

*Norridge School District No. 80*

**Annual Financial Report  
And Supplemental Information**

**For the year ended  
June 30, 2015**



Norridge School District No. 80

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## *Independent Auditor's Report*

Board of Education  
Norridge School District No. 80  
Norridge, Illinois

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

We have audited the accompanying financial statement of Norridge School District No. 80, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Norridge School District No. 80'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 practices prescribed or permitted by the Illinois State Board of Education to demonstrate compliance with the Illinois State Board of Education's regulatory basis of accounting and budget laws. Management is also responsible for 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 an opinion 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 opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by Norridge School District No. 80 on the basis of accounting practices prescribed or permitted by the Illinois State Board of Education to demonstrate compliance with the Illinois State Board of Education's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in *the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Norridge School District No. 80 as of June 30, 2015, or changes in financial position or cash flows thereof for the year then ended.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Norridge School District No. 80 as of June 30, 2015, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the basis of accounting practices prescribed or permitted by the Illinois State Board of Education as described in Note 1.

### ***Emphasis of Matter***

The District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, during the year ended June 30, 2015. Statement No. 68 expands disclosures related to pensions and requires the District to report the net pension liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances. Our opinions are not modified with respect to this matter.

### **Other Matters**

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Norridge School District 80's basic financial statements. The other supplemental information section is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2015 on our consideration of Norridge School District No. 80's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Norridge School District No. 80's internal control over financial reporting and compliance.

*Klein Hall CPAs*

Klein Hall CPAs  
Aurora, Illinois  
September 25, 2015

**Norridge School District No. 80**  
**BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2015**

<b><u>ASSETS</u></b>	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>
<b>Assets:</b>					
Cash and investments	\$ 1,625,648	\$ 405,422	\$ 272,803	\$ 153,603	\$ 13,215
Receivables:					
Property taxes	3,677,082	336,127	57,684	67,615	196,662
Due from other governments	186,098	-	-	-	-
Prepaid items	66,328	-	-	-	-
Land, building and equipment	-	-	-	-	-
Amount available in debt service fund	-	-	-	-	-
Amount to be provided for payment of bonds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 5,555,156</u></b>	<b><u>\$ 741,549</u></b>	<b><u>\$ 330,487</u></b>	<b><u>\$ 221,218</u></b>	<b><u>\$ 209,877</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>Liabilities:</b>					
Accounts payable	\$ 56,102	\$ 37,659	\$ -	\$ 15,797	\$ -
Accrued salaries	810,120	-	-	-	8,498
Deferred revenue	3,677,082	336,127	57,684	67,615	196,662
Due to student organizations	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total Liabilities	<u>4,543,304</u>	<u>373,786</u>	<u>57,684</u>	<u>83,412</u>	<u>205,160</u>
<b>Fund Balances:</b>					
Investment in general fixed assets	-	-	-	-	-
Reserved	-	-	-	-	2,358
Unreserved	1,011,852	367,763	272,803	137,806	2,359
Total Fund Balances	<u>1,011,852</u>	<u>367,763</u>	<u>272,803</u>	<u>137,806</u>	<u>4,717</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 5,555,156</u></b>	<b><u>\$ 741,549</u></b>	<b><u>\$ 330,487</u></b>	<b><u>\$ 221,218</u></b>	<b><u>\$ 209,877</u></b>

See accompanying notes to financial statements



Working Cash	Tort Immunity	Fire Prevention and Safety	Trust and Agency	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
\$ 2,518,797	\$ -	\$ 182,356	\$ 37,236	\$ -	\$ -	\$ 5,209,080
4,721	25,240	1,016	-	-	-	4,366,147
-	-	-	-	-	-	186,098
-	-	-	-	-	-	66,328
-	-	-	-	19,812,629	-	19,812,629
-	-	-	-	-	272,803	272,803
-	-	-	-	-	477,197	477,197
<u>\$ 2,523,518</u>	<u>\$ 25,240</u>	<u>\$ 183,372</u>	<u>\$ 37,236</u>	<u>\$ 19,812,629</u>	<u>\$ 750,000</u>	<u>\$ 30,390,282</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,558
-	-	-	-	-	-	818,618
4,721	25,240	1,016	-	-	-	4,366,147
-	-	-	37,236	-	-	37,236
-	-	-	-	-	750,000	750,000
<u>4,721</u>	<u>25,240</u>	<u>1,016</u>	<u>37,236</u>	<u>-</u>	<u>750,000</u>	<u>6,081,559</u>
-	-	-	-	19,812,629	-	19,812,629
-	-	-	-	-	-	2,358
<u>2,518,797</u>	<u>-</u>	<u>182,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,493,736</u>
<u>2,518,797</u>	<u>-</u>	<u>182,356</u>	<u>-</u>	<u>19,812,629</u>	<u>-</u>	<u>24,308,723</u>
<u>\$ 2,523,518</u>	<u>\$ 25,240</u>	<u>\$ 183,372</u>	<u>\$ 37,236</u>	<u>\$ 19,812,629</u>	<u>\$ 750,000</u>	<u>\$ 30,390,282</u>

**Norridge School District No. 80**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL FUND TYPES EXCEPT AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Educational	Operations and Maintenance	Debt Service
<b>REVENUES</b>			
Local sources	\$ 7,444,231	\$ 742,670	\$ 109,783
State sources	3,389,154	-	-
Federal sources	527,564	-	-
Total Revenues	<u>11,360,949</u>	<u>742,670</u>	<u>109,783</u>
<b>EXPENDITURES</b>			
Current operating:			
Instruction	8,785,618	-	-
Supporting services	2,408,460	1,109,678	-
Non-programmed charges	899,089	-	-
Debt service:			
Principal	-	-	80,000
Interest and other	-	-	28,240
Total Expenditures	<u>12,093,167</u>	<u>1,109,678</u>	<u>108,240</u>
Excess (deficiency) of revenues over expenditures	<u>(732,218)</u>	<u>(367,008)</u>	<u>1,543</u>
Fund Balances at beginning of year	<u>1,744,070</u>	<u>734,771</u>	<u>271,260</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$ 1,011,852</u></u>	<u><u>\$ 367,763</u></u>	<u><u>\$ 272,803</u></u>

See accompanying notes to financial statements

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Working Cash</u>	<u>Tort Immunity</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
\$ 87,572	\$ 295,614	\$ 17,457	\$ 48,912	\$ 4,261	\$ 8,750,500
-	-	-	-	-	3,389,154
-	-	-	-	-	527,564
<u>87,572</u>	<u>295,614</u>	<u>17,457</u>	<u>48,912</u>	<u>4,261</u>	<u>12,667,218</u>
-	176,671	-	-	-	8,962,289
317,210	117,748	-	48,912	76,658	4,078,666
-	-	-	-	-	899,089
-	-	-	-	-	80,000
-	-	-	-	-	28,240
<u>317,210</u>	<u>294,419</u>	<u>-</u>	<u>48,912</u>	<u>76,658</u>	<u>14,048,284</u>
<u>(229,638)</u>	<u>1,195</u>	<u>17,457</u>	<u>-</u>	<u>(72,397)</u>	<u>(1,381,066)</u>
<u>367,444</u>	<u>3,522</u>	<u>2,501,340</u>	<u>-</u>	<u>254,753</u>	<u>5,877,160</u>
<u>\$ 137,806</u>	<u>\$ 4,717</u>	<u>\$ 2,518,797</u>	<u>\$ -</u>	<u>\$ 182,356</u>	<u>\$ 4,496,094</u>

**Norridge School District No. 80**  
**STATEMENT OF REVENUES**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>
<b>REVENUES</b>				
<b>Local sources</b>				
Property taxes	\$ 6,836,825	\$ 622,434	\$ 109,476	\$ 86,939
Corporate personal property replacement taxes	155,215	-	-	-
Tuition	152,070	-	-	-
Earnings on investments	2,873	780	307	633
Food services	71,341	-	-	-
Textbooks	156,161	-	-	-
Rentals	-	119,456	-	-
Other	69,746	-	-	-
Total local sources	<u>7,444,231</u>	<u>742,670</u>	<u>109,783</u>	<u>87,572</u>
<b>State sources</b>				
Unrestricted:				
General state aid	705,310	-	-	-
Restricted:				
Special education	414,470	-	-	-
Bilingual education	15,290	-	-	-
State free lunch and breakfast	1,239	-	-	-
Transportation	183,845	-	-	-
On behalf payments - State of Illinois	2,046,572	-	-	-
Other grants-in-aid	22,428	-	-	-
Total state sources	<u>3,389,154</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Federal sources</b>				
Restricted:				
National school lunch programs	139,752	-	-	-
Title I - low income	168,095	-	-	-
Special education - IDEA preschool	1,620	-	-	-
Special education - IDEA flow through	110,426	-	-	-
CTE - other	967	-	-	-
Title II - teacher quality	22,800	-	-	-
Medicaid	83,904	-	-	-
Total federal sources	<u>527,564</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 11,360,949</u></u>	<u><u>\$ 742,670</u></u>	<u><u>\$ 109,783</u></u>	<u><u>\$ 87,572</u></u>

See accompanying notes to financial statements

Municipal Retirement/ Social Security	Working Cash	Tort Immunity	Fire Prevention and Safety	Total (Memorandum Only)
\$ 288,772	\$ 16,664	\$ 48,880	\$ 4,190	\$ 8,014,180
6,771	-	-	-	161,986
-	-	-	-	152,070
71	793	32	71	5,560
-	-	-	-	71,341
-	-	-	-	156,161
-	-	-	-	119,456
-	-	-	-	69,746
<u>295,614</u>	<u>17,457</u>	<u>48,912</u>	<u>4,261</u>	<u>8,750,500</u>
-	-	-	-	705,310
-	-	-	-	414,470
-	-	-	-	15,290
-	-	-	-	1,239
-	-	-	-	183,845
-	-	-	-	2,046,572
-	-	-	-	22,428
-	-	-	-	<u>3,389,154</u>
-	-	-	-	139,752
-	-	-	-	168,095
-	-	-	-	1,620
-	-	-	-	110,426
-	-	-	-	967
-	-	-	-	22,800
-	-	-	-	83,904
-	-	-	-	<u>527,564</u>
<u>\$ 295,614</u>	<u>\$ 17,457</u>	<u>\$ 48,912</u>	<u>\$ 4,261</u>	<u>\$ 12,667,218</u>

**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
<b>EDUCATIONAL FUND</b>		
Current operating:		
Instruction:		
Regular programs:		
Salaries	\$ 4,804,587	\$ 4,692,752
Employee benefits	117,315	114,887
On behalf payments - State of Illinois	-	2,046,572
Purchased services	48,100	73,158
Supplies and materials	274,900	384,170
Capital outlay	138,000	73,610
Total	5,382,902	7,385,149
Pre-K programs:		
Salaries	86,266	82,000
Employee benefits	2,779	1,196
Supplies and materials	1,000	381
Total	90,045	83,577
Special education programs:		
Salaries	454,939	728,769
Employee benefits	5,412	7,116
Supplies and materials	800	709
Total	461,151	736,594
Remedial programs:		
Salaries	177,245	146,258
Employee benefits	8,725	48,339
Purchased services	1,300	1,584
Supplies and materials	500	135
Total	187,770	196,316
Interscholastic programs:		
Salaries	145,000	160,852
Employee benefits	911	2,089
Purchased services	7,500	6,200
Supplies and materials	22,000	18,641
Other objects	4,000	1,912
Total	\$ 179,411	\$ 189,694

See accompanying notes to financial statements

(Continued)

**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
Summer school programs:		
Salaries	\$ 25,000	\$ 28,274
Employee benefits	-	327
Supplies and materials	1,000	748
Total	<u>26,000</u>	<u>29,349</u>
Bilingual programs:		
Salaries	160,093	161,676
Employee benefits	2,982	3,263
Supplies and materials	300	-
Total	<u>163,375</u>	<u>164,939</u>
Total instruction	<u>6,490,654</u>	<u>8,785,618</u>
Support services:		
Pupils:		
Attendance and social work services:		
Supplies and materials	-	210
Total	<u>-</u>	<u>210</u>
Guidance services:		
Salaries	142,180	116,648
Employee benefits	2,748	1,563
Supplies and materials	450	-
Total	<u>145,378</u>	<u>118,211</u>
Health services:		
Salaries	68,721	74,008
Purchased services	600	2,875
Supplies and materials	1,100	1,485
Total	<u>\$ 70,421</u>	<u>\$ 78,368</u>

**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
Speech pathology/audio services:		
Salaries	\$ 152,965	\$ 178,440
Employee benefits	2,090	1,972
Purchased services	3,500	-
Supplies and materials	1,700	-
<b>Total</b>	<b>160,255</b>	<b>180,412</b>
Total pupils	376,054	377,201
Instructional staff:		
Improvement of instruction services:		
Salaries	-	18,761
Employee benefits	-	252
Purchased services	149,139	17,121
Supplies and materials	2,500	1,208
<b>Total</b>	<b>151,639</b>	<b>37,342</b>
Educational media services:		
Salaries	19,245	21,852
Employee benefits	-	892
Supplies and materials	2,000	2,041
<b>Total</b>	<b>21,245</b>	<b>24,785</b>
Assessment and testing:		
Purchased services	15,000	20,995
Supplies and materials	3,000	3,750
<b>Total</b>	<b>18,000</b>	<b>24,745</b>
Total instructional staff	\$ 190,884	\$ 86,872



**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
General administration:		
Board of education:		
Salaries	\$ 3,600	\$ 3,600
Employee benefits	995,000	813,799
Purchased services	94,300	100,457
Supplies and materials	8,000	12,604
Capital outlay	500	6,500
Other objects	-	8,832
<b>Total</b>	<b>1,101,400</b>	<b>945,792</b>
Executive administration:		
Salaries	228,000	240,069
Employee benefits	22,175	24,855
Purchased services	5,400	4,571
Supplies and materials	2,200	4,723
Capital outlay	500	-
Other objects	5,000	3,856
<b>Total</b>	<b>263,275</b>	<b>278,074</b>
<b>Total general administration</b>	<b>1,364,675</b>	<b>1,223,866</b>
School administration:		
Office of the principal:		
Salaries	363,450	362,935
Employee benefits	5,306	6,156
Purchased services	1,200	419
Supplies and materials	11,600	13,094
Capital outlay	2,700	2,291
Other objects	2,400	3,486
<b>Total</b>	<b>386,656</b>	<b>388,381</b>
<b>Total school administration</b>	<b>386,656</b>	<b>388,381</b>

**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
Business:		
Fiscal services:		
Salaries	\$ 44,994	\$ 45,713
Employee benefits	325	535
Purchased services	325	-
Supplies and materials	6,500	10,943
Other objects	500	5,395
	<u>52,644</u>	<u>62,586</u>
Total	<u>52,644</u>	<u>62,586</u>
Food services:		
Supplies and materials	<u>205,000</u>	<u>213,123</u>
Total	<u>205,000</u>	<u>213,123</u>
Internal services:		
Purchased services	1,000	482
Supplies and materials	4,700	1,320
Total	<u>5,700</u>	<u>1,802</u>
Total business	<u>263,344</u>	<u>277,511</u>
Other supporting services:		
Salaries	6,000	-
Purchased services	107,000	54,629
Total	<u>113,000</u>	<u>54,629</u>
Total support services	<u>2,694,613</u>	<u>2,408,460</u>
Non-programmed charges:		
Payments for special programs:		
Other objects	<u>1,200,000</u>	<u>899,089</u>
Total non-programmed charges	<u>1,200,000</u>	<u>899,089</u>
Total educational fund	<u>\$ 10,385,267</u>	<u>\$ 12,093,167</u>

See accompanying notes to financial statements

(Continued)

**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
<b>OPERATIONS AND MAINTENANCE FUND</b>		
Current operating:		
Support services:		
Operations and maintenance of plant services:		
Salaries	\$ 182,244	\$ 210,970
Employee benefits	975	958
Purchased services	414,500	487,955
Supplies and materials	402,000	381,822
Capital outlay	70,000	27,973
	<u>\$ 1,069,719</u>	<u>\$ 1,109,678</u>
Total operations and maintenance fund		
<b>DEBT SERVICE FUND</b>		
Debt service:		
Principal retirement	\$ -	\$ 80,000
Interest	-	27,840
Other objects	450	400
	<u>\$ 450</u>	<u>\$ 108,240</u>
Total debt service fund		
<b>TRANSPORTATION FUND</b>		
Current operating:		
Support services:		
Pupil transportation services:		
Purchased services	\$ 266,500	\$ 317,210
	<u>266,500</u>	<u>317,210</u>
Total transportation fund		
	<u>\$ 266,500</u>	<u>\$ 317,210</u>

**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
<b>MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND</b>		
Current operating:		
Instruction:		
Regular programs	\$ 112,730	\$ 100,961
Pre-K programs	4,435	-
Special education programs	52,525	59,464
Remedial and supplemental programs - K-12	6,440	9,776
Interscholastic programs	3,250	3,006
Summer school programs	1,320	1,114
Bilingual programs	2,450	2,350
Total instruction	183,150	176,671
Support services:		
Pupils:		
Guidance services	2,660	1,692
Health services	13,280	14,872
Speech pathology	988	717
Instructional staff:		
Improvement of instruction services	-	266
Educational media services	3,800	4,394
General administration:		
Executive administration services	18,195	15,867
School administration:		
Office of the principal services	29,395	28,359
Business:		
Fiscal services	9,410	9,185
Operation and maintenance employee benefits	51,660	42,396
Total support services	129,388	117,748
Total municipal retirement/social security fund	\$ 312,538	\$ 294,419

**Norridge School District No. 80**  
**STATEMENT OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**ALL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Original and Final Budget	Actual
<b>TORT IMMUNITY FUND</b>		
Current operating:		
Support services:		
Workers compensation	\$ -	\$ 27,880
Insurance payments	-	21,032
Total support services	-	48,912
Total tort immunity fund	\$ -	\$ 48,912
 <b>FIRE PREVENTION &amp; SAFETY FUND</b>		
Current operating:		
Support services:		
Facilities acquisition & construction services		
Purchased services	\$ -	\$ 76,658
Total support services	-	76,658
Total fire prevention & safety fund	\$ -	\$ 76,658

**Norridge School District No. 80**  
Notes to Financial Statements  
June 30, 2015

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

Norridge School District No. 80 (the District) accounting policies conform to the modified accrual basis of accounting as defined by the Illinois State Board of Education Audit Guide. The financial statements are prepared to comply with regulatory provisions prescribed by the Illinois State Board of Education. The provisions are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts.

**a. The Reporting Entity**

The District includes all funds and account groups of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds and account groups of the District as there are no other organizations for which it has financial accountability.

**b. Basis of Presentation - Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Each fund is a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. District resources are allocated to and accounted for in individual funds as required by the State of Illinois based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. The following summarizes the fund types and account groups used by the District:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

GASB statement No. 54 refined the definitions of various governmental funds. These updated definitions are incorporated into the following fund descriptions.

The following are the District's governmental funds:

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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**Educational Fund** – The Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Operations and Maintenance Fund** – The Operations and Maintenance Fund is also a general operating fund of the District. It is used to account for cost of maintaining school buildings.

**Debt Service Fund** – The Debt Service Fund accounts of the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

**Transportation Fund** – The Transportation Fund accounts for the costs of transporting pupils to and from school and school activities.

**Municipal Retirement/Social Security** – The Municipal Retirement/Social Security Fund is used to pay the District's share of municipal retirement benefits for covered employees. The District's share of social security and Medicare only is also paid from this fund if a separate tax is levied for that purpose.

**Tort Immunity Fund** – The Tort Immunity Fund is used to pay the District's share of tort immunity costs.

**Fire Preventions and Safety Fund** – The Fire Prevention and Safety is used to account for financial resources to be used for the acquisition or additions related to qualifying fire prevention and safety projects.

### **Fiduciary Fund Types**

Fiduciary Funds (Trust and Agency) are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

**The Expendable Trust Fund** is composed of the Working Cash Fund which accounts for financial resources held by the District to be used for temporary interfund loans to any other fund for which taxes are levied.

**Agency Funds** - The Agency Funds (Activity Funds) include Student Activity Funds and Convenience Accounts. They account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and do not involve measurement of the results of operations. The amounts due to the activity fund organizations and the other trusts are equal to the assets.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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**Governmental and Expendable Trust Funds – Measurement Focus**

The financial statements of all Governmental Funds and Expendable Trust Funds focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

**General Fixed Assets and General Long-Term Debt Account Groups**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position and not with measurement of results of operations.

**c. Basis of Accounting/Measurement Focus**

The modified accrual basis of accounting is followed by the Governmental and Expendable Trust Funds, which is in conformity with the Illinois Program Accounting Manual for Local Education Agencies and generally accepted accounting principles. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., both measurable and available. Measurable means the amount of the transaction can be determined and available means due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which is recognized when due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.



**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measureable until actually received. See Note 2 for the District's property tax accrual policy.

**d. Budgets and Budgetary Accounting**

Budgeted amounts for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), which is the modified accrual basis.

For each fund, total fund expenditures may not legally exceed the budgeted amounts.

The Board of Education 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 taxpayers comments.
3. Prior to September 30, the budget is legally adopted through passage of an ordinance. By the last Tuesday in December each year, a tax levy ordinance is filed with the county clerk to obtain tax revenues.
4. Management is authorized, to transfer budget amounts provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after following the public hearing process mandated by law. There were no supplemental appropriations during the year.
5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
6. Budgeted amounts for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Governmental Fund budgets are adopted on the modified accrual basis. The level of budgetary control is established by function and activity within an individual fund.
7. Appropriations lapse at the end of the fiscal year.
8. The budget was adopted by the Board of Education on September 16, 2014.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

The following funds had an excess of expenditures over budget as of June 30, 2015:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Education Fund	\$ 10,385,267	\$ 12,093,167	\$ 1,707,900
Operations and Maintenance Fund	1,069,719	1,109,678	39,959
Debt Service Fund	450	108,240	107,790
Transportation Fund	266,500	317,210	50,710
Tort Immunity Fund	-	48,912	48,912
Fire Prevention and Safety Fund	-	76,658	76,658

The expenditure variances were absorbed by surpluses in the individual funds 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.

**e. Encumbrances**

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are reordered in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General and Special Revenue Funds. Encumbrances outstanding are cancelled at year end and therefore not recorded as reservations of fund balances, and not re-appropriated in the ensuing year's budget.

**f. Investments**

Investments are stated at fair value. Gains or losses on the sale of investments are recognized upon realization. In accordance with the District cash and investment management policy, the institutions in which investments are made must be approved by the Board of Education.

**g. Personal Property Replacement Taxes**

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

**h. General Fixed Assets**

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Asset Account Group. Contributed fixed assets are recorded as general fixed assets at estimated fair market value at the time received. The estimated useful lives of the buildings, improvements, educational equipment and transportation equipment are 50, 20, 10 and 5 years respectively.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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Depreciation of general fixed assets is not charged to the operations of the District in accordance with reporting standards for governments of this type.

**i. Compensated Absences**

Employees who work a 12 month year are entitled to be compensated for vacation time. Vacations are usually taken within the calendar year as any unused vacation time at fiscal year-end is lost. As a result, accrued but unpaid vacation leave at June 30, 2015 does not exist for the District and has not been reflected as a liability.

All certified employees receive twelve sick days per year, in accordance with the agreement between the Board of Education and the Education Association. Unused sick leave days accumulate to a maximum of 200 days. When a certified employee with 15 or more years of service retires from the District, they receive \$50 per each unused sick day. Upon retirement, a certified employee may apply up to 180 days of unused sick leave toward service credit for TRS. They are reimbursed for any remaining unused sick days at \$50 per day.

Educational support personnel receive twelve sick days per year, which accumulate to a maximum of 200 days. The District does not reimburse employees for unused sick days remaining upon termination of employment. Upon retirement, however, employees with 15 years of service are reimbursed for accumulated sick days at \$50 per day.

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 statement for accumulated unpaid sick leave.

**j. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense for note disclosure purposes, 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. The amounts disclosed in accordance with GASB Statement No. 68 are not reported in the financial statements due to reporting on the basis of accounting described above.

**k. Total Memorandum Only**

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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is such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

**NOTE 2. PROPERTY TAXES**

The owner of real property on January 1, in any year is liable for taxes of that year and collected the following year. The District filed its tax levy ordinance on December 9, 2014. The District's property tax is levied each year on all taxable real property located in the District.

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 Assessor reassesses the county every three years.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the State. Each year the Illinois Department of Revenue furnishes the County Clerk with an adjustment factor to equalize the level of assessment between counties at one third of market value. This factor (the "Equalization Factor") is then applied to the assessed valuation to compute the valuation of property to which a tax rate will be applied (the "Equalized Assessed Valuation").

The County Clerk adds the Equalized Valuation of all real property in the county to the valuation of property assessed directly by the State (to which the Equalization Factor is not applied) to arrive at the base amount (the "Assessment Base") used in calculating the annual tax rates, as described above. The Equalized Valuation in Cook County for the extension of the 2014 tax levy was \$350,926,561.

The County Clerk computes the annual tax rate by dividing the levy into the Assessment Base of the Unit. The clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that particular parcel. He enters that tax in the books, which he prepares for the County Collector along with the Assessed Valuation and Equalized Valuation described in the preceding paragraphs. These books are the Collector's authority for the collection of taxes and are used by the Collector as the basis for issuing tax bills to all taxpayers in the county.

Property taxes are collected by the Cook County Collector/Treasurer who remits to the School Treasurer. Taxes levied in one year become due and payable in two installments on approximately March 1 and approximately September 1 during the following 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.

The portion of the 2014 property tax levy not received by June 30 is recorded as a receivable. The net receivable collected within the current year is recognized as revenue. Net taxes receivable is reflected as deferred revenue.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of assessed valuation:

	<u>Limit</u>	<u>2014 Levy</u>	<u>2013 Levy</u>
Educational	3.5000	2.0147	2.0571
Tort Immunity	No Limit	0.0141	0.0151
Special Education	.4000	0.0145	0.0223
Operations and Maintenance	.5500	0.1856	0.1883
Working Cash	.0500	0.0027	0.0073
Transportation	No Limit	0.0373	0.0145
Municipal Retirement/Social Security	No Limit	0.1082	0.0648
Fire Prevention/Safety	.1000	0.0006	0.0019
Debt Service	No Limit	0.0320	0.0337
		<u>2.4097</u>	<u>2.4050</u>

**NOTE 3. SPECIAL TAX LEVIES AND RESTRICTED EQUITY**

**a. Tort Immunity**

Revenues and the related expenditures of this restricted tax levy are accounted for in the Tort Immunity Fund. Cumulative expenditures exceeded cumulative revenues resulting in no fund balance at June 30, 2015. Tort Immunity expenditures consisted of insurance premiums of \$48,912.

**b. Special Education**

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. Cumulative expenditures exceeded cumulative revenues therefore there is no restriction of these funds in accordance with the Illinois Compiled Statutes.

**NOTE 4. CASH AND INVESTMENTS**

**Custodial Credit Risk – Deposits**

At June 30, 2015 the carrying amount of the District's deposits, which include both cash and certificate of deposits totaled \$3,976,853 and the bank balances totaled \$3,971,708. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015 approximately \$230,000 of deposits was not collateralized or insured.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

**Investments**

As of June 30, 2015, the District has the following investments and maturities:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Maturities (in years) Less than 1</i>	<i>Percent of Portfolio</i>	<i>Applicable Agency Rating</i>
<b>Other Investments:</b>				
Illinois School	\$ 1,232,226	\$ 1,232,226	100%	AAA
<b>Total Investments</b>	<b>\$ 1,232,226</b>	<b>\$ 1,232,226</b>	<b>100%</b>	

*Credit Risk.* The District's investments are rated, as shown above, by the applicable rating agency.

*Foreign Credit Risk.* The District held no foreign investments during the fiscal year.

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer. More than 5 percent of the District's investments are concentrated in specific individual investments. The above table indicates the percentage of each investment to the total investments of the District.

The Illinois School District Liquid Asset Fund is an investment pool. The value of the position in this SEC registered investment pool is the same as the value of the pool shares.

**NOTE 5. EMPLOYEE RETIREMENT SYSTEMS**

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

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

**Plan Description**

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

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

### **Benefits Provided**

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

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

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

### **Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2015, 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

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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District, and the District recognized revenue and expenditures of \$1,983,690 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, 2015 were \$35,756 and are deferred because they were paid after the June 30, 2014 measurement date.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 33.00% of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$153,701 were paid from the federal and special trust funds that required employer contributions of \$50,721. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the District made no payments to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the District paid \$83 to TRS for employer contributions due on salary increases in excess of 6% and the District made no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2015, 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:



**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

District's proportionate share of the net pension liability	\$	1,467,532
State's proportionate share of the net pension liability associated with the District		34,697,999
Total	\$	36,165,531

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.002411 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.002496 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$1,983,690 and revenue of \$1,983,690 for support provided by the state. At June 30, 2015, 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	\$ 775	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	73,755
Changes in proportion and differences between District contributions and proportionate share of contributions	-	42,699
District contributions subsequent to the measurement date	86,477	-
Total	\$ 87,252	\$ 116,454

\$86,477 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

Year Ending June 30	Net Deferred Inflows of Resources
2015	\$ (28,614)
2016	(28,614)
2017	(28,614)
2018	(28,614)
2019	(1,221)
Total	\$ (115,677)

**Actuarial Assumptions**

The total pension liability in the June 30, 2014 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
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	3.00%
Salary increases	5.75% average, including inflation
Investment rate of return	7.50%
Mortality	RP-2000 Mortality Tables with projections using scale AA that vary by member group

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0% to 7.5%. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5% to 8.0% and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic real estate	4%	9.79%
ARS	8%	3.27%
Risk parity	8%	5.57%
Diversified inflation strategy	1%	3.96%
Private equity	14%	13.03%
	<u>100%</u>	

**Discount rate**

The discount rate used to measure the total pension liability was 7.50%. 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, the pension plan's fiduciary net position 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 1,812,330	\$ 1,467,532	\$ 1,182,000

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report.

**Illinois Municipal Retirement Fund (IMRF)**

**Plan Description and Benefits**

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

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

**Plan Membership**

As of June 30, 2015, the following employees were covered by the benefit terms:

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	52
Active employees	<u>30</u>
Total	<u><u>113</u></u>

**Contributions**

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rate for calendar year 2014 was 12.29 percent 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.

**Net Pension Liability**

The District's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability/(asset)	\$ 4,711,860
Plan fiduciary net position	<u>4,222,305</u>
Net pension liability/(asset)	<u><u>\$ 489,555</u></u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2014 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
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

Mortality An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table (for non-disabled retirees), RP-2014 Disabled Retirees Mortality Table (for disabled retirees), and RP-2014 Employee Mortality Table (for active employees), with adjustments to match current IMRF experience.

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	63.2%	9.15%
International equities	2.6%	9.80%
Fixed income	23.5%	3.05%
Real estate	4.3%	7.35%
Alternatives	4.5%	
Private equity		13.55%
Hedge funds		5.55%
Commodities		4.40%
Cash	1.9%	2.25%
	100.0%	

**Discount Rate**

The discount rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

**Changes in Net Pension Liability**

The following presents the net pension liabilities of the District, calculated using the discount rate, as well as what the District's net pension liabilities would be if they were calculated using discount rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 1,114,425	\$ 489,555	\$ (27,684)

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

For the year ended June 30, 2015, the District recognized pension expense of \$200,239. At June 30, 2015, 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	\$ -	\$ 6,122
Changes in assumptions	120,747	-
Net difference between projected and actual earnings on pension plan investments	44,214	-
Contributions subsequent to the measurement date	90,977	-
Total	\$ 255,938	\$ 6,122

\$90,977 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 100,036
2016	36,698
2017	11,054
2018	11,051
2019	-
Thereafter	-
Total	\$ 158,839

**NOTE 6. OTHER POST-EMPLOYMENT BENEFIT**

**Teacher Health Insurance Security (THIS)**

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). 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.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

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

**On Behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.02% of pay during the year ended June 30, 2015. State of Illinois contributions were \$62,882, and the District recognized revenue and expenditures of this amount during the year.



**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.76% during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$46,853 to the THIS Fund, which was 100 percent of the required contribution.

**Further Information on THIS Fund.** The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

**NOTE 7. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance		Balance
	June 30, 2014	Additions	Retirements June 30, 2015
Land	\$ 50,000	\$ -	\$ 50,000
Building	17,156,051	-	17,156,051
Land Improvements	289,430	-	289,430
Equipment	2,317,148	-	2,317,148
	<b>\$19,812,629</b>	<b>\$ -</b>	<b>\$19,812,629</b>

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the General Fixed Assets Account Group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not included in the General Fixed Assets Account Group.

**NOTE 8. LONG-TERM DEBT**

During the year ended June 30, 2015, the following changes occurred in liabilities that were reported in the General Long-Term Debt Account Group:

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

	Balance		Balance	Amount
	July 1, 2014	Increases	Decreases	June 30, 2015
				Due
				in one year
General Obligation Bonds, Series 2010	\$ 830,000	\$ -	\$ 80,000	\$ 750,000
<b>Total</b>	<b>\$ 830,000</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>

The annual debt services requirements are as follows:

<i>Fiscal Year Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<u>June 30,</u>			
2016	\$ 80,000	\$ 25,740	\$ 105,740
2017	85,000	23,259	108,259
2018	85,000	20,390	105,390
2019	90,000	17,327	107,327
2020	90,000	14,110	104,110
2021	95,000	10,734	105,734
2022	100,000	7,000	107,000
2023	100,000	3,000	103,000
2024	25,000	500	25,500
<b>Total</b>	<b>\$ 750,000</b>	<b>\$ 122,060</b>	<b>\$ 872,060</b>

The 2010 Series Bonds are general obligation bonds issued in the amount of \$1,055,000 on March 10, 2010. The bonds were issued for working cash requirements. These bonds are payable in varying amounts through December 1, 2023 with interest rates varying from 2.00% to 4.00%.

The District is subject to the Illinois Compiled Statutes which limits the amount of bond indebtedness, including the certificate of participation, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2015, the statutory debt limit for the District was \$24,213,933 providing a debt margin of \$23,736,736 after taking into account amounts available in the Debt Service Fund.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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**NOTE 9. 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. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

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

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

2. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2015, expenditures exceeded revenue from state grants, resulting in no restricted balances.

3. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenues exceeded expenditures for this purpose, resulting in a restricted fund balance of \$2,358. This balance is included in the financial statements as reserved in the Municipal Retirement/Social Security Fund.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

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C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used

for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

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

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, and Working Cash Funds.

**Norridge School District No. 80**  
Notes to Financial Statements (Continued)  
June 30, 2015

F. Reconciliation of Fund Balance Reporting

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Statements Reserved	Statements Unreserved
Educational	\$ 66,328	\$ -	\$ -	\$ -	\$ 945,524	\$ -	\$1,011,852
Operations & Maintenance	-	-	-	-	367,763	-	367,763
Debt Service	-	272,803	-	-	-	-	272,803
Transportation	-	137,806	-	-	-	-	137,806
Retirement	-	4,717	-	-	-	2,358	2,359
Working Cash	-	-	-	-	2,518,797	-	2,518,797
Tort Immunity	-	-	-	-	-	-	-
Fire Prevention & Safety	-	182,356	-	-	-	-	182,356
	<u>\$ 66,328</u>	<u>\$ 597,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,832,084</u>	<u>\$ 2,358</u>	<u>\$4,493,736</u>

G. Expenditures of Fund Balance

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

**NOTE 10. COMMON BANK ACCOUNT**

Separate bank accounts are not maintained for all District funds. Certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributed to each participating fund.

Occasionally certain accounts of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board, in excess of available funds. Such overdrafts constitute unauthorized interfund loans since these loans were not authorized by the School Board.

**NOTE 11. RISK MANAGEMENT**

The District has purchased insurance from a risk pools and private insurance companies. Risks covered include general liability, workers compensation medical and other. Premiums have been displayed as expenditures in appropriate funds. No material decreases in insurance coverage have occurred nor have any insurance claims in excess of insurance coverage been paid or reported during the last three years.

**Norridge School District No. 80**  
Notes to Financial Statements (Concluded)  
June 30, 2015

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**NOTE 12. SCHOOL EMPLOYEES LOSS FUND (SELF)**

The District is a member of SELF, which has been formed to reduce local school districts' workers' compensation costs. SELF is controlled by a Board of Directors which is composed of representatives designed by each school district. The day-to-day operations of SELF are managed through and Executive Board elected by the Board of Directors. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage. Complete financial statements for SELF can be obtained from their accountant at Two Pierce Place, Itasca, IL 60143.

**NOTE 13. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)**

The District is a member of CLIC, which has been formed to provide casualty, workman's compensation, property and liability protections and to administer some or all insurance coverage and protection other than health, life and accident coverage 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 at Two Pierce Place, Itasca, IL 60143.

**NOTE 14. EDUCATIONAL BENEFIT COOPERATIVE (EBC)**

The District is a member of EBC, which has been formed to allow member Districts to pool their resources to purchase medical, dental and stop less coverage. A Board of Directors consisting of one delegate from each member district directs the EBC. The operations of the cooperative are governed by bylaws administered by the Board of Directors. Complete financial statements can be obtained from its administrator at Two Pierce Place, Itasca, IL 60143.

**NOTE 15. CONTINGENCIES**

Revenues received from federal and state governments in the current and prior years are subject to audits by the granting agencies. The Board believes that adjustments which may arise from these audits, if any will not be significant.

**Norridge School District No. 80**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**YEAR ENDED JUNE 30, 2015**

	2015
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 116,989
Interest	315,219
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(10,874)
Changes of Assumptions	214,481
Benefit Payments, Including Refunds of Member Contributions	(136,762)
Net Change in Total Pension Liability	499,053
Total Pension Liability - Beginning	4,212,807
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 4,711,860</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 121,673
Contributions - Member	44,551
Net Investment Income	242,499
Benefit Payments, Including Refunds of Member Contributions	(136,762)
Administrative Expense	(10,313)
Net Change in Plan Fiduciary Net Position	261,648
Plan Net Position - Beginning	3,960,657
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 4,222,305</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 489,555</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.61%
Covered-Employee Payroll	\$ 990,019
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	49.45%

**Norridge School District No. 80**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 121,673	\$ 121,673	\$ -	\$ 990,019	12.29%

**Notes to Schedule**

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	29 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.



**Norridge School District No. 80**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM**  
**YEAR ENDED JUNE 30, 2015**

	2015
District's proportion of the net pension liability	0.05916%
District's proportionate share of the net pension liability	\$ 1,467,532
State's proportionate share of the net pension liability associated with the District	34,697,999
Total	\$ 36,165,531
District's covered payroll	6,164,884
District's proportionate share of the net pension liability as a percentage of it's covered payroll	23.80%
Plan fiduciary net position as a percentage of the total pension liability	43.00%

**Notes to Schedule**

*Changes of assumptions*

Amounts reported in 2014 reflect an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and a salary increase assumption of 5.75%. In 2013, assumptions used were an investment rate of return of 8.0%, an inflation rate of 3.25% and real rate of return of 4.75%, and salary increases of 6.00%. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

**Norridge School District No. 80**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 86,477	\$ 86,477	\$ -	\$ 6,164,884	1.40%

**Norridge School District No. 80**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS - ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<b>Assets:</b>				
Cash	\$ 43,944	\$ 11,857	\$ 18,565	\$ 37,236
<b>Liabilities:</b>				
Due to organizations	\$ 43,944	\$ 11,857	\$ 18,565	\$ 37,236

**Norridge School District No. 80**  
**SCHEDULE OF GENERAL OBLIGATION BONDS PAYABLE**  
**JUNE 30, 2015**

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March 10, 2010  
 \$1,055,000  
 Interest Varying  
 From 2.00%-4.00%

Due Year Ended June 30	Principal	Interest	Total
2016	80,000	25,740	105,740
2017	85,000	23,259	108,259
2018	85,000	20,390	105,390
2019	90,000	17,327	107,327
2020	90,000	14,110	104,110
2021	95,000	10,734	105,734
2022	100,000	7,000	107,000
2023	100,000	3,000	103,000
2024	25,000	500	25,500
Totals	<u>\$ 750,000</u>	<u>\$ 122,060</u>	<u>\$ 872,060</u>

**Norridge School District No. 80**  
**OPERATING EXPENDITURES PER PUPIL**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<u>Expenditures</u>		
Educational fund	\$ 10,046,595	\$ 9,922,893
Operations and maintenance fund	1,109,678	1,031,766
Debt service fund	108,240	105,030
Transportation fund	317,210	235,347
Municipal retirement/social security fund	294,419	262,950
Tort Immunity fund	48,912	105,271
Total expenditures	<u>11,925,054</u>	<u>11,663,257</u>
<u>Less revenues/expenditures not applicable to operating expense of regular programs</u>		
Tuition	899,089	1,417,550
Pre-K programs	83,577	289,097
Community services	-	661
Summer school	30,463	26,291
Capital outlay	110,374	223,300
Bond principal retired	80,000	75,000
Subtotal	<u>1,203,503</u>	<u>2,031,899</u>
Operating expenditures	<u>\$ 10,721,551</u>	<u>\$ 9,631,358</u>
Average daily attendance	<u>1,056.86</u>	<u>998.65</u>
Operating expenditures per student	<u>\$ 10,145</u>	<u>\$ 9,644</u>

Source: ISBE Form 50-35 Annual Financial Report

**Norridge School District No. 80**  
**SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND EXTENSIONS**  
**TAX LEVY YEARS 2014, 2013, and 2012**

	TAX LEVY YEAR		
	2014	2013	2012
ASSESSED VALUATION	<u>\$ 350,926,561</u>	<u>\$ 339,187,376</u>	<u>\$ 401,117,715</u>
TAX RATES:			
Educational	2.0147	2.0571	1.6081
Tort immunity	0.0141	0.0151	0.0269
Special education	0.0145	0.0223	0.0181
Operations and maintenance	0.1856	0.1883	0.2168
Debt service	0.0320	0.0337	0.0276
Transportation	0.0373	0.0145	0.0179
Municipal retirement	0.0541	0.0324	0.0250
Social security	0.0541	0.0324	0.0250
Working cash	0.0027	0.0073	0.0061
Fire prevention and safety	0.0006	0.0019	0.0003
TOTAL	<u>2.4097</u>	<u>2.4050</u>	<u>1.9718</u>
TAX EXTENSIONS:			
Educational	\$ 7,070,117	\$ 6,977,423	\$ 6,450,373
Tort immunity	49,480	51,217	107,900
Special education	50,884	75,638	72,602
Operations and maintenance	651,319	638,689	869,623
Debt service	112,182	114,282	110,607
Transportation	130,895	49,182	71,800
Municipal retirement	189,851	109,896	100,279
Social security	189,851	109,896	100,279
Working cash	9,475	24,760	24,468
Fire prevention and safety	2,105	6,444	1,203
TOTAL	<u>\$ 8,456,159</u>	<u>\$ 8,157,427</u>	<u>\$ 7,909,134</u>

Source: Agency Tax Rate Reports from the Cook County Clerk's Office