lease payments	<u>\$ 269,239</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

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

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

6. RISK MANAGEMENT

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

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

7. EMPLOYEE RETIREMENT SYSTEMS

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

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

i. Plan Description

The District participates in the TRS. TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2018>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

ii. Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

iii. Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2019, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$17,749,810 in pension contributions from the State of Illinois.

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2019 were \$238,973, and are deferred because they were paid after the June 30, 2018 measurement date.

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

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

For the year ended June 30, 2019, the employer pension contribution was 9.85% of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$421,839 were paid from the federal and special trust funds that required employer contributions of \$41,551. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2019, the employer paid \$35,599 to TRS for employer contributions due on salary increases in excess of 6 percent, \$10,427 for salary increases in excess of 4 percent and nothing paid for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

District's proportionate share of the net pension liability	\$ 4,272,827
State's proportionate share of the net pension liability associated with the District	292,706,548
Total	<u>\$ 296,979,375</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.00548%, which was a decrease of 0.00183% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$27,489,970 and revenue of \$27,489,970 for support provided by the state. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 85,876	\$ 932
Changes in assumptions	187,404	121,101
Net difference between projected and actual earnings on pension plan investments	-	13,083
Changes in proportion and differences between District contributions and proportionate share of contributions	169,237	1,303,723
Total deferred amounts to be recognized in pension expense in future periods	442,517	1,438,839
District contributions subsequent to the measurement date	326,550	-
Total	<u>\$ 769,067</u>	<u>\$ 1,438,839</u>

\$326,550 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Year Ending June 30	Net Deferred Outflows of Resources
2019	\$ (102,623)
2020	(195,806)
2021	(331,985)
2022	(256,693)
2023	<u>(109,215)</u>
Total	<u>\$ (996,322)</u>

v. Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

In the June 30, 2018 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.70%
U.S. equities small/mid cap	2.0%	7.90%
International equities developed	13.6%	7.00%
Emerging market equities	3.4%	9.40%
U.S. bonds core	8.0%	2.20%
U.S. bonds high yield	4.2%	4.40%
International debt developed	2.2%	1.30%
Emerging international debt	2.6%	4.50%
Real estate	16.0%	5.40%
Real return	4.0%	1.80%
Absolute return	14.0%	3.90%
Private Equity	15.0%	10.20%
	<u>100.0%</u>	

vi. Discount rate

At June 30, 2018, the discount rate used to measure the total pension liability 7.0 percent, which was the same as the June 30, 2017 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 5,240,218	\$ 4,272,827	\$ 3,493,785

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS Comprehensive Annual Financial Report.

b. Illinois Municipal Retirement Fund (IMRF)**i. Plan Description and Benefits**

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

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

ii. Plan Membership

As of June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	248
Inactive employees entitled to but not yet receiving benefits	339
Active employees	205
Total	<u>792</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**iii. Contributions**

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rate for calendar year 2018 was 12.13% of covered payroll. The District contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

iv. Net Pension Liability

The District's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

v. Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Price inflation	2.50%
Salary increases	3.39% to 14.25%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	
Notes	There were no benefit changes during the year.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	37.0%	7.15%
International equities	18.0%	7.25%
Fixed income	28.0%	3.75%
Real estate	9.0%	6.25%
Alternatives	7.0%	2.50-8.50%
Cash	1.0%	2.50%
	<u>100.0%</u>	

vi. Single Discount Rate

The Single Discount Rate used to measure the total pension liability for IMRF was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 45,177,095	\$ 42,224,294	\$ 2,952,801
Changes for the year:			
Service Cost	829,044	-	829,044
Interest on the Total Pension Liability	3,319,525	-	3,319,525
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	713,578	-	713,578
Changes of Assumptions	1,230,861	-	1,230,861
Contributions - Employer	-	1,024,400	(1,024,400)
Contributions - Employees	-	384,501	(384,501)
Net Investment Income	-	(2,348,838)	2,348,838
Benefit Payments, including Refunds of Employee Contributions	(2,662,562)	(2,662,562)	-
Other (Net Transfer)	-	1,026,451	(1,026,451)
Net Changes	3,430,446	(2,576,048)	6,006,494
Balances at December 31, 2018	\$ 48,607,541	\$ 39,648,246	\$ 8,959,295

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 14,483,370	\$ 8,959,295	\$ 4,358,296

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**ix. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the District recognized pension expense of \$818,983. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 577,228	\$ -
Changes in assumptions	725,810	339,663
Net difference between projected and actual earnings on pension plan investments	4,978,817	2,322,910
Total deferred amounts to be recognized in pension expense in future periods	6,281,855	2,662,573
Contributions subsequent to the measurement date	491,558	-
Total	<u>\$ 6,773,413</u>	<u>\$ 2,662,573</u>

\$491,558 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2019	\$ 1,474,367
2020	716,361
2021	327,126
2022	1,101,428
2023	-
Thereafter	-
Total	<u>\$ 3,619,282</u>

8. OTHER POST-EMPLOYMENT BENEFITS

a. Teacher Health Insurance Security (THIS)

Plan Description

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

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

Benefits Provided

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

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

Contributions

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.24% of salary and for every employer of a teacher to contribute an amount equal to 0.92% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and

On-behalf contributions to THIS. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.24% of pay during the year ended June 30, 2019. State of Illinois contributions were \$510,909, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.92% during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$379,061 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

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

the total portion of the net OPEB liability that was associated with the District were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 157,900
Changes in assumptions	-	6,408,264
Net difference between projected and actual earnings on OPEB plan investments	-	1,351
Changes in proportion and differences between District contributions and proportionate share of contributions	1,489,647	1,754,884
Total deferred amounts to be recognized in OPEB expense in future periods	1,489,647	8,322,399
District contributions subsequent to the measurement date	379,061	-
Total	<u>\$ 1,868,708</u>	<u>\$ 8,322,399</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.167038%, which was a decrease of 0.006885% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$2,365,590.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

\$379,061 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ 1,049,641
2019	1,049,641
2020	1,049,641
2021	1,049,641
2022	1,049,483
Thereafter	1,584,705
Total	<u>\$ 6,832,752</u>

Actuarial Valuation Method

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

normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption,
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare costs on and after 2022 to

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

account for Excise Tax.

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Discount rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018. The increase in the single discount rate from 3.56% to 3.62% caused the total OPEB liability to decrease by approximately \$285 million from 2017 to 2018.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.62%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability	\$ 52,914,230	\$ 44,007,729	\$ 36,976,778

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026 for non-Medicare coverage, and 9.00% decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage:

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 35,683,141	\$ 44,007,729	\$ 55,222,946

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

b. Retirees' Health Plan*Plan Description*

The District administers a single-employer defined benefit healthcare plan, the "retiree Healthcare Benefit Program: or "the Plan". The plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law and through negotiations between the District and the unions representing District employees, which are renegotiated each bargaining period. As of June 30, 2019, all retirees are eligible for benefits pre and post-Medicare. The Plan does not issue a stand-alone financial report.

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

Funding Policy

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

By allowing retirees (who are generally older than the District's other employees) to remain on the District's health coverage, there is an implicit rate subsidy to the retirees as they are paying a lower rate for health insurance than they could get on the open market. Because of this implicit rate subsidy, the actual cost to the District is indeterminable. However, it is estimated that for the fiscal year June 30, 2019, the District's cost for the plan was \$731,683.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)*Employees Covered by Benefit Terms*

As of June 30, 2019, the following employees were covered by the benefit terms.

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

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

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

Discount Rate

The District does not have a dedicated Trust to pay the benefits of the Plan. Per GASB 75, this discount rate is a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate used is 3.50%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2019.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)*Changes in Net OPEB Liability*

	Total/Net OPEB Liability
Balances at June 30, 2018	<u>\$ 7,986,164</u>
Changes for the year:	
Service Cost	418,128
Interest on the Total Pension Liability	303,043
Changes of Assumptions	299,728
Benefit Payments, including Refunds of Employee Contributions	<u>(311,190)</u>
Net Changes	<u>709,709</u>
Balances at June 30, 2019	<u><u>\$ 8,695,873</u></u>

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.50%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
District's proportionate share of the net OPEB liability	<u>\$ 9,460,991</u>	<u>\$ 8,695,873</u>	<u>\$ 7,991,349</u>

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 7,769,027	\$ 8,695,873	\$ 9,783,070

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 3.00% in 2022

(b) One percentage point decrease in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 5.00% in 2022

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$731,683. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	272,074	163,657
Total	\$ 272,074	\$ 163,657

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

Year Ending June 30	Net Deferred Outflows of Resources
2018	\$ 10,512
2019	10,512
2020	10,512
2021	10,512
2022	10,512
Thereafter	55,857
Total	\$ 108,417

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

9. INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2019:

Transfer From	Transfer To	Amount
General Fund - Education Account	Debt Service Fund	\$ 246,500
General Fund - Operations and Maintenance Account	Debt Service Fund	786,925
General Fund - Working Cash Account	Capital Projects Fund	7,000,000
	Total Transfers	<u>\$ 8,033,425</u>

The transfers from the General Fund to the Capital Projects Fund was to fund District construction projects. Transfers from the General Fund to the Debt Service Fund were to provide funds for payment of interest and principal on capital leases and debt certificates.

10. FUND BALANCE REPORTING

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

A. Nonspendable Fund Balance

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

B. Restricted Fund Balance

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

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

C. Committed Fund Balance

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Financial Statements (continued)

June 30, 2019

10. FUND BALANCE REPORTING (Continued)

D. Assigned Fund Balance

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

E. Unassigned Fund Balance

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

F. Expenditures of Fund Balance

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

11. STATE AND FEDERAL AID CONTINGENCIES

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

12. TERMINATION BENEFITS

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

As of June 30, 2019, \$78,667 has been reported in the General Fund for teachers retiring as of that date, and no additional amounts in governmental activities for all teacher who have given notice. The amounts have not been discounted as they are expected to be paid from non-interest-bearing cash on hand. The related health benefits have been included in the calculation of the actuarial accrued liability for other postemployment benefits.

12. COMMITMENTS

As of June 30, 2019, the District was committed to approximately \$5,800,000 in ongoing construction contracts.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Changes in the Employer's Net Pension Liability
And Related Ratios
Illinois Municipal Retirement Fund
Last Five Calendar Years

	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service Cost	\$ 829,044	\$ 885,763	\$ 923,687	\$ 927,332	\$ 1,014,840
Interest	3,319,525	3,255,722	3,174,815	3,033,198	2,769,703
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	713,578	653,346	(781,806)	44,747	(33,907)
Changes of Assumptions	1,230,861	(1,418,475)	(195,059)	48,731	1,868,609
Benefit Payments, Including Refunds of Member Contributions	(2,662,562)	(2,332,016)	(2,169,759)	(2,029,041)	(1,869,183)
Net Change in Total Pension Liability	3,430,446	1,044,340	951,878	2,024,967	3,750,062
Total Pension Liability - Beginning	45,177,095	44,132,755	43,180,877	41,155,910	37,405,848
TOTAL PENSION LIABILITY - ENDING	\$48,607,541	\$45,177,095	\$44,132,755	\$43,180,877	\$41,155,910
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 1,024,400	\$ 1,029,993	\$ 1,052,872	\$ 1,094,745	\$ 1,167,236
Contributions - Member	384,501	369,777	357,029	372,484	383,252
Net Investment Income	(2,348,838)	6,603,940	2,427,135	174,246	2,030,460
Benefit Payments, Including Refunds of Member Contributions	(2,662,562)	(2,332,016)	(2,169,759)	(2,029,041)	(1,869,183)
Other(Net Transfer)	1,026,451	(691,622)	270,971	563,439	(27,247)
Net Change in Plan Fiduciary Net Position	(2,576,048)	4,980,072	1,938,248	175,873	1,684,518
Plan Net Position - Beginning	42,224,294	37,244,222	35,305,974	35,130,101	33,445,583
PLAN NET POSITION - ENDING	\$39,648,246	\$42,224,294	\$37,244,222	\$35,305,974	\$35,130,101
EMPLOYER'S NET PENSION LIABILITY	\$ 8,959,295	\$ 2,952,801	\$ 6,888,533	\$ 7,874,903	\$ 6,025,809
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.57%	93.46%	84.39%	81.76%	85.36%
Covered-Employee Payroll	\$ 8,330,530	\$ 8,127,659	\$ 7,916,332	\$ 8,312,852	\$ 8,244,547
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	107.55%	36.33%	87.02%	94.73%	73.09%

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

PARK RIDGE-NILES SCHOOL DISTRICT 64
Schedule of the District's Proportionate Share of the
Net Pension Liability
Teachers' Retirement System
Last Five Fiscal Years

	2019*	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.0054819%	0.0073059%	0.0077747%	0.0074797%	0.0067571%
District's proportionate share of the net pension liability	\$ 4,272,827	\$ 5,581,577	\$ 6,137,061	\$ 4,899,942	\$ 4,112,280
State's proportionate share of the net pension liability associated with the District	292,706,548	295,912,040	306,903,264	248,039,197	225,408,348
Total	<u>\$ 296,979,375</u>	<u>\$ 301,493,617</u>	<u>\$ 313,040,325</u>	<u>\$ 252,939,139</u>	<u>\$ 229,520,628</u>
District's covered payroll	\$ 39,672,343	\$ 39,872,587	\$ 38,711,001	\$ 38,041,632	\$ 36,337,122
District's proportionate share of the net pension liability as a percentage of it's covered payroll	10.77%	14.00%	15.85%	12.88%	11.32%
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.30%	36.40%	41.50%	43.00%

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

Notes to Schedule

Changes of assumptions

For the 2018, 2017 and 2016 measurement years (fiscal years 2017, 2018, and 2019), the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

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

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

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Employer Contributions

Teachers' Retirement System

Last Five Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 326,550	\$ 326,550	\$ -	\$ 41,202,318	0.79%
2018	275,543	275,543	-	39,672,343	0.69%
2017	302,096	302,096	-	39,872,587	0.76%
2016	312,768	312,768	-	38,711,001	0.81%
2015	267,514	267,514	-	38,041,632	0.70%

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits Liability
 Teachers' Health Insurance Security Fund
 Last Two Fiscal Years

	2019*	2018*
District's proportion of the net other post-employment benefit liability	0.167038%	0.173923%
District's proportionate share of the net other post-employment benefit liability	\$ 44,007,729	\$ 45,132,164
State's proportionate share of the net other post-employment benefit liability associated with the District	59,092,741	59,269,746
	<u>\$ 103,100,470</u>	<u>\$ 104,401,910</u>
District's covered-employee payroll	\$ 39,672,343	\$ 39,872,587
District's proportionate share on the net other post-employment benefit liability as a percentage of covered payroll	110.93%	113.19%
Plan fiduciary net position as a percentage of the total other post-employment benefit liability	-0.07%	-0.17%

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

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Employer Contributions

Teachers' Health Insurance Security Fund

Last Two Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 379,061	\$ 379,061	\$ -	\$ 41,202,318	0.92%
2018	349,117	349,117	-	39,672,343	0.88%

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Schedule of Changes in the Employer's Net Other Post-Employment Benefits Liability

And Related Ratios and Schedule of Employer Contributions

Post-Employment Healthcare Plan

Last Two Fiscal Years

	2019	2018
TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY		
Service Cost	\$ 418,128	\$ 424,713
Interest	303,043	272,910
Changes of Benefit Terms	-	-
Changes of Assumptions	299,728	(197,941)
Benefit Payments, Including Refunds of Member Contributions	(311,190)	(273,413)
Net Change in Total Other Post-Employment Benefit Liability	709,709	226,269
Total Other Post-Employment Benefit Liability - Beginning	7,986,164	7,759,895
TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY - END	\$ 8,695,873	\$ 7,986,164
Plan Fiduciary Net Position as a Percentage of the Total Other Post-Employment Benefit Liability	0.00%	0.00%
Covered-Employee Payroll	\$ 36,097,250	\$ 35,045,874
Employer's Net Other Post-Employment Benefit Liability as a Percentage of Covered - Employee Payroll	24.09%	22.79%

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	\$ 311,190	\$ 311,190	\$ -	\$ 36,097,250	0.86%
2018	273,413	273,413	-	35,045,874	0.78%

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

Statement of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - General Fund

Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Over/ (Under)
REVENUES			
Local sources	\$ 65,358,011	\$ 66,665,885	\$ 1,307,874
State sources	34,424,630	21,746,551	(12,678,079)
Federal sources	1,783,000	1,764,155	(18,845)
Total Revenues	101,565,641	90,176,591	(11,389,050)
EXPENDITURES			
Current operating			
Instruction	73,262,626	60,181,339	(13,081,287)
Support services	26,021,612	25,084,060	(937,552)
Community services	835,421	791,832	(43,589)
Payments to other districts	926,520	1,074,715	148,195
Provision for contingencies	400,000	-	(400,000)
Total Expenditures	101,446,179	87,131,946	(14,314,233)
Excess of revenues over expenditures	119,462	3,044,645	2,925,183
OTHER FINANCING SOURCES (USES)			
Bonds issued	8,900,000	-	(8,900,000)
Premium on bonds issued	600,000	-	(600,000)
Transfers in	2,000,000	-	(2,000,000)
Transfers out	(10,533,427)	(8,033,425)	2,500,002
Total other financing sources (uses)	966,573	(8,033,425)	(8,999,998)
Net change in fund balance	<u>\$ 1,086,035</u>	<u>(4,988,780)</u>	<u>\$ (6,074,815)</u>
Fund balances at beginning of year		<u>43,945,060</u>	
FUND BALANCES AT END OF YEAR		<u><u>\$ 38,956,280</u></u>	

1. BUDGETS AND BUDGETARY ACCOUNTING

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

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget was adopted on September 24, 2018 and was not amended.
5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Notes to Required Supplementary Information

June 30, 2019

2. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL FUNDS

Expenditures exceeded the budgeted amount in the following funds:

	Budget	Actual	Excess
Operations and Maintenance Account	\$ 5,989,145	\$ 6,138,873	\$ 149,728
Transportation Fund	3,331,591	3,504,035	172,444
Capital Projects Fund	8,905,100	8,934,704	29,604

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

PARK RIDGE-NILES SCHOOL DISTRICT 64

General Fund

Combining Balance Sheet by Account

June 30, 2019

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
ASSETS					
Cash and investments	\$ 33,874,981	\$ 7,396,417	\$ 247,831	\$ 804,481	\$ 42,323,710
Receivables					
Property taxes	26,972,513	2,923,679	272,546	99,108	30,267,846
Due from other governments	723,610	-	-	-	723,610
Other receivables	181,892	28,769	-	3,522	214,183
Total Assets	\$ 61,752,996	\$ 10,348,865	\$ 520,377	\$ 907,111	\$ 73,529,349
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 32,115	\$ -	\$ -	\$ -	\$ 32,115
Accrued salaries and related expenditures	4,203,661	69,447	-	-	4,273,108
Total Liabilities	4,235,776	69,447	-	-	4,305,223
Deferred Inflows					
Property taxes levied for subsequent year	26,972,513	2,923,679	272,546	99,108	30,267,846
Total Deferred Inflows	26,972,513	2,923,679	272,546	99,108	30,267,846
Fund Balances					
Restricted					
Tort immunity	-	-	-	808,003	808,003
Unassigned	30,544,707	7,355,739	247,831	-	38,148,277
Total Fund Balances	30,544,707	7,355,739	247,831	808,003	38,956,280
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 61,752,996	\$ 10,348,865	\$ 520,377	\$ 907,111	\$ 73,529,349

PARK RIDGE-NILES SCHOOL DISTRICT 64

General Fund

Combining Statement of Revenues, Expenditures and Changes

In Fund Balances by Account

Year Ended June 30, 2019

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
REVENUES					
Local sources	\$ 59,133,867	\$ 6,248,667	\$ 793,687	\$ 489,664	\$ 66,665,885
State sources	21,743,432	3,119	-	-	21,746,551
Federal sources	1,764,155	-	-	-	1,764,155
Total Revenues	82,641,454	6,251,786	793,687	489,664	90,176,591
EXPENDITURES					
Current operating					
Instruction	60,181,339	-	-	-	60,181,339
Support services	18,407,680	6,135,355	-	541,025	25,084,060
Community services	791,832	-	-	-	791,832
Payments to other districts	1,071,197	3,518	-	-	1,074,715
Total Expenditures	80,452,048	6,138,873	-	541,025	87,131,946
Excess (deficiency) of revenues over expenditures	2,189,406	112,913	793,687	(51,361)	3,044,645
OTHER FINANCING SOURCES (USES)					
Transfers out	(246,500)	(786,925)	(7,000,000)	-	(8,033,425)
Total other financing sources (uses)	(246,500)	(786,925)	(7,000,000)	-	(8,033,425)
Net change in fund balance	1,942,906	(674,012)	(6,206,313)	(51,361)	(4,988,780)
Fund balances at beginning of year	28,601,801	8,029,751	6,454,144	859,364	43,945,060
FUND BALANCES AT END OF YEAR	\$ 30,544,707	\$ 7,355,739	\$ 247,831	\$ 808,003	\$ 38,956,280

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 47,896,233	\$ 47,819,812	\$ (76,421)	\$ 45,368,888
Special education levy	4,936,725	4,907,214	(29,511)	5,135,484
Corporate replacement taxes	920,000	1,037,562	117,562	869,445
Tuition	447,000	411,146	(35,854)	448,446
Earnings on investments	470,000	1,313,478	843,478	256,939
Food services	1,095,000	1,162,348	67,348	1,071,479
Pupil activities	160,450	236,739	76,289	336,325
Textbooks	1,060,000	1,041,140	(18,860)	893,558
Contributions and donations	89,100	10,349	(78,751)	138,822
Payments of surplus monies from TIF districts	360,000	416,055	56,055	366,468
Other	771,530	778,024	6,494	719,746
Total Local Sources	58,206,038	59,133,867	927,829	55,605,600
State Sources				
Evidence based funding formula	3,357,480	3,362,248	4,768	3,357,483
Special education	64,000	115,833	51,833	540,011
School lunch aid	550	1,221	671	710
On behalf payments to TRS from the state	31,000,000	18,260,719	(12,739,281)	18,054,149
Other grants-in-aid	2,600	3,411	811	5,777
Total State Sources	34,424,630	21,743,432	(12,681,198)	21,958,130
Federal Sources				
National school lunch program	27,500	27,242	(258)	27,537
Title I - low income	260,000	218,089	(41,911)	317,712
Title IV	17,500	17,655	155	10,000
Preschool flow through	18,000	20,669	2,669	18,096
IDEA	1,160,000	1,157,085	(2,915)	1,160,921
IDEA - room and board	-	26,026	26,026	39,126
Medicaid matching	230,000	244,479	14,479	257,402
Title II - teacher quality	70,000	52,910	(17,090)	85,541
Total Federal Sources	1,783,000	1,764,155	(18,845)	1,916,335
Total Revenues	94,413,668	82,641,454	(11,772,214)	79,480,065

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
EXPENDITURES				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 24,511,795	\$ 24,723,405	\$ 211,610	\$ 24,714,195
Employee benefits	3,190,711	3,035,851	(154,860)	2,945,135
On-behalf payments to TRS from the state	31,000,000	18,260,719	(12,739,281)	18,054,149
Purchased services	451,565	301,529	(150,036)	199,336
Supplies and materials	1,008,071	761,452	(246,619)	638,580
Capital outlay	6,000	18,400	12,400	3,519
Other	3,949	2,801	(1,148)	6,674
Non capitalized equipment	13,500	4,139	(9,361)	12,664
Total	60,185,591	47,108,296	(13,077,295)	46,574,252
Special programs				
Salaries	5,534,050	5,512,637	(21,413)	5,256,006
Employee benefits	1,174,084	1,128,694	(45,390)	1,053,764
Purchased services	129,700	86,683	(43,017)	94,335
Supplies and materials	200,500	81,994	(118,506)	90,030
Capital outlay	8,000	1,931	(6,069)	1,563
Other objects	4,000	2,808	(1,192)	2,740
Non capitalized equipment	5,000	2,369	(2,631)	2,191
Total	7,055,334	6,817,116	(238,218)	6,500,629
Special programs pre-K				
Salaries	724,480	748,398	23,918	735,448
Employee benefits	113,814	131,015	17,201	136,394
Purchased services	300	2,622	2,322	-
Supplies and materials	22,000	18,308	(3,692)	16,797
Non-capitalized equipment	15,000	-	(15,000)	(279)
Total	875,594	900,343	24,749	888,360

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Remedial and supplemental programs K-12				
Salaries	\$ 97,098	\$ 256,755	\$ 159,657	\$ 153,393
Employee benefits	1,456	55,671	54,215	17,062
Purchased services	-	-	-	1,078
Supplies and materials	18,400	25,139	6,739	-
Other objects	3,143	840	(2,303)	16,187
Total	120,097	338,405	218,308	187,720
CTE programs				
Salaries	1,245,100	1,241,673	(3,427)	1,096,750
Employee benefits	129,376	164,234	34,858	132,937
Purchased services	6,480	4,869	(1,611)	1,623
Supplies and materials	93,798	84,925	(8,873)	87,991
Non-capitalized equipment	-	5,145	5,145	3,117
Total	1,474,754	1,500,846	26,092	1,322,418
Interscholastic programs				
Salaries	251,625	211,358	(40,267)	202,040
Employee benefits	3,774	2,882	(892)	2,590
Purchased services	7,800	9,053	1,253	8,520
Supplies and materials	13,000	13,854	854	8,032
Other	1,000	250	(750)	580
Total	277,199	237,397	(39,802)	221,762
Summer school				
Salaries	291,470	245,947	(45,523)	323,057
Employee benefits	2,972	3,892	920	6,541
Purchased services	3,500	3,079	(421)	-
Supplies and materials	7,750	8,091	341	11,927
Total	305,692	261,009	(44,683)	341,525

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Gifted programs				
Salaries	\$ 1,482,440	\$ 1,497,468	\$ 15,028	\$ 1,410,941
Employee benefits	159,709	132,093	(27,616)	161,872
Purchased services	150	-	(150)	225
Supplies and materials	17,850	15,666	(2,184)	15,513
Other objects	265	169	(96)	119
Total	1,660,414	1,645,396	(15,018)	1,588,670
Bilingual				
Salaries	735,400	644,746	(90,654)	552,283
Employee benefits	85,731	84,182	(1,549)	76,889
Purchased services	5,420	5,192	(228)	-
Supplies and materials	1,400	1,351	(49)	485
Total	827,951	735,471	(92,480)	629,657
Special education programs K-12- private tuition				
Other objects	480,000	637,060	157,060	466,869
Total	480,000	637,060	157,060	466,869
Total Instruction	73,262,626	60,181,339	(13,081,287)	58,721,862
Support Services				
Pupils				
Attendance and social work:				
Salaries	808,600	841,556	32,956	858,834
Employee benefits	118,399	109,469	(8,930)	125,090
Purchased services	50,100	32,511	(17,589)	46,731
Supplies and materials	500	353	(147)	-
Total	977,599	983,889	6,290	1,030,655
Guidance services				
Salaries	181,800	181,610	(190)	174,626
Employee benefits	9,602	9,512	(90)	9,336
Purchased services	-	3,741	3,741	-
Supplies and materials	750	1,154	404	220
Total	192,152	196,017	3,865	184,182

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Health services				
Salaries	\$ 1,026,570	\$ 1,068,487	\$ 41,917	\$ 974,523
Employee benefits	192,411	187,585	(4,826)	152,478
Purchased services	16,250	9,230	(7,020)	12,219
Supplies and materials	21,125	15,216	(5,909)	21,129
Capital outlay	5,000	-	(5,000)	3,425
Other	400	385	(15)	199
Non-capitalized equipment	2,000	-	(2,000)	1,230
Total	1,263,756	1,280,903	17,147	1,165,203
Psychological services				
Salaries	641,696	584,184	(57,512)	434,664
Employee benefits	69,376	59,833	(9,543)	36,631
Purchased services	500	10,893	10,393	-
Supplies and materials	25,000	20,012	(4,988)	3,667
Capital outlay	-	23,600	23,600	-
Other	500	-	(500)	-
Total	737,072	698,522	(38,550)	474,962
Speech pathology and audiology services				
Salaries	1,379,900	1,367,569	(12,331)	1,377,490
Employee benefits	192,798	207,150	14,352	190,800
Purchased services	500	8,919	8,419	-
Supplies and materials	3,000	4,985	1,985	2,950
Total	1,576,198	1,588,623	12,425	1,571,240
Other support services				
Salaries	738,000	895,967	157,967	831,884
Employee benefits	6,095	5,900	(195)	4,856
Purchased services	59,200	19,655	(39,545)	27,754
Supplies and materials	12,000	14,548	2,548	11,920
Total	815,295	936,070	120,775	876,414

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Instructional staff				
Improvement of instruction services:				
Salaries	\$ 558,198	\$ 470,620	\$ (87,578)	\$ 457,162
Employee benefits	86,107	75,108	(10,999)	71,390
Purchased services	235,599	191,368	(44,231)	199,876
Supplies and materials	11,430	13,461	2,031	7,899
Other	1,000	994	(6)	931
Total	892,334	751,551	(140,783)	737,258
Education media				
Salaries	2,194,300	2,047,818	(146,482)	1,896,075
Employee benefits	412,790	419,213	6,423	348,031
Purchased services	229,640	219,467	(10,173)	144,593
Supplies and materials	994,262	335,977	(658,285)	762,354
Capital outlay	145,000	86,231	(58,769)	66,922
Other	2,200	1,064	(1,136)	-
Non-capitalized equipment	-	147,074	147,074	365,790
Total	3,978,192	3,256,844	(721,348)	3,583,765
Assessment and testing				
Purchased services	88,150	94,364	6,214	111,116
Total	88,150	94,364	6,214	111,116
General administration				
Board of education				
Salaries	10,000	10,640	640	16,597
Employee Benefits	186,000	171,831	(14,169)	183,046
Purchased services	396,200	424,723	28,523	495,099
Supplies and materials	12,250	13,924	1,674	15,577
Other	5,000	14,704	9,704	23,198
Total	609,450	635,822	26,372	733,517

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Executive administration				
Salaries	\$ 306,000	\$ 303,447	\$ (2,553)	\$ 311,698
Employee benefits	78,080	73,139	(4,941)	70,874
Purchased services	19,020	12,208	(6,812)	12,859
Supplies and materials	4,500	7,166	2,666	1,791
Other	4,000	1,139	(2,861)	5,002
Total	411,600	397,099	(14,501)	402,224
Special area administrative services				
Salaries	569,799	605,364	35,565	458,317
Employee benefits	179,200	230,314	51,114	112,083
Purchased services	4,860	8,018	3,158	2,254
Supplies and materials	-	488	488	108
Total	753,859	844,184	90,325	572,762
School administration				
Office of the principal				
Salaries	2,337,595	2,325,105	(12,490)	2,133,714
Employee benefits	700,900	669,189	(31,711)	636,581
Purchased services	65,100	43,944	(21,156)	32,963
Supplies and materials	13,911	12,774	(1,137)	7,939
Capital outlay	-	-	-	1,690
Other	500	-	(500)	215
Total	3,118,006	3,051,012	(66,994)	2,813,102
Direction of business support services				
Salaries	172,900	172,398	(502)	167,712
Employee benefits	54,530	54,297	(233)	50,617
Purchased services	4,160	3,891	(269)	965
Other	-	30	30	-
Total	231,590	230,616	(974)	219,294

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Fiscal services				
Salaries	\$ 403,800	\$ 410,379	\$ 6,579	\$ 393,722
Employee benefits	70,575	65,857	(4,718)	63,765
Purchased services	232,160	235,258	3,098	108,654
Supplies and materials	8,000	8,149	149	4,928
Other	85,000	108,930	23,930	83,155
Total	799,535	828,573	29,038	654,224
Operation and maintenance of plant services				
Salaries	2,500	2,536	36	1,764
Employee benefits	38	13	(25)	23
Purchased services	6,100	4,200	(1,900)	-
Total	8,638	6,749	(1,889)	1,787
Food services				
Purchased services	1,184,700	1,130,466	(54,234)	1,113,142
Supplies and materials	7,500	854	(6,646)	33,307
Capital outlay	50,000	41,411	(8,589)	44,867
Other	-	-	-	-
Non-capitalized equipment	7,500	-	(7,500)	13,818
Total	1,249,700	1,172,731	(76,969)	1,205,134
Internal services				
Purchased services	-	-	-	98,868
Supplies and materials	-	-	-	40,201
Total	-	-	-	139,069
Planning, R&D, and evaluation				
Purchased services	30,000	-	(30,000)	-
Total	30,000	-	(30,000)	-

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Information services				
Salaries	\$ 122,600	\$ 117,559	\$ (5,041)	\$ 114,048
Employee benefits	250	239	(11)	236
Purchased services	253,660	236,914	(16,746)	188,843
Supplies and materials	8,400	1,293	(7,107)	2,348
Other	-	390	390	-
Total	384,910	356,395	(28,515)	305,475
Staff services				
Salaries	431,799	432,415	616	424,813
Employee benefits	103,442	106,638	3,196	98,416
Purchased services	187,960	163,114	(24,846)	119,044
Supplies and materials	3,000	2,544	(456)	3,107
Capital outlay	-	-	-	4,182
Other	100	209	109	100
Termination benefits	405,000	188,583	(216,417)	362,582
Total	1,131,301	893,503	(237,798)	1,012,244
Data processing services				
Purchased services	112,000	139,362	27,362	5,362
Supplies and materials	45,000	45,141	141	-
Capital outlay	75,000	19,710	(55,290)	-
Total	232,000	204,213	(27,787)	5,362
Total Support Services	19,481,337	18,407,680	(1,073,657)	17,798,989
Community services				
Salaries	676,472	637,521	(38,951)	494,883
Employee benefits	119,059	114,456	(4,603)	106,315
Purchased services	15,540	16,851	1,311	17,244
Supplies and materials	24,350	22,776	(1,574)	5,190
Other	-	228	228	-
Total Community Services	835,421	791,832	(43,589)	623,632

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	\$ 83,000	\$ 52,276	\$ (30,724)	\$ 51,628
Tuition	840,000	1,018,921	178,921	853,371
Total	923,000	1,071,197	148,197	904,999
Provision for contingencies	400,000	-	(400,000)	-
Total Expenditures	94,902,384	80,452,048	(14,450,336)	78,049,482
Excess (deficiency) of revenues over expenditures	(488,716)	2,189,406	2,678,122	1,430,583
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000,000	-	(2,000,000)	1,000,000
Transfers out	(246,502)	(246,500)	2	(250,878)
Total other financing sources (uses)	1,753,498	(246,500)	(1,999,998)	749,122
Net change in fund balance	<u>\$ 1,264,782</u>	1,942,906	<u>\$ 678,124</u>	2,179,705
Fund balance at beginning of year		28,601,801		26,422,096
FUND BALANCE AT END OF YEAR		<u><u>\$ 30,544,707</u></u>		<u><u>\$ 28,601,801</u></u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Operations and Maintenance Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 5,603,200	\$ 5,598,301	\$ (4,899)	\$ 5,803,830
Earnings on investments	125,000	331,059	206,059	(54,436)
Rentals	87,275	64,536	(22,739)	133,251
Other	240,300	254,771	14,471	403,044
Total Local Sources	6,055,775	6,248,667	192,892	6,285,689
State Sources				
Other	-	3,119	3,119	-
Total State Sources	-	3,119	3,119	-
Total Revenues	6,055,775	6,251,786	196,011	6,285,689
EXPENDITURES				
Current operating				
Support services				
Facilities acquisition and construction services				
Capital outlay	80,000	-	(80,000)	-
Total Facilities Acquisition and Construction Services	80,000	-	(80,000)	-
Operations and maintenance of plant services				
Salaries	2,688,950	2,703,718	14,768	2,653,359
Employee benefits	473,375	458,934	(14,441)	454,037
Purchased services	970,300	1,116,913	146,613	1,194,142
Supplies and materials	1,358,000	1,239,421	(118,579)	1,282,639
Capital outlay	375,000	509,610	134,610	224,552
Non-capitalized equipment	40,000	106,759	66,759	145,878
Total Operation and Maintenance of Plant Services	5,905,625	6,135,355	229,730	5,954,607
Total Support Services	5,985,625	6,135,355	149,730	5,954,607

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Operations and Maintenance Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Payments to other districts and governmental units:				
Purchased services	\$ 3,520	\$ 3,518	\$ (2)	\$ 3,445
Total payments to other districts	3,520	3,518	(2)	3,445
Total Expenditures	5,989,145	6,138,873	149,728	5,958,052
Excess of revenues over expenditures	66,630	112,913	46,283	327,637
OTHER FINANCING SOURCES (USES)				
Transfers out	(786,925)	(786,925)	-	(786,632)
Total other financing sources (uses)	(786,925)	(786,925)	-	(786,632)
Net change in fund balance	<u>\$ (720,295)</u>	(674,012)	<u>\$ 46,283</u>	(458,995)
Fund balance at beginning of year		<u>8,029,751</u>		<u>8,488,746</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 7,355,739</u></u>		<u><u>\$ 8,029,751</u></u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Working Cash Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 543,051	\$ 539,790	\$ (3,261)	\$ 560,204
Earnings on investments	95,000	253,897	158,897	(19,240)
Total Local Sources	638,051	793,687	155,636	540,964
Total Revenues	638,051	793,687	155,636	540,964
Excess of revenues over expenditures	638,051	793,687	155,636	540,964
OTHER FINANCING USES				
Bonds issued	8,900,000	-	(8,900,000)	-
Premium on bonds issued	600,000	-	(600,000)	-
Transfers out	(9,500,000)	(7,000,000)	2,500,000	-
Total other financing uses	-	(7,000,000)	(7,000,000)	-
Net change in fund balance	<u>\$ 638,051</u>	(6,206,313)	<u>\$ (6,844,364)</u>	540,964
Fund balance at beginning of year		<u>6,454,144</u>		<u>5,913,180</u>
FUND BALANCE AT END OF YEAR		<u>\$ 247,831</u>		<u>\$ 6,454,144</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Tort Immunity Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
Tort immunity levy	\$ 450,147	\$ 455,679	\$ 5,532	\$ 591,553
Earnings on investments	8,000	24,767	16,767	2,068
Other	-	9,218	9,218	7,163
Total Local Sources	458,147	489,664	31,517	600,784
EXPENDITURES				
Support Services				
Workers' compensation or workers' occupational disease act payment				
Purchased services	380,100	380,005	(95)	493,138
Total	380,100	380,005	(95)	493,138
Unemployment insurance payment				
Employee benefits	11,000	(2,136)	(13,136)	8,197
Purchased services	1,250	1,250	-	1,250
Total	12,250	(886)	(13,136)	9,447
Insurance payment				
Purchased services	72,300	72,106	(194)	63,617
Total	72,300	72,106	(194)	63,617
Educational, inspectional, supervisory services related to loss prevention or reduction				
Purchased services	2,400	2,565	165	1,922
Supplies and materials	300	-	(300)	216
Total	2,700	2,565	(135)	2,138

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Tort Immunity Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
Property insurance				
Purchased services	\$ 87,300	\$ 87,235	\$ (65)	\$ 84,272
Total	87,300	87,235	(65)	84,272
Total Support Services	554,650	541,025	(13,625)	652,612
Total Expenditures	554,650	541,025	(13,625)	652,612
Net change in fund balance	<u>\$ (96,503)</u>	(51,361)	<u>\$ 45,142</u>	(51,828)
Fund balance at beginning of year		<u>859,364</u>		<u>911,192</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 808,003</u></u>		<u><u>\$ 859,364</u></u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Major Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
Earnings on investments	\$ 53,000	\$ 29,958	\$ (23,042)	\$ 106,778
Other	-	6,240	6,240	61,179
Total Local Sources	53,000	36,198	(16,802)	167,957
Total Revenues	53,000	36,198	(16,802)	167,957
EXPENDITURES				
Facilities acquisition				
Purchased services	846,816	1,336,769	489,953	808,879
Supplies and materials	-	50,186	50,186	1,027
Capital outlay	8,058,284	7,897,086	(161,198)	4,047,845
Non-capitalized equipment	-	37,557	37,557	39,940
Total support services	8,905,100	9,321,598	416,498	4,897,691
Total Expenditures	8,905,100	9,321,598	416,498	4,897,691
Deficiency of revenues over expenditures	(8,852,100)	(9,285,400)	(433,300)	(4,729,734)
OTHER FINANCING SOURCES				
Transfers in	9,500,000	7,000,000	(2,500,000)	-
Total other financing sources	9,500,000	7,000,000	(2,500,000)	-
Net change in fund balance	<u>\$ 647,900</u>	(2,285,400)	<u>\$ (2,933,300)</u>	(4,729,734)
Fund balance at beginning of year		<u>7,054,254</u>		<u>11,783,988</u>
FUND BALANCE AT END OF YEAR		<u>\$ 4,768,854</u>		<u>\$ 7,054,254</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

	Transportation	Municipal Retirement/ Social Security	Debt Service	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,480,705	\$ 1,756,728	\$ 3,729,796	\$ 9,967,229
Receivables				
Property taxes	1,139,739	842,416	953,400	2,935,555
Due from other governments	321,848	-	-	321,848
Other receivables	16,288	5,930	-	22,218
Total Assets	<u>\$ 5,958,580</u>	<u>\$ 2,605,074</u>	<u>\$ 4,683,196</u>	<u>\$ 13,246,850</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 404,479	\$ -	\$ -	\$ 404,479
Total Liabilities	<u>404,479</u>	<u>-</u>	<u>-</u>	<u>404,479</u>
Deferred Inflows				
Property taxes levied for subsequent year	1,139,739	842,416	953,400	2,935,555
Total Deferred Inflows	<u>1,139,739</u>	<u>842,416</u>	<u>953,400</u>	<u>2,935,555</u>
Fund Balance				
Restricted				
Student transportation	4,414,362	-	-	4,414,362
Employee retirement	-	1,762,658	-	1,762,658
Debt service	-	-	3,729,796	3,729,796
Total Fund Balance	<u>4,414,362</u>	<u>1,762,658</u>	<u>3,729,796</u>	<u>9,906,816</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
	<u>\$ 5,958,580</u>	<u>\$ 2,605,074</u>	<u>\$ 4,683,196</u>	<u>\$ 13,246,850</u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2019

	Transportation	Municipal Retirement/ Social Security	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Local sources	\$ 2,786,217	\$ 2,262,171	\$ 2,085,568	\$ 7,133,956
State sources	1,668,387	-	-	1,668,387
Total Revenues	4,454,604	2,262,171	2,085,568	8,802,343
EXPENDITURES				
Current operating				
Instruction	-	889,875	-	889,875
Support services	3,356,258	1,261,454	-	4,617,712
Community services	134,882	33,310	-	168,192
Payments to other districts	12,895	-	-	12,895
Debt service				
Principal	-	-	2,524,853	2,524,853
Interest and other	-	-	536,782	536,782
Total Expenditures	3,504,035	2,184,639	3,061,635	8,750,309
Excess (deficiency) of revenues over expenditures	950,569	77,532	(976,067)	52,034
OTHER FINANCING SOURCES				
Transfers in	-	-	1,033,425	1,033,425
Total other financing sources	-	-	1,033,425	1,033,425
Net change in fund balance	950,569	77,532	57,358	1,085,459
Fund balances at beginning of year	3,463,793	1,685,126	3,672,438	8,821,357
FUND BALANCES AT END OF YEAR	\$ 4,414,362	\$ 1,762,658	\$ 3,729,796	\$ 9,906,816

PARK RIDGE-NILES SCHOOL DISTRICT 64

Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 2,565,670	\$ 2,573,696	\$ 8,026	\$ 3,307,647
Regular transportation fees	41,600	34,378	(7,222)	38,463
Earnings on investments	60,000	178,143	118,143	(6,904)
Total Local Sources	2,667,270	2,786,217	118,947	3,339,206
State Sources				
Transportation aid	1,455,000	1,668,387	213,387	1,380,482
Total State Sources	1,455,000	1,668,387	213,387	1,380,482
Total Revenues	4,122,270	4,454,604	332,334	4,719,688
EXPENDITURES				
Current operating				
Support Services				
Pupil Transportation Services				
Salaries	16,900	13,236	(3,664)	17,585
Employee benefits	4,116	1,742	(2,374)	3,306
Purchased services	3,160,575	3,341,220	180,645	3,079,418
Supplies and materials	1,000	60	(940)	-
Total Support Services	3,182,591	3,356,258	173,667	3,100,309
Community Services				
Purchased services	130,000	134,882	4,882	127,008
Total Community Services	130,000	134,882	4,882	127,008
Payments for special programs				
Purchased services	19,000	12,895	(6,105)	17,591
Total Payments for Special Programs	19,000	12,895	(6,105)	17,591
Total Expenditures	3,331,591	3,504,035	172,444	3,244,908
Excess of revenues over expenditures	790,679	950,569	159,890	1,474,780

(Continued)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
OTHER FINANCING USES				
Transfers out	(2,000,000)	-	2,000,000	(1,000,000)
Total other financing uses	(2,000,000)	-	2,000,000	(1,000,000)
Net change in fund balance	<u>\$ (1,209,321)</u>	950,569	<u>\$ 2,159,890</u>	474,780
Fund balance at beginning of year		<u>3,463,793</u>		<u>2,989,013</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 4,414,362</u></u>		<u><u>\$ 3,463,793</u></u>

(Concluded)

PARK RIDGE-NILES SCHOOL DISTRICT 64

Municipal Retirement/Social Security Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 924,333	\$ 927,146	\$ 2,813	\$ 1,002,377
Social security/medicare only levy	1,152,287	1,158,919	6,632	1,595,445
Corporate replacement taxes	99,700	99,790	90	152,620
Earnings on investments	18,000	76,316	58,316	(531)
Total Local Sources	2,194,320	2,262,171	67,851	2,749,911
Total Revenues	2,194,320	2,262,171	67,851	2,749,911
EXPENDITURES				
Current operating				
Instruction				
Regular programs	2,272,000	351,099	(1,920,901)	348,143
Special education programs	-	472,493	472,493	500,002
CTE programs	-	17,078	17,078	15,061
Interscholastic programs	-	6,241	6,241	7,136
Summer school programs	-	11,986	11,986	17,751
Gifted programs	-	21,981	21,981	20,525
Bilingual programs	-	8,997	8,997	7,644
Total instruction	2,272,000	889,875	(1,382,125)	916,262
Support Services				
Pupils	-	248,396	248,396	230,285
Instructional staff	-	198,990	198,990	206,211
General administration	-	44,667	44,667	43,366
School administration	-	117,236	117,236	125,716
Business	-	578,725	578,725	597,182
Central	-	73,440	73,440	70,907
Total support services	-	1,261,454	1,261,454	1,273,667
Community services				
Community services - employee benefits	-	33,310	33,310	46,098
Total Expenditures	2,272,000	2,184,639	(87,361)	2,236,027
Net change in fund balance	<u>\$ (77,680)</u>	<u>77,532</u>	<u>\$ 155,212</u>	<u>513,884</u>
Fund balance at beginning of year		<u>1,685,126</u>		<u>1,171,242</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 1,762,658</u></u>		<u><u>\$ 1,685,126</u></u>

PARK RIDGE-NILES SCHOOL DISTRICT 64

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2019 with Comparative Actual Totals for 2018

	2019		2018	
	Original and Final Budget	Actual	Variance over/under	Actual
REVENUES				
Local Sources				
General tax levy	\$ 2,015,173	\$ 2,015,010	\$ (163)	\$ 2,433,278
Earnings on investments	30,000	70,558	40,558	41,864
Other local revenue	-	-	-	8,734
Total Local Sources	2,045,173	2,085,568	40,395	2,483,876
Total Revenues	2,045,173	2,085,568	40,395	2,483,876
EXPENDITURES				
Debt service				
Principal retirement	2,506,376	2,524,853	18,477	3,170,097
Interest on bonds	554,251	535,772	(18,479)	660,812
Other	204,000	1,010	(202,990)	2,270
Total Expenditures	3,264,627	3,061,635	(202,992)	3,833,179
Excess/(deficiency) of revenues over expenditures	(1,219,454)	(976,067)	243,387	(1,349,303)
OTHER FINANCING SOURCES				
Bonds issued	200,000	-	(200,000)	-
Transfers in	1,033,427	1,033,425	(2)	1,037,510
Total other financing sources	1,233,427	1,033,425	(200,002)	1,037,510
Net change in fund balance	<u>\$ 13,973</u>	57,358	<u>\$ 43,385</u>	(311,793)
Fund balance at beginning of year		<u>3,672,438</u>		<u>3,984,231</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 3,729,796</u></u>		<u><u>\$ 3,672,438</u></u>

PARK RIDGE-NILES SCHOOL DISTRICT 64
Agency Fund - Activity Funds
Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<hr/>				
Assets				
Cash	\$ 84,323	\$ 258,491	\$ 242,348	\$ 100,466
	<hr/>			
Liabilities				
Due to organizations	\$ 84,323	\$ 258,491	\$ 242,348	\$ 100,466
	<hr/>			

PARK RIDGE-NILES SCHOOL DISTRICT 64

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

	2018	2017	2016	2015	2014
Assessed Valuation	\$ 1,629,588,809	\$ 1,674,475,741	\$ 1,638,658,393	\$ 1,371,795,137	\$ 1,414,256,518
Rates extended					
Educational	3.1243	2.8191	2.7326	3.5000	3.4048
Tort immunity	0.0126	0.0461	0.0251	0.0526	0.0448
Special education	0.3160	0.3076	0.3143	0.1243	0.1170
Operations and maintenance	0.3729	0.3383	0.3771	0.5181	0.5468
Transportation	0.1454	0.1845	0.2200	0.1502	0.0748
Illinois municipal retirement/ Social security	0.1075	0.1600	0.1571	0.1663	0.1562
Debt service	0.1216	0.1243	0.1789	0.2420	0.2352
Working cash	0.0348	0.0338	0.0346	0.0338	0.0300
Total rates extended	4.2351	4.0137	4.0397	4.7873	4.6096
Property tax extensions					
Educational	\$ 50,913,598	\$ 47,204,772	\$ 44,777,570	\$ 48,012,830	\$ 48,151,978
Tort immunity	206,000	772,500	412,000	721,000	634,226
Special education	5,150,000	5,150,000	5,150,000	1,704,650	1,654,366
Operations and maintenance	6,077,000	5,665,000	6,180,000	7,107,000	7,733,420
Transportation	2,369,000	3,090,000	3,605,000	2,060,000	1,058,004
Illinois municipal retirement/ Social security	1,751,000	2,678,000	2,575,000	2,281,450	2,209,699
Debt service	1,981,685	2,080,769	2,931,689	3,318,735	3,326,689
Working cash	566,500	566,500	566,500	463,500	423,778
Total levies extended	\$ 69,014,783	\$ 67,207,541	\$ 66,197,759	\$ 65,669,165	\$ 65,192,160
Total collections	\$ 35,811,382	\$ 66,614,245	\$ 65,581,898	\$ 64,896,179	\$ 64,892,714
Percentage of extensions collected	51.89%	99.12%	99.07%	98.82%	99.54%

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

Source of information: Cook County Levy, Rate and Extension Reports for 2014-2018.

PARK RIDGE-NILES SCHOOL DISTRICT 64

Operating Cost and Tuition Charge

Years Ended June 30, 2019 and June 30, 2018

	2019	2018
Expenditures		
Educational Fund	\$ 62,191,329	\$ 59,995,333
Operations and Maintenance Fund	6,138,873	5,958,052
Debt Service Fund	3,061,635	3,833,179
Transportation Fund	3,504,035	3,244,908
Municipal Retirement/Social Security Fund	2,184,639	2,236,027
Tort Immunity Fund	541,025	652,612
Total expenditures	77,621,536	75,920,111
Less revenues/expenditures not applicable to operating expense of regular program		
Special education	1,598,901	1,424,668
Summer school	272,995	359,276
Transportation	-	18,496
Community services	960,024	796,738
Capital outlay	700,893	350,720
Non-capitalized equipment	265,486	544,409
Bond and other principal retired	2,524,853	3,170,097
Payments to other districts and governmental units	1,087,610	926,035
	7,410,762	7,590,439
Regular operating expenditures	70,210,774	68,329,672
Offsetting revenues	8,389,541	6,354,455
Net operating expenditures	61,821,233	61,975,217
Depreciation allowance	2,997,561	2,758,834
Total allowance for tuition computation	\$ 64,818,794	\$ 64,734,051
Average daily attendance	4,303.40	4,190.06
Per capita tuition charge	\$ 15,062.23	\$ 15,449.43

Source of information: 2018 & 2017 annual financial reports