

PARK RIDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Park Ridge, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Park Ridge Board of Education

Park Ridge, New Jersey

For The Fiscal Year Ended June 30, 2011

Prepared by

Business Office

**PARK RIDGE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-vi
Organizational Chart	vii
Roster of Officials	viii
Consultants and Advisors	ix

FINANCIAL SECTION

Independent Auditors' Report	1-2
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	3-14
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Assets	15
A-2 Statement of Activities	16-17

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	18-19
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	21-22

Proprietary Funds

B-4 Statement of Net Assets	23
B-5 Statement of Revenues, Expenses, and Changes in Net Assets	24
B-6 Statement of Cash Flows	25

Fiduciary Funds

B-7 Statement of Fiduciary Net Assets	26
B-8 Statement of Changes in Fiduciary Net Assets	27

Notes to the Basic Financial Statements	28-51
--	-------

**PARK RIDGE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	52-57
C-2	Budgetary Comparison Schedule – Special Revenue Fund	58
C-3	Budgetary Comparison Schedule - Required Supplementary Information	59

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules

D-1	Combining Balance Sheet – Not Applicable	60
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource - Not Applicable	60
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Not Applicable	60

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	61-63
E-2	Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	64

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures – Budgetary Basis	65
F-2	Summary Schedule of Revenues, Expenditures and Changes In Fund Balance – Budgetary Basis	66
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	67

G. Proprietary Funds

G-1	Statement of Net Assets	68
G-2	Statement of Revenues, Expenses and Changes in Net Assets	69
G-3	Statement of Cash Flows	70

**PARK RIDGE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

H. Fiduciary Funds

H-1	Combining Statement of Net Assets	71
H-2	Combining Statement of Changes in Net Assets – Not Applicable	72
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	73
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	73

I. Long-Term Debt

I-1	Schedule of Serial Bonds	75-76
I-2	Schedule of Obligations under Capital Leases – Not Applicable	77
I-3	Debt Service Fund Budgetary Comparison Schedule	78

J. STATISTICAL SECTION (Unaudited)

J-1	Net Assets by Component	79
J-2	Changes in Net Assets	80-81
J-3	Fund Balances – Governmental Funds	82
J-4	Changes in Fund Balances - Governmental Funds	83-84
J-5	General Fund Other Local Revenue by Source	85
J-6	Assessed Value and Actual Value of Taxable Property	86
J-7	Direct and Overlapping Property Tax Rates	87
J-8	Principal Property Taxpayers	88
J-9	Property Tax Levies and Collections	89
J-10	Ratios of Outstanding Debt by Type	90
J-11	Ratios of Net General Bonded Debt Outstanding	91
J-12	Computation of Direct and Overlapping Outstanding Bonded Debt	92
J-13	Legal Debt Margin Information	93
J-14	Demographic Statistics	94
J-15	Principal Employers	95
J-16	Full-Time Equivalent District Employees by Function/Program	96
J-17	Operating Statistics	97
J-18	School Building Information	98
J-19	Schedule of Required Maintenance for School Facilities	99
J-20	Schedule of Insurance	100

**PARK RIDGE BOARD OF EDUCATION
TABLE OF CONTENTS**

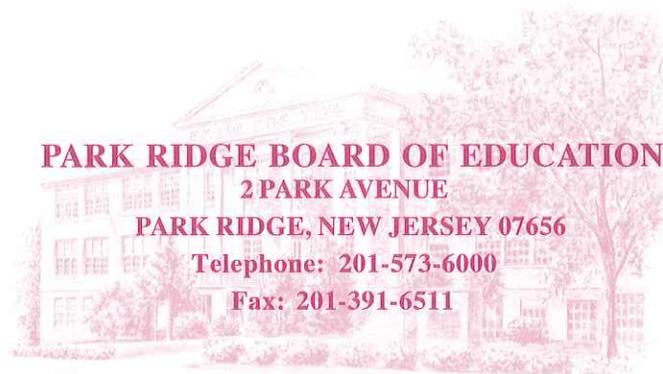
Page

K. SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	101-102
K-2	Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and New Jersey OMB Circular 04-04 – Independent Auditor’s Report	103-104
K-3	Schedule of Expenditures of Federal Awards	105
K-4	Schedule of Expenditures of State Financial Assistance	106
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	107-108
K-6	Schedule of Findings and Questioned Costs	109-112
K-7	Summary Schedule of Prior Audit Findings	113

INTRODUCTORY SECTION

JOSEPH J. BRUNO
President
DANIEL C. BROWNE
Vice President
FRANK CHURCH
PETER MONTALBANO
PATRICK MORAN
ROBERT T. SILEO
BARBARA VON BRADSKY



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ROBERT M. GAMPER, Ed.D.
Superintendent of Schools
ROBERT WRIGHT
Board Secretary and
Business Administrator

December 5, 2011

The Honorable President and Members
of the Board of Education
Park Ridge School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Park Ridge School District (the "District") for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the "Independent Auditor's Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular OMB 04-04. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Park Ridge School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Park Ridge Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 1,319 students, which is 27 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	1,319	-2.00%
2009-10	1,346	-.22%
2008-09	1,349	-1.67%
2007-08	1,372	.88%
2006-07	1,360	-.14%
2005-06	1,362	2.49%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Park Ridge is a residential suburb of 2.6 square miles, located approximately 25 miles from midtown Manhattan. In 2003, the Borough underwent a revaluation that increased ratables by \$437,000,000 and set the average cost per home at \$513,000. The district is consistently below the State average for school and overall taxes. Since 1991, the Borough of Park Ridge has progressively improved its ranking within the County from the 44th lowest effective tax rate out of the 70 towns to the twenty third lowest in Bergen County.

The District continues to investigate opportunities for shared services and mutual savings of taxpayer monies. In the few years, this cooperation has resulted in the obtainment of grant funds through an Interlocal Agreement that helped offset repair costs to the school's tennis courts. Additionally, the Borough continues to allow the district access to its fuel pumps which helps keep costs down. With one source of revenue so critical to us all, it behooves both governing bodies to continue meeting the demands of diminished state aid in methods that are timely and reflective of the community we both serve.

3. MAJOR INITIATIVES:

Meeting the Challenge of Change

The Park Ridge Public Schools are a testament to the fact that teamwork breeds success. Park Ridge is approved by the Middle States Association of Colleges and High Schools, as well as by the State of New Jersey. In standing among our peers, the September 2010 issue of *NJ Monthly Magazine* ranked Park Ridge High School as #18 in the State. The percentage of students taking Advanced Placement exams is 98% and currently 22% of the Juniors and Seniors are enrolled in two or more courses.

Technology is an issue of critical importance at every grade level. Our Junior/Senior High School and elementary schools are linked via T-1 lines and a T-3 line to the internet, giving students the opportunity to interact with a wide range of programs. Park Ridge maintains a web site for the District with links to teacher web pages. All of staff and students have e-mail addresses. Video conferencing occurs at each grade level in grades 1-6 in the form of electronic field trips. Additionally, the administration encourages staff to strive for advancement in this and other vital areas of curriculum development.

The 2010-11 school year resounded with triumph on every level with 3 National Merit letter of Commendation recipients. Park Ridge continues to achieve scores above the state and national levels in the SAT's. Park Ridge continued to excel at preparing students to further their education as 96% of our students will be attending four-year or two year colleges.

Park Ridge enjoyed another consecutive year of excellence on the elementary level with students achieving recognition for their participation in Spelling Bees, Chess and Robotics competitions.

Teamwork, team spirit and enthusiasm describe our championship teams. Park Ridge High School received the NJSIAA sportsmanship award for the 4th straight year and 5th time in 6 years. This year, a number of our teams won NJIC championships including Girls Cross Country, Girls Soccer, Girls Tennis, Bowling, Wrestling, Softball and Girls Track. In addition to team success, many of our athletes received awards for individual accomplishments as well as their coaches being recognized by the league. With our athletes setting new school and county records as well as winning their respective leagues, Park Ridge continues to excel in its many extracurricular sports.

No school district can claim success without the endorsement and support of civic and parent groups. Park Ridge is fortunate to have an active network of concerned parents, community liaisons and corporate sponsors. The insights of the members of the ad hoc Board of Education, Drug Task Force, and Project/Facilities Committees shaped the District's direction in these areas. These groups continue to support, challenge and

respond with the immeasurable gift of time, effort and unprecedented appreciation for the potential of our children.

Commitment, quality and performance are emergent in each facet of the Park Ridge experience. In September 2009, the district passed a 10.6 million dollar referendum. This action will upgrade our existing buildings by installing new roofs and windows and upgrading the heating and control systems. The district will also be installing solar panels which will create a clean renewable energy source that will not only save the district money on its electric bills but will be good for the environment. The work being done qualifies the district for up to 40% reimbursement from the State on any debt borrowed providing significant tax relief for residents.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

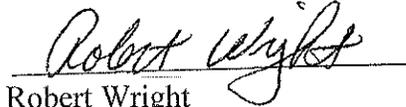
5. BUDGETARY CONTROLS: In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended, for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6. ACCOUNTING SYSTEM AND REPORTS: The district's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements".
7. FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules in the financial section of this report, the District continues to meet its responsibility for sound financial management.
8. DEBT ADMINISTRATION: At June 30, 2011, the District has outstanding bonded debt of \$12,970,000.
9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance, property and contents, and fidelity bonds. In addition, the Park Ridge Board of Education is a member of NESBIG, serving the interest of 30 school districts in Bergen and Passaic Counties
11. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP also was designed to meet the requirements of the Single Audit Act, and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Park Ridge Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

A handwritten signature in cursive script, reading "Robert Wright", is written over a horizontal line.

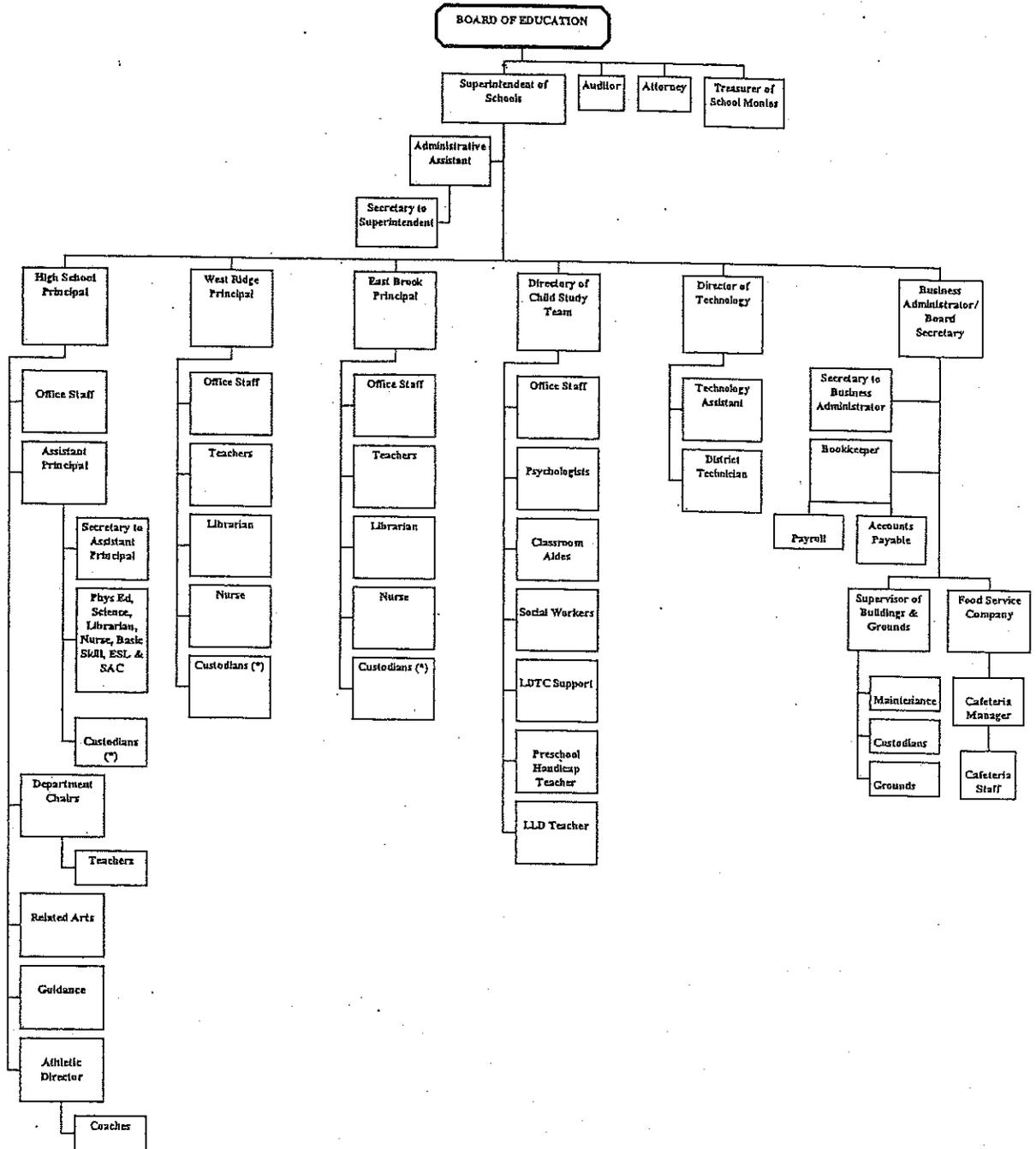
Robert Wright
Business Administrator/Board Secretary

POLICY

PARK RIDGE SCHOOL DISTRICT

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Note (*) Custodians Report to Building Administration for daily assignments

Adopted: 21 December 1992

Revised: 16 January 1995, 8 November 1996, 17 November 2003



**PARK RIDGE BOARD OF EDUCATION
PARK RIDGE, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
President: Joseph Bruno	2013
Vice President: Daniel Browne	2012
Members of the Board: Frank Church	2014
Barbara von Bradsky	2014
Robert Sileo	2014
Peter Montalbano	2013
Patrick Moran	2012
<u>Other Officials:</u>	
Superintendent: Dr. Robert Gamper	
Board Secretary/Business Administrator Robert Wright	
Treasurer: Colleen Ennis	

**PARK RIDGE BOARD OF EDUCATION
PARK RIDGE, NEW JERSEY**

Consultants and Advisors

Audit Firm

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Fair Lawn, New Jersey 07410

Attorney

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Red Bank, New Jersey 07701

Official Depository

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Ramsey, NJ 07446

FINANCIAL SECTION

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PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Park Ridge Board of Education
Park Ridge, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park Ridge Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. 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; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park Ridge Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park Ridge Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2011 on our consideration of the Park Ridge Board of Education'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 and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park Ridge Board of Education's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance 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. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have 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 them.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 5, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

PARK RIDGE BOARD OF EDUCATION

Management Discussion and Analysis Year Ended June 30, 2011

This section of Park Ridge Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-2011 fiscal year include the following:

- The assets of the Park Ridge Board of Education exceeded its liabilities at the close of the fiscal year by \$7,290,750 (net assets). Of this amount, \$1,097,946 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- The District's total net assets increased \$750,096 or 11%.
- Overall District revenues were \$26,104,507. General revenues accounted for \$23,130,531 or 89% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,973,976 or 11% of total revenues.
- The school district had \$24,947,926 in expenses for governmental activities; only \$2,552,127 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$23,130,531 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,817,793. Of this amount, \$256,333 is available for spending at the District's discretion (unassigned fund balance – General Fund).
- The General Fund unassigned budgetary fund balance at the close of the current fiscal year was \$596,964 which represented an increase of \$4,882 from the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.

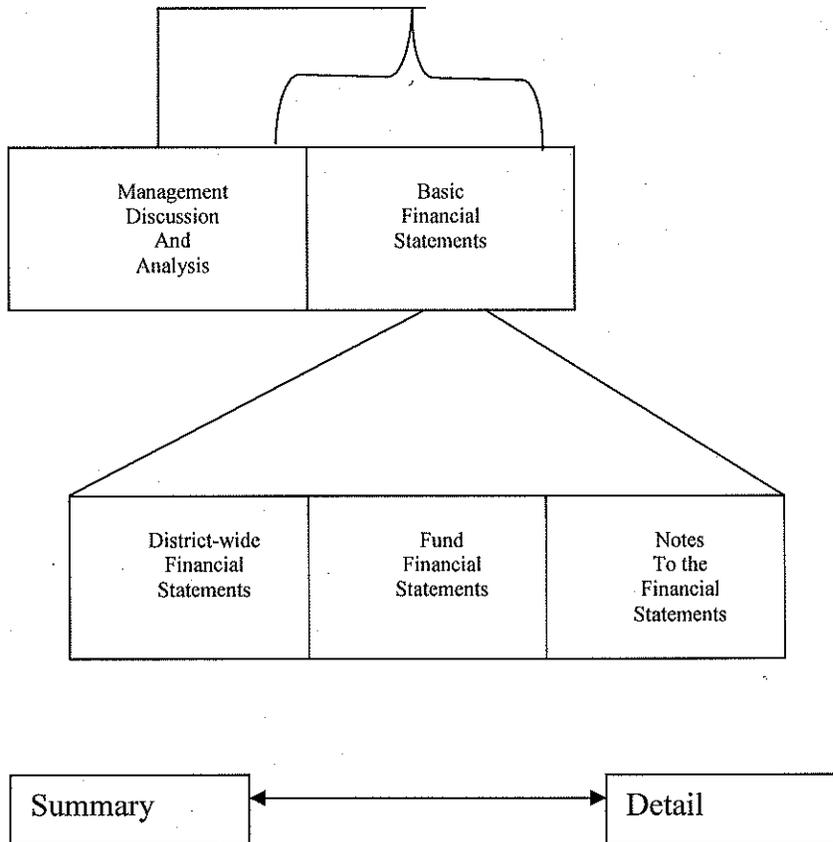
PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The figure below illustrates how the various parts of this Annual Report are arranged and related to one another.



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

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district(except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Internal Service funds and Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as unemployment, student activities, and payroll deduction.
Required financial Statements	Statements of net assets Statement of activities	Balance Sheet Statement of Revenue, expenditures and changes in fund balances	Statement of Net Assets Statement of revenue, expenses, and changes in fund net assets, Statement of cash flows	Statements of Fiduciary net assets, Statement of changes in fiduciary net assets
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset/liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long funds do not currently contain capital assets, although they can
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

District-Wide Statements

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

The two district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*

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

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2011

District-Wide Statements (Continued)

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and federal and state aid finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's food service, before and after school child care, SAT review and summer sports review programs are included under this category.

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental Funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary Funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District maintains two types of proprietary funds.
 - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has four enterprise funds for its food service (cafeteria) program, before and after school child care program, SAT review program and summer sports program.
 - *Internal Service Funds* – This fund is established to account for activities that provide services primarily for the District's other programs and activities. The District currently uses an internal service fund to account for its self contained learning and/or language disability program (“LLD Program”). Because these services benefit governmental rather than business-type functions, they have been included in *governmental activities* in the district-wide financial statements.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the basic financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets. The District's *combined* net assets were \$7,290,750 at June 30, 2011 and \$6,540,654 at June 30, 2010 as follows:

**Net Assets
As of June 30, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$ 5,624,413	\$ 9,680,459	\$ 258,049	\$ 221,511	\$ 5,882,462	\$ 9,901,970
Capital Assets	15,388,117	7,500,423	26,533	30,491	15,414,650	7,530,914
Total Assets	<u>21,012,530</u>	<u>17,180,882</u>	<u>284,582</u>	<u>252,002</u>	<u>21,297,112</u>	<u>17,432,884</u>
Long-Term Liabilities	13,063,841	10,015,724			13,063,841	10,015,724
Other Liabilities	863,170	814,371	79,351	62,135	942,521	876,506
Total Liabilities	<u>13,927,011</u>	<u>10,830,095</u>	<u>79,351</u>	<u>62,135</u>	<u>14,006,362</u>	<u>10,892,230</u>
Net Assets						
Invested in capital assets, net of related debt	4,098,433	3,912,275	26,533	30,491	4,124,966	3,942,766
Restricted	2,067,838	1,414,614			2,067,838	1,414,614
Unrestricted	919,248	1,023,898	178,698	159,376	1,097,946	1,183,274
Total Net Assets	<u>\$ 7,085,519</u>	<u>\$ 6,350,787</u>	<u>\$ 205,231</u>	<u>\$ 189,867</u>	<u>\$ 7,290,750</u>	<u>\$ 6,540,654</u>

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Change in Net Assets
For The Years Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$ 174,796	\$ 185,737	\$ 396,191	\$ 382,401	\$ 570,987	\$ 568,138
Operating Grants and Contributions	2,363,591	3,385,316	25,658	24,850	2,389,249	3,410,166
Capital Grants and Contributions	13,740				13,740	-
General Revenues						
Property Taxes	23,043,702	21,863,809			23,043,702	21,863,809
Other	86,829	64,051	-	-	86,829	64,051
Total Revenues	25,682,658	25,498,913	421,849	407,251	26,104,507	25,906,164
Expenses						
Instruction						
Regular	9,794,997	9,757,081			9,794,997	9,757,081
Special Education	3,977,713	3,849,988			3,977,713	3,849,988
Other Instruction	627,102	660,610			627,102	660,610
School Sponsored Activities and Athletics	736,229	781,524			736,229	781,524
Support Services						
Student and Instruction Related Services	4,268,710	4,068,419			4,268,710	4,068,419
General Administrative Services	613,101	734,983			613,101	734,983
School Administrative Services	1,198,904	1,168,425			1,198,904	1,168,425
Central and Other Support Services	759,086	709,976			759,086	709,976
Plant Operations and Maintenance	2,021,531	1,994,742			2,021,531	1,994,742
Pupil Transportation	563,942	653,348			563,942	653,348
Interest on Debt	386,611	103,050			386,611	103,050
Food Services			214,148	199,984	214,148	199,984
Child Care Program			177,793	172,203	177,793	172,203
SAT Review Program	-	-	7,348	6,394	7,348	6,394
Summer Sports Program	-	-	7,196	-	7,196	-
Total Expenses	24,947,926	24,482,146	406,485	378,581	25,354,411	24,860,727
Increase in Net Assets	734,732	1,016,767	15,364	28,670	750,096	1,045,437
Net Assets, Beginning of Year	6,350,787	5,334,020	189,867	161,197	6,540,654	5,495,217
Net Assets, End of Year	\$ 7,085,519	\$ 6,350,787	\$ 205,231	\$ 189,867	\$ 7,290,750	\$ 6,540,654

PARK RIDGE BOARD OF EDUCATION

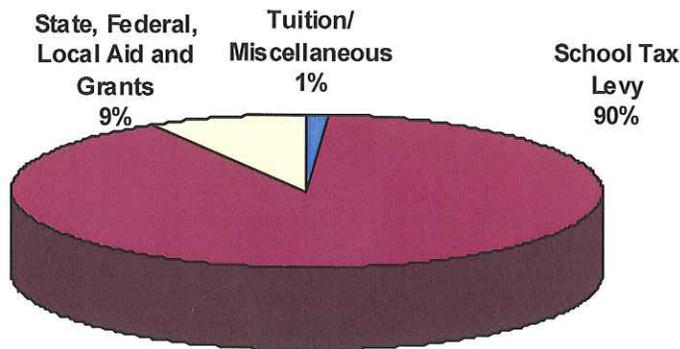
Management's Discussion and Analysis Year Ended June 30, 2011

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$25,682,658 for the year ended June 30, 2011. Property taxes of \$23,043,702 represented 90% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local aid of \$2,377,331 represented 9% of revenues. In addition, tuition and miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

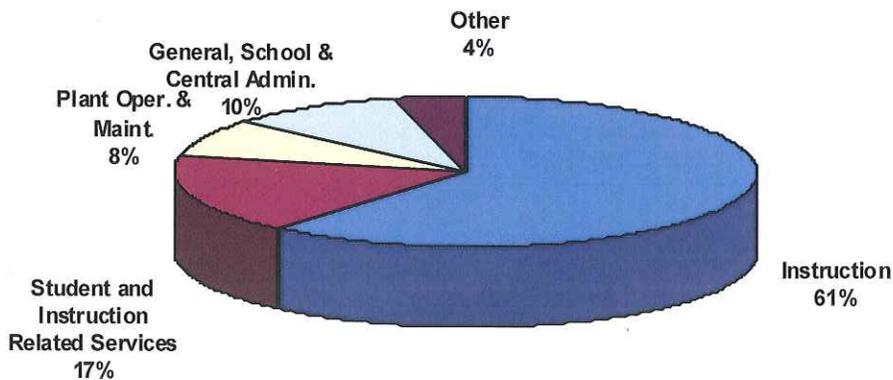
The total cost of all governmental activities programs and services was \$24,947,926. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$15,136,041 (61%) of total expenses. Support services, total \$9,425,274 (38%) of total expenses and interest on debt totaled \$386,611 (1%) of total expenses.

Total governmental activities revenues exceeded expenses, increasing net assets \$734,732 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2011**



**Expenditures by Type-Governmental Activities
For Fiscal Year 2011**



PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Instruction				
Regular	\$ 9,794,997	\$ 9,757,081	\$ 8,852,972	\$ 8,789,043
Special Education	3,977,713	3,849,988	3,025,904	2,101,552
Other Instruction	627,102	660,610	553,417	597,558
School Sponsored Activities and Athletics	736,229	781,524	736,229	781,524
Support Services				
Student and Instruction Related Services	4,268,710	4,068,419	3,806,809	3,533,394
General Administrative Services	613,101	734,983	588,907	709,565
School Administrative Services	1,198,904	1,168,425	1,127,170	1,097,690
Central and Other Support Services	759,086	709,976	737,277	687,961
Plant Operations and Maintenance	2,021,531	1,994,742	2,019,296	1,932,513
Pupil Transportation	563,942	653,348	561,207	577,243
Interest on Debt	<u>386,611</u>	<u>103,050</u>	<u>386,611</u>	<u>103,050</u>
Total	<u>\$ 24,947,926</u>	<u>\$ 24,482,146</u>	<u>\$ 22,395,799</u>	<u>\$ 20,911,093</u>

Total and Net Cost of Governmental Activities. The District's total cost of services was \$24,947,926. After applying program revenues, derived from charges for services of \$174,796, operating grants and contributions of \$2,363,591 and capital grants and contributions of \$13,740, the net cost of services of the District is \$22,395,799.

Business-Type Activities – The District's total business-type activities revenues were \$421,849 for the year ended June 30, 2011. Charges for services accounted for 94% of total revenues. Operating grants and contributions accounted for 6% of total revenue for the year.

Total cost of all business-type activities programs and services was \$406,485. The District's expenses are related to Food Service (52%), Child Care (44%), SAT Review Programs (2%), and Summer Sports Program (2%).

Total business-type activities revenues exceeded expenses, increasing net assets by \$15,364 from the previous year. Food service operations decreased net assets by \$6,158, child care operations increased net assets by \$22,716, and the remaining decrease in net assets was from the SAT review and summer sports programs operations which decreased a combined \$1,194 from the previous year.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$4,817,793 which was a decrease of \$3,905,889 over last year's fund balance of \$8,723,682. This decrease was attributable to the capital outlay expenses incurred in connection with the energy efficient improvements to all District school facilities.

Revenues for the District's governmental funds were \$25,564,064, while total expenses were \$32,794,890 for the fiscal year ended June 30, 2011. The District also had total other financing sources, net of financing uses, of \$3,324,937 which was the result of the school refunding bonds and general obligation serial bonds issued during the current year.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from Pre-Kindergarten through Grade 12 including pupil transportation and capital outlay activities.

The following schedule presents a comparison of General Fund revenues for the fiscal years ended June 30, 2011 and 2010:

	<u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2011</u>	<u>2010</u>	<u>Increase</u>	<u>Change</u>
			<u>(Decrease)</u>	
Local Sources				
Property Taxes	\$ 22,797,775	\$ 21,616,694	\$ 1,181,081	5%
Tuition	56,202	50,203	5,999	12%
Other	86,829	64,051	22,778	36%
State Sources	<u>1,806,013</u>	<u>2,542,504</u>	<u>(736,491)</u>	-29%
Total General Fund Revenues	<u>\$ 24,746,819</u>	<u>\$ 24,273,452</u>	<u>\$ 473,367</u>	2%

Total General Fund revenues increased \$473,367 or 2% from the previous year. Local property taxes increased by \$1,181,081 or 5% to finance increases in current year operations and to offset reductions in State Aid. There was a significant decrease in State Aid revenue of \$736,491 or 29% mainly attributable to an elimination of all categorical formula state aid during the current year.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2011 and 2010:

	<u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2011</u>	<u>2010</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Change</u>
Instruction	\$ 14,180,666	\$ 14,301,575	\$ (120,909)	-1%
Support Services	9,012,253	8,969,920	42,333	0%
Capital Outlay	<u>776,873</u>	<u>336,843</u>	<u>440,030</u>	131%
Total Expenditures	<u>\$ 23,969,792</u>	<u>\$ 23,608,338</u>	<u>\$ 361,454</u>	2%

Total General Fund expenditures increased \$361,454 or 2% from the previous year. Increases during the year were attributed to increases in special education instructional and student instruction related service costs as well as increases in capital outlay equipment and facility expenditures. These increases were offset with decreases in regular instructional and pupil transportation costs.

For 2010-2011 General Fund revenues exceeded expenditures by \$777,027. Therefore, total fund balance increased to \$3,272,052 at June 30, 2011. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$226,177 at June 30, 2010 to \$256,333 at June 30, 2011. In addition, fund balances for capital reserve and emergency reserve increased to \$600,000 and \$241,040, respectively, at year end.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into three categories:

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reinstating prior year purchase orders being carried over as encumbrances.
- Increases in budget appropriations for significant unbudgeted costs.

General Fund budgetary revenues exceeded expenditures increasing budgetary fund balance \$751,753. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$4,882 from \$592,082 at June 30, 2010 to \$596,964 at June 30, 2011. The unassigned budgetary fund balance at year end is at the maximum level permitted by the State Department of Education. Consequently, the District had excess surplus from current year operations of \$174,681 at June 30, 2011. These excess funds will be appropriated in the 2012/2013 budget in accordance with State budget regulations.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Year Ended June 30, 2011

CAPITAL ASSETS

At the end of the fiscal year 2011 the District had \$15,414,650 (net of accumulated depreciation) invested in land, buildings, furniture, equipment and vehicles. Depreciation expenses for fiscal year 2011 amounted to \$655,311 for governmental activities and \$7,170 for business-type activities. The following is a comparison of the June 30, 2011 and 2010 balances:

Capital Assets
at June 30, 2011 and 2010

	<u>Governmental Activities</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 1,054,125	\$ 650,884			\$ 1,054,125	\$ 650,884
Land Improvements	1,074,072	1,069,572			1,074,072	1,069,572
Buildings and Building Improvements	17,199,123	7,899,635			17,199,123	7,899,635
Machinery and Equipment	2,549,793	2,493,659	\$ 102,372	\$ 99,160	2,652,165	2,592,819
Construction in Progress	-	1,220,358	-	-	-	1,220,358
	21,877,113	12,113,750	102,372	99,160	21,979,485	12,212,910
Less Accumulated Depreciation	<u>(6,488,996)</u>	<u>(5,833,685)</u>	<u>(75,839)</u>	<u>(68,669)</u>	<u>(6,564,835)</u>	<u>(5,902,354)</u>
Total	<u>\$ 15,388,117</u>	<u>\$ 6,280,065</u>	<u>\$ 26,533</u>	<u>\$ 30,491</u>	<u>\$ 15,414,650</u>	<u>\$ 6,310,556</u>

LONG TERM LIABILITIES

At June 30, 2011 the District had long-term liabilities outstanding in the amount of \$13,063,841 consisting of bonds payable and compensated absences. The following is a comparison of the June 30, 2011 and 2010 balances.

Outstanding Long-Term Liabilities
At June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Bonds Payable (Net of Unamortized Amounts)	\$ 12,937,424	\$ 9,879,000
Compensated Absences	<u>126,417</u>	<u>136,724</u>
Total	<u>\$ 13,063,841</u>	<u>\$ 10,015,724</u>

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Year Ended June 30, 2011

FACTORS BEARING THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for special education needs, aging school facilities and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2011-2012 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs and special education costs.

These indicators were considered when adopting the budget for fiscal year 2011-2012. Budgeted expenditures in the General Fund increased 2% percent to \$24,617,120 in fiscal year 2011-2012. Increases in contractual payroll and employee health benefits are the primary reasons for the increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our 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 information contact the Business Office, Park Ridge Board of Education, 2 Park Avenue, Park Ridge, NJ 07656.

DISTRICT-WIDE FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,293,402	\$ 240,129	\$ 5,533,531
Receivables, net	175,775	7,133	182,908
Inventories		2,108	2,108
Prepaid Items		8,691	8,691
Internal Balances	12	(12)	
Deferred Charges - Bond Issuance Costs	155,224		155,224
Capital Assets, Not Being Depreciated	1,054,125		1,054,125
Capital Assets, Being Depreciated, Net	14,333,992	26,533	14,360,525
	<u>21,012,530</u>	<u>284,582</u>	<u>21,297,112</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	439,908	5,168	445,076
Payable to Other Governments	30,405		30,405
Accrued Interest Payable	392,857		392,857
Unearned Revenue		74,183	74,183
Noncurrent Liabilities			
Due within one year	315,000		315,000
Due beyond one year	12,748,841	-	12,748,841
	<u>13,927,011</u>	<u>79,351</u>	<u>14,006,362</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	4,098,433	26,533	4,124,966
Restricted for			
Capital Projects	2,014,613		2,014,613
Debt Service	53,225		53,225
Unrestricted	919,248	178,698	1,097,946
	<u>\$ 7,085,519</u>	<u>\$ 205,231</u>	<u>\$ 7,290,750</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**PARK RIDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities								
Instruction								
Regular	\$ 9,794,997	\$ 27,500	\$ 909,554	\$ 4,971	\$ (8,852,972)	\$	\$ (8,852,972)	
Special Education	3,977,713	147,296	795,744	8,769	(3,025,904)		(3,025,904)	
Other Instruction	627,102		73,685		(553,417)		(553,417)	
School Sponsored Activities and Athletics	736,229				(736,229)		(736,229)	
Support Services								
Student and Instruction Related Services	4,268,710		461,901		(3,806,809)		(3,806,809)	
General Administrative Services	613,101		24,194		(588,907)		(588,907)	
School Administrative Services	1,198,904		71,734		(1,127,170)		(1,127,170)	
Central and Other Support Services	759,086		21,809		(737,277)		(737,277)	
Plant Operations and Maintenance	2,021,531		2,235		(2,019,296)		(2,019,296)	
Pupil Transportation	563,942		2,735		(561,207)		(561,207)	
Interest on Debt	386,611		-		(386,611)		(386,611)	
Total Governmental Activities	24,947,926	174,796	2,363,591	13,740	(22,395,799)	-	(22,395,799)	
Business-Type Activities								
Food Service	214,148	182,332	25,658			\$ (6,158)	(6,158)	
Child Care Program	177,793	200,509				22,716	22,716	
SAT Review Program	7,348	8,950				1,602	1,602	
Summer Sports Program	7,196	4,400				(2,796)	(2,796)	
Total Business-Type Activities	406,485	396,191	25,658	-	-	15,364	15,364	
Total Primary Government	\$ 25,354,411	\$ 570,987	\$ 2,389,249	\$ 13,740	(22,395,799)	15,364	(22,380,435)	

**PARK RIDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Property Taxes	\$ 22,797,775	\$	22,797,775
Levied for General Purposes	245,927		245,927
Levied for Debt Service	86,829	-	86,829
Miscellaneous Income			
Total General Revenues	23,130,531	-	23,130,531
Change in Net Assets	734,732	\$ 15,364	750,096
Net Assets, Beginning of Year	6,350,787	189,867	6,540,654
Net Assets, End of Year	\$ 7,085,519	\$ 205,231	\$ 7,290,750

FUND FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,262,218		\$ 1,793,976	\$ 53,225	\$ 5,109,419
Receivables, Net					
Receivables from Other Governments		\$ 172,597			172,597
Other	3,178				3,178
Due from Other Funds	142,204	-	-	-	142,204
Total Assets	<u>\$ 3,407,600</u>	<u>\$ 172,597</u>	<u>\$ 1,793,976</u>	<u>\$ 53,225</u>	<u>\$ 5,427,398</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 135,548		\$ 301,460		\$ 437,008
Due to Other Funds		\$ 142,192			142,192
Payable to Other Governments	-	30,405	-	-	30,405
Total Liabilities	<u>135,548</u>	<u>172,597</u>	<u>301,460</u>	<u>-</u>	<u>609,605</u>
Fund Balances					
Restricted					
Capital Reserve	1,614,613				1,614,613
Capital Reserve - Designated for Subsequent Year's Expenditures	400,000				400,000
Emergency Reserve	241,040				241,040
Reserved Excess Surplus	174,681				174,681
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	222,771				222,771
Waiver Offset Reserve - Designated for Subsequent Year's Expenditures	1,031				1,031
Capital Projects			1,492,516		1,492,516
Debt Service				\$ 53,225	53,225
Assigned					
Year End Encumbrances	240,607				240,607
Designed for Subsequent Year's Expenditures	120,976				120,976
Unassigned	256,333	-	-	-	256,333
Total Fund Balances	<u>3,272,052</u>	<u>-</u>	<u>1,492,516</u>	<u>53,225</u>	<u>4,817,793</u>
Total Liabilities and Fund Balances	<u>\$ 3,407,600</u>	<u>\$ 172,597</u>	<u>\$ 1,793,976</u>	<u>\$ 53,225</u>	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011**

Total Fund Balances - Governmental Funds (Carried Forward)		\$ 4,817,793						
<p>Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:</p>								
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,877,113 and the accumulated depreciation is \$6,488,996.</p>		15,388,117						
<p>Bond issuance costs are amortized over the life of the bonds on the statement of net assets</p>		155,224						
<p>The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is:</p>		(392,857)						
<p>Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Bonds Payable, Net</td> <td style="width: 10%; text-align: right;">\$ 12,937,424</td> <td style="width: 30%;"></td> </tr> <tr> <td>Compensated Absences</td> <td style="text-align: right;"><u>126,417</u></td> <td></td> </tr> </table>	Bonds Payable, Net	\$ 12,937,424		Compensated Absences	<u>126,417</u>			(13,063,841)
Bonds Payable, Net	\$ 12,937,424							
Compensated Absences	<u>126,417</u>							
<p>Internal service funds are used by management to charge the costs of certain special education programs to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets</p>		<u>181,083</u>						
Net Assets of Governmental Activities (Exhibit A-1)		<u>\$ 7,085,519</u>						

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 22,797,775			\$ 245,927	\$ 23,043,702
Tuition	56,202				56,202
Miscellaneous	86,829	\$ 30,611	-	-	117,440
Total - Local Sources	22,940,806	30,611	-	245,927	23,217,344
Federal Sources		414,639			414,639
State Sources	1,806,013	126,068	-	-	1,932,081
Total Revenues	24,746,819	571,318	-	245,927	25,564,064
EXPENDITURES					
Current					
Regular Instruction	9,292,120	35,260			9,327,380
Special Education Instruction	3,537,990	305,887			3,843,877
Other Instruction	614,327	12,190			626,517
School-Sponsored Activities and Athletics	736,229				736,229
Support Services					
Student and Instruction Related Services	4,022,056	204,241			4,226,297
General Administrative Services	600,023				600,023
School Administrative Services	1,176,557				1,176,557
Central and Other Support Service	741,485				741,485
Plant Operations and Maintenance	1,927,167				1,927,167
Pupil Transportation	544,965				544,965
Debt Service					
Principal				140,000	140,000
Interest				52,703	52,703
Advance Refunding Escrow				135,274	135,274
Cost of Issuance			\$ 61,483	48,663	110,146
Capital Outlay	776,873	13,740	7,815,657	-	8,606,270
Total Expenditures	23,969,792	571,318	7,877,140	376,640	32,794,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	777,027	-	(7,877,140)	(130,713)	(7,230,826)
OTHER FINANCING SOURCES (USES)					
Refunding Bond Proceeds				2,155,000	2,155,000
Premium on Refunding Bonds				93,937	93,937
Payment to Refunded Bond Escrow Agent				(2,065,000)	(2,065,000)
Serial Bond Proceeds	-	-	3,141,000	-	3,141,000
Total Other Financing Sources and Uses	-	-	3,141,000	183,937	3,324,937
Net Change in Fund Balance	777,027	-	(4,736,140)	53,224	(3,905,889)
Fund Balance, Beginning of Year	2,495,025	-	6,228,656	1	8,723,682
Fund Balance End of Year	\$ 3,272,052	\$ -	\$ 1,492,516	\$ 53,225	\$ 4,817,793

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**PARK RIDGE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (3,905,889)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlay	\$ 8,606,270	
Depreciation Expense	<u>(655,311)</u>	7,950,959

The statement of activities reports losses from the disposition of existing capital assets. Conversely, governmental funds do not report losses on the disposal of capital assets. (63,265)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities

Payment of Serial Bond Principal		140,000
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the statement of net assets and is not reported in the statement of activities. Also, the government funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Cost of Issuance on Debt	110,146	
Refunding Escrow Agent Payments	135,274	
Issuance of Refunding Bonds	(2,155,000)	
Original Issue Premium	(93,937)	
General Obligation Bonds Refunded	2,065,000	
Issuance of Serial Bonds	<u>(3,141,000)</u>	(3,079,517)

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon issuance of the debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.

Cost of Issuance	(17,118)	
Deferred Amount on Refunding	(28,671)	
Original Issue Premium	<u>19,910</u>	(25,879)

**PARK RIDGE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	\$	10,307
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Increase in accrued interest		(325,147)
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Internal service funds are used by management to charge the costs of certain special education programs to individual funds. The net revenue or (expenses) of certain activities of internal service funds is reported with governmental activities.

	<u>33,163</u>
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Change in Net Assets of Governmental Activities (Exhibit A-2)

	\$	<u>734,732</u>
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**PARK RIDGE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

	<u>Business-Type Activities - Enterprise Fund</u>				<u>Governmental Activities- Internal Service Fund- LLD Program</u>
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Non-Major Enterprise Fund</u>	<u>Totals</u>	
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 12,853	\$ 225,060	\$ 2,216	\$ 240,129	\$ 183,983
Intergovernmental Receivable					
Federal	2,441			2,441	
State	92			92	
Accounts Receivable- Other	890	3,710		4,600	
Inventories	2,108			2,108	
Prepaid Items	-	8,691	-	8,691	-
Total Current Assets	<u>18,384</u>	<u>237,461</u>	<u>2,216</u>	<u>258,061</u>	<u>183,983</u>
Capital Assets					
Equipment	86,793	15,579		102,372	
Less: Accumulated Depreciation	(68,566)	(7,273)	-	(75,839)	-
Total Capital Assets	<u>18,227</u>	<u>8,306</u>	<u>-</u>	<u>26,533</u>	<u>-</u>
Total Assets	<u>36,611</u>	<u>245,767</u>	<u>2,216</u>	<u>284,594</u>	<u>183,983</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	500	4,668	-	5,168	2,900
Due to Other Funds			12	12	
Unearned Revenue	835	70,428	2,920	74,183	-
Total Current Liabilities	<u>1,335</u>	<u>75,096</u>	<u>2,932</u>	<u>79,363</u>	<u>2,900</u>
NET ASSETS (DEFICITS)					
Invested in Capital Assets	18,227	8,306		26,533	
Unrestricted	17,049	162,365	(716)	178,698	181,083
Total Net Assets (Deficits)	<u>\$ 35,276</u>	<u>\$ 170,671</u>	<u>\$ (716)</u>	<u>\$ 205,231</u>	<u>\$ 181,083</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**PARK RIDGE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities - Enterprise Fund</u>				<u>Governmental Activities- Internal Service Fund- LLD Program</u>
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Non-Major Enterprise Fund</u>	<u>Totals</u>	
OPERATING REVENUES					
Charges for Services					
Daily Sales	\$ 177,040			\$ 177,040	
Special Functions	5,292			5,292	
Program Fees		\$ 200,509	\$ 13,350		
Tuition	-	-	-	-	\$ 555,576
Total Operating Revenues	<u>182,332</u>	<u>200,509</u>	<u>13,350</u>	<u>396,191</u>	<u>555,576</u>
OPERATING EXPENSES					
Salaries and Employee Benefits	93,751	129,007	13,325	236,083	513,505
Cost of Sales	79,282			79,282	
Purchased Management Services	15,389			15,389	
Other Purchased Services	500	1,200		1,700	5,800
Supplies and Materials	7,288	12,371	1,219	20,878	3,108
Miscellaneous	3,091	34,176		37,267	
Repair and Maintenance	8,716			8,716	
Depreciation	6,131	1,039	-	7,170	-
Total Operating Expenses	<u>214,148</u>	<u>177,793</u>	<u>14,544</u>	<u>406,485</u>	<u>522,413</u>
Operating Income (Loss)	<u>(31,816)</u>	<u>22,716</u>	<u>(1,194)</u>	<u>(10,294)</u>	<u>33,163</u>
NONOPERATING REVENUES					
Federal Sources					
National School Lunch Program	16,110			16,110	
Special Milk Program	8,832			8,832	
State Sources					
State School Lunch Program	716	-	-	716	-
Total Nonoperating Revenues	<u>25,658</u>	<u>-</u>	<u>-</u>	<u>25,658</u>	<u>-</u>
Change in Net Assets	(6,158)	22,716	(1,194)	15,364	33,163
Total Net Assets, Beginning of Year	<u>41,434</u>	<u>147,955</u>	<u>478</u>	<u>189,867</u>	<u>147,920</u>
Total Net Assets (Deficits), End of Year	<u>\$ 35,276</u>	<u>\$ 170,671</u>	<u>\$ (716)</u>	<u>\$ 205,231</u>	<u>\$ 181,083</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**PARK RIDGE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities - Enterprise Fund</u>				<u>Governmental Activities- Internal Service Fund- LLD Program</u>
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Non-Major Enterprise Fund</u>	<u>Totals</u>	
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 182,332	\$ 217,707	\$ 16,270	\$ 416,309	\$ 555,576
Cash Payments for Employees' Salaries and Benefits	(93,751)	(129,007)	(13,325)	(236,083)	(513,505)
Cash Payments to Suppliers for Goods and Services	(99,881)	(45,679)	(1,355)	(146,915)	(6,008)
Net Cash Provided by (Used for) Operating Activities	<u>(11,300)</u>	<u>43,021</u>	<u>1,590</u>	<u>33,311</u>	<u>36,063</u>
Cash Flows from Noncapital Financing Activities					
Cash Received from State and Federal Subsidy Reimbursements	19,130	-	-	19,130	-
Cash Received from Other Funds	-	-	12	12	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>19,130</u>	<u>-</u>	<u>12</u>	<u>19,142</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(3,212)	-	-	(3,212)	-
Net Cash Used for Capital and Related Financing Activities	<u>(3,212)</u>	<u>-</u>	<u>-</u>	<u>(3,212)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	4,618	43,021	1,602	49,241	36,063
Cash and Cash Equivalents, Beginning of Year	8,235	182,039	614	190,888	147,920
Cash and Cash Equivalents, End of Year	<u>\$ 12,853</u>	<u>\$ 225,060</u>	<u>\$ 2,216</u>	<u>\$ 240,129</u>	<u>\$ 183,983</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ (31,816)	\$ 22,716	\$ (1,194)	\$ (10,294)	\$ 33,163
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	6,131	1,039		7,170	
Food Distribution Program (USDA Commodities)	5,372			5,372	
Change in Assets and Liabilities					
(Increase)/Decrease in Accounts Receivable	7,990	6,038		14,028	
(Increase)/Decrease in Inventory	23			23	
(Increase)/Decrease in Prepaid Expenses		(204)		(204)	
Increase/(Decrease) in Accounts Payable	500	2,272	(136)	2,636	2,900
Increase/(Decrease) in Unearned Revenue	500	11,160	2,920	14,580	-
Total Adjustments	<u>20,516</u>	<u>20,305</u>	<u>2,784</u>	<u>43,605</u>	<u>2,900</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (11,300)</u>	<u>\$ 43,021</u>	<u>\$ 1,590</u>	<u>\$ 33,311</u>	<u>\$ 36,063</u>
Non-Cash Investing, Capital and Financing Activities:					
Value Received - Food Distribution Program	\$ 5,872				

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011**

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Trust Fund	Private Purpose Folkens Trust Fund	Private Purpose Varsity Club Trust Fund	Agency Fund
ASSETS					
Cash and Cash Equivalents	\$ 187,664	\$ 67,712	\$ 330,082	\$ 8,828	\$ 113,003
Investments		38,149			
Due from Other Funds	<u>4,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 191,977</u>	<u>\$ 105,861</u>	<u>\$ 330,082</u>	<u>\$ 8,828</u>	<u>\$ 113,003</u>
LIABILITIES					
Accounts Payable				\$ 531	
Payroll Deductions and Withholdings					\$ 33,389
Intergovernmental Payable-State	16,272				
Due to Student Groups					75,301
Due to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,313</u>
Total Liabilities	<u>16,272</u>	<u>-</u>	<u>-</u>	<u>531</u>	<u>\$ 113,003</u>
NET ASSETS					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 175,705</u>	<u>\$ 105,861</u>	<u>\$ 330,082</u>	<u>\$ 8,297</u>	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Trust Fund</u>	<u>Private Purpose Folkens Trust Fund</u>	<u>Private Purpose Varsity Club Trust Fund</u>
ADDITIONS				
Contributions				
District	\$ 50,482			
Employees	15,810			
Private	-	-	-	\$ 9,333
Total Contributions	<u>66,292</u>	<u>-</u>	<u>-</u>	<u>9,333</u>
Investment Earnings				
Interest	1,391	\$ 176	\$ 661	19
Dividends	-	1,077	-	-
Total Investment Earnings	<u>1,391</u>	<u>1,253</u>	<u>661</u>	<u>19</u>
Add: Net Increase in the Fair Value of Investments	<u>-</u>	<u>5,944</u>	<u>-</u>	<u>-</u>
Net Investment Earnings	<u>1,391</u>	<u>7,197</u>	<u>661</u>	<u>19</u>
Total Additions	<u>67,683</u>	<u>7,197</u>	<u>661</u>	<u>9,352</u>
DEDUCTIONS				
Scholarship Awards		4,200		
Unemployment Claims and Contributions	82,511	-		
School Sponsored Activities and Athletics	-	-	-	2,323
Total Deductions	<u>82,511</u>	<u>4,200</u>	<u>-</u>	<u>2,323</u>
Change in Net Assets	<u>(14,828)</u>	<u>2,997</u>	<u>661</u>	<u>7,029</u>
Net Assets, Beginning of the Year	<u>190,533</u>	<u>102,864</u>	<u>329,421</u>	<u>1,268</u>
Net Assets, End of the Year	<u>\$ 175,705</u>	<u>\$ 105,861</u>	<u>\$ 330,082</u>	<u>\$ 8,297</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Park Ridge Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Park Ridge Board of Education this includes general operations, food service, before and after school child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. Basic Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and the food service and the before and after school program enterprise funds to be major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when 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 of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *before & after school program fund* accounts for the activities of the District's extended teaching and recreation after school ("EXTRAS") program which provides day care and recreation services for elementary students in Grades K through 6.

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *SAT review program fund* accounts for the activities of the SAT review courses provided to District and non-District students.

The *summer sports programs fund* accounts for the activities of the District's summer sports camps provided to District students.

Additionally, the government reports the following fund types:

The *internal service fund* accounts for LLD program services (learning and/or language disabilities) provided to other departments or agencies of the District, or to other Boards of Education, on a cost reimbursement basis.

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, for private donations for education purposes, payroll and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital, except for the Mulhall Scholarship Fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, investment earnings and miscellaneous revenues.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, the before and after school enterprise fund, the non-major enterprise funds and the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are not subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2009-2010 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. *Receivables and Payables* (Continued)

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

4. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. *Capital Assets (Continued)*

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	20-50
Building Improvements	10-50
Machinery and Equipment	5

6. *Compensated Absences*

It is the District’s policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board’s commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Long-term obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

8. *Fund Equity*

Beginning with fiscal year 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

8. Fund Equity (Continued)

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C.)

Capital Reserve – Designated for Subsequent Year's Expenditures – This reserve was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures and was created to dedicate the portion of the capital reserve account appropriated in the adopted 2011/2012 original budget certified for taxes.

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

Waiver Offset Reserve – Designated for Subsequent Year's Expenditures – This restriction was created to represent the surplus generated at June 30, 2010 from Commissioner approved tax levy waivers in the 2009/2010 budget that was appropriated in the 2011/2012 original budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

9. *Reclassifications*

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original budget by \$531,350. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year authorized and approved additional fund balance appropriations of \$120,482 from the general fund were made on February 14, 2011.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity

The District has an accumulated deficit of \$2,932 in the Summer Sports Program Enterprise Fund. The District expects to eliminate this deficit through normal operations in the 2011/2012 fiscal year.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve

A capital reserve account was established by the District on October 16, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The total capital reserve balance at June 30, 2011 is \$2,014,613. Of this amount, \$400,000 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$1,614,613 will be available to fund future capital projects.

The activity of the capital reserve for the fiscal year ended June 30, 2011 is as follows:

Balance, July 1, 2010	\$ 1,414,613
Increases	
Deposits Approved by Board Resolution	<u>1,200,000</u>
	2,614,613
Withdrawals	
Approved by Voters in District Budget	<u>600,000</u>
Balance, June 30, 2011	<u>\$ 2,014,613</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is \$48,973,638. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is \$397,452. Of this amount, \$222,771 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$174,681 will be appropriated in the 2012/2013 original budget certified for taxes.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was \$6,240,820 and bank balances of the Board's cash and deposits amounted to \$6,584,902. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 6,197,554
Uninsured and Collateralized	<u>387,348</u>
	<u>\$ 6,584,902</u>

Custodial Credit Risk – Deposits – 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 Board does not have a policy for custodial credit risk.. As of June 30, 2011 the Board's bank balance of \$387,348 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department or agent but not in the Board's name	<u>\$ 387,348</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2011, the Board had the following investments:

	<u>Fair Value</u>
<u>Investment:</u>	
U.S. Government Securities	
Vanguard Wellington Fund	\$ <u>38,149</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. . As of June 30, 2011, \$38,148 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>38,149</u>

Interest Rate Risk – The Board 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.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer. The District has 100% of its investments in the Vanguard Wellington Fund in accordance with a trust agreement between the District and donor of the funds.

The fair value of the above-listed investment was based on quoted market prices provided by Vanguard.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2011 for the district's individual major funds, nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Total</u>
Receivables:					
Intergovernmental Accounts	\$ 3,178	\$172,597	\$ 2,533	\$ 3,710	\$175,130
		<u>-</u>	<u>890</u>		<u>7,778</u>
Gross Receivables	3,178	172,597	3,423	3,710	182,908
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 3,178</u>	<u>\$172,597</u>	<u>\$ 3,423</u>	<u>\$ 3,710</u>	<u>\$182,908</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance, July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2011</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 650,884	\$ 403,241		\$ 1,054,125
Construction in Progress	<u>1,220,358</u>	<u>7,815,657</u>	<u>\$ (9,036,015)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>1,871,242</u>	<u>8,218,898</u>	<u>(9,036,015)</u>	<u>1,054,125</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,069,572	4,500		1,074,072
Buildings and Building Improvements	7,899,635	9,299,488		17,199,123
Machinery and Equipment	<u>2,493,659</u>	<u>132,399</u>	<u>\$ (76,265)</u>	<u>2,549,793</u>
Total Capital Assets Being Depreciated	<u>11,462,866</u>	<u>9,436,387</u>	<u>(76,265)</u>	<u>20,822,988</u>
Less Accumulated Depreciation for:				
Land Improvements	(596,307)	(45,936)		(642,243)
Buildings and Building Improvements	(3,467,090)	(458,274)		(3,925,364)
Machinery and Equipment	<u>(1,770,288)</u>	<u>(151,101)</u>	<u>-</u>	<u>(1,921,389)</u>
Total Accumulated Depreciation	<u>(5,833,685)</u>	<u>(655,311)</u>	<u>-</u>	<u>(6,488,996)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,629,181</u>	<u>8,781,076</u>	<u>(76,265)</u>	<u>14,333,992</u>
Government Activities Capital Assets, Net	<u>\$ 7,500,423</u>	<u>\$ 16,999,974</u>	<u>\$ (9,112,280)</u>	<u>\$ 15,388,117</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Balance, <u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2011</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 99,160	\$ 3,212	-	\$ 102,372
Total Capital Assets Being Depreciated	<u>99,160</u>	<u>3,212</u>	<u>-</u>	<u>102,372</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(68,669)</u>	<u>(7,170)</u>	<u>-</u>	<u>(75,839)</u>
Total Accumulated Depreciation	<u>(68,669)</u>	<u>(7,170)</u>	<u>-</u>	<u>(75,839)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,491</u>	<u>(3,958)</u>	<u>-</u>	<u>26,533</u>
Business-Type Activities Capital Assets, Net	<u>\$ 30,491</u>	<u>\$ (3,958)</u>	<u>\$ -</u>	<u>\$ 26,533</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction		
Regular		\$ 434,254
Special		<u>43,887</u>
Total Instruction		<u>478,141</u>
Support Services		
Support Services - Students		40,114
General Administration		11,694
School Administration		23,926
Operations and Maintenance of Plant		84,130
Student Transportation		<u>17,306</u>
Total Support Services		<u>177,170</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 655,311</u>
Business-type activities:		
Food Service Fund		\$ 6,131
Before and After School Program Fund		<u>1,039</u>
Total Depreciation Expense - Business-Type Activities		<u>\$ 7,170</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 142,192
General Fund	Summer Sports Program Enterprise Fund	12
Unemployment Trust Fund	Payroll Agency Fund	<u>4,313</u>
Total		<u>\$ 146,517</u>

The above balances are the result of receipts deposited in one fund which are due to another fund or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

E. Leases

Operating Leases

The District leases copiers and a modular classroom under noncancelable operating leases. Lease payments for the year ended June 30, 2011 were \$14,465. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 14,465
2013	<u>2,145</u>
Total	<u>\$ 16,610</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2011 are comprised of the following issues:

\$3,180,000, 2001 Bonds, due in an annual installment of \$150,000 through August 1, 2011, interest at 4.50%	\$ 150,000
\$7,524,000, 2010 Bonds, due in annual installments of \$270,000 to \$554,000 through August 15, 2030, interest at 3.25% to 4.00%	7,524,000
\$2,155,000, 2010 Refunding Bonds, due in annual installments of \$170,000 to \$205,000 through August 1, 2022, interest at 2.00% to 3.25%	2,155,000
\$3,141,000, 2010 Bonds, due in annual installments of \$165,000 to \$231,000 through August 15, 2025, interest at 2.00% to 4.00%	<u>\$ 3,141,000</u>
	<u>\$12,970,000</u>

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2012	\$ 315,000	\$ 649,746	\$ 964,746
2013	635,000	421,119	1,056,119
2014	650,000	403,956	1,053,956
2015	680,000	385,263	1,065,263
2016	695,000	365,413	1,060,413
2017-2021	3,790,000	1,483,688	5,273,688
2022-2026	3,646,000	824,814	4,470,814
2027-2031	<u>2,559,000</u>	<u>263,832</u>	<u>2,822,832</u>
	<u>\$ 12,970,000</u>	<u>\$ 4,797,831</u>	<u>\$ 17,767,831</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 77,747,994
Less: Net Debt (Including Authorized But Not Issued Debt)	<u>12,970,713</u>
Remaining Borrowing Power	<u>\$ 64,777,281</u>

Advance Refunding of Debt

On July 1, 2010, the District issued \$2,155,000 in School District Refunding Bonds having an interest rate of 2.00% to 3.25%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2001 School Bonds of the District. The total bond principal defeased was \$2,065,000 and the total interest payments defeased was \$144,041. The net proceeds of \$2,200,274 (after premium received and payment of underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$135,274. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over a 13 year period by \$108,817 and resulted in an economic gain (net present value savings) of \$103,259.

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Balance, July 1, 2010	Additions	Deletions	Balance, June 30, 2011	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 9,879,000	\$ 5,296,000	\$ 2,205,000	\$ 12,970,000	\$ 315,000
Add:					
Unamortized Premium on Refunding		93,937	19,910	74,027	
Less:					
Unamortized Loss on Refunding	-	(135,274)	(28,671)	(106,603)	-
Bonds Payable, Net	9,879,000	5,254,663	2,196,239	12,937,424	315,000
Compensated Absences	136,724	25,536	35,843	126,417	-
Governmental Activity Long-Term Liabilities	<u>\$ 10,015,724</u>	<u>\$ 5,280,199</u>	<u>\$ 2,232,082</u>	<u>\$ 13,063,841</u>	<u>\$ 315,000</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in Long-Term Liabilities (Continued)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION

A. Risk Management (Continued)

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s fiduciary trust fund for the current and previous two years:

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 50,482	\$ 15,810	\$ 82,511	\$ 175,705
2010	179,000	12,118	85,262	190,533
2009	None	14,850	47,985	83,963

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board’s Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2011, the District has not estimated its arbitrage earnings due to the IRS, if any.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2011	\$ 207,271	\$ 29,594	\$ 837
2010	163,603	34,763	-
2009	135,293	31,027	-

During the last three fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$29,594, \$34,763 and \$31,027 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$781,947 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$628,567, \$652,895 and \$591,914, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 22,797,775		\$ 22,797,775	\$ 22,797,775	
Tuition	50,500		50,500	56,202	\$ 5,702
Miscellaneous	85,000	-	85,000	86,829	1,829
Total Local Sources	22,933,275	-	22,933,275	22,940,806	7,531
State Sources					
Extraordinary Aid	194,261		194,261	340,631	146,370
On-behalf TPAF Pension Contribution - NCGI (Nonbudgeted)				29,594	29,594
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)				628,567	628,567
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	781,947	781,947
Total State Sources	194,261	-	194,261	1,780,739	1,586,478
Total Revenues	23,127,536	-	23,127,536	24,721,545	1,594,009
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers					
Kindergarten	153,969	\$ (30,788)	123,181	120,871	2,310
Grades 1-5	2,716,358	20,891	2,737,249	2,737,163	86
Grades 6-8	1,141,442	5,550	1,146,992	1,146,739	253
Grades 9-12	2,534,762	(39,780)	2,494,982	2,494,944	38
Regular Programs-Home Instruction					
Salaries of Teachers	-	4,820	4,820	4,812	8
Other Salaries for Instruction	18,000	(18,000)			-
Regular Programs-Undistributed Instruction					
Purchased Professional Educational Services	-	4,000	4,000	3,278	722
Purchased Technical Services	25,782	600	26,382	24,418	1,964
Other Purchased Services	9,600	(4,731)	4,869	4,510	359
General Supplies	364,147	136,363	500,510	387,630	112,880
Textbooks	50,610	(12,252)	38,358	30,909	7,449
Other Objects	23,667	(13,889)	9,778	6,159	3,619
Total Regular Programs	7,038,337	52,784	7,091,121	6,961,433	129,688
Special Education					
Resource Room/Resource Center					
Salaries of Teachers	836,771	(34,000)	802,771	802,466	305
General Supplies	8,579	(2,000)	6,579	6,514	65
Textbooks	592	5,200	5,792	5,045	747
Total Resource Room/Resource Center	845,942	(30,800)	815,142	814,025	1,117

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 156,096	\$ 585	\$ 156,681	\$ 156,680	\$ 1
Other Salaries for Instruction	87,415	(6,996)	80,419	80,419	-
General Supplies	2,500	-	2,500	2,202	298
Total Preschool Disabilities - Part-Time	246,011	(6,411)	239,600	239,301	299
Total Special Education	1,091,953	(37,211)	1,054,742	1,053,326	1,416
Basic Skills/Remedial					
Salaries of Teachers	270,611	-	270,611	270,611	-
General Supplies	3,354	-	3,354	1,540	1,814
Total Basic Skills/Remedial	273,965	-	273,965	272,151	1,814
Bilingual Education					
Salaries of Teachers	186,899	-	186,899	186,899	-
General Supplies	1,514	-	1,514	1,123	391
Total Bilingual Education	188,413	-	188,413	188,022	391
School Sponsored Cocurricular Activities					
Salaries	142,461	8,531	150,992	150,992	-
Other Objects	32,615	-	32,615	32,030	585
Total School Sponsored Cocurricular Activities	175,076	8,531	183,607	183,022	585
School Sponsored Athletics					
Salaries	284,890	(7,210)	277,680	277,679	1
Purchased Services	58,534	-	58,534	57,344	1,190
Supplies and Materials	50,904	(4,521)	46,383	45,289	1,094
Other Objects	25,830	(16,400)	9,430	9,368	62
Total School Sponsored Athletics	420,158	(28,131)	392,027	389,680	2,347
Other Instructional Programs					
Salaries	28,245	-	28,245	27,754	491
Total Other Instructional Programs	28,245	-	28,245	27,754	491
Total Instruction	9,216,147	(4,027)	9,212,120	9,075,388	136,732
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	670,275	(112,075)	558,200	542,280	15,920
Tuition to County Vocational Schools-Regular	142,600	53,675	196,275	189,428	6,847
Tuition to CSSD and Regional Day Schools	628,250	(3,850)	624,400	406,578	217,822
Tuition to Priv. Sch. for the Disabled-Within State	1,317,635	(30,740)	1,286,895	1,130,982	155,913
Tuition to Priv. Sch For the Disabled-O/S State	-	58,400	58,400	58,400	-
Total Undistributed Expenditures- Instruction	2,758,760	(34,590)	2,724,170	2,327,668	396,502

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 205,017		\$ 205,017	\$ 204,987	\$ 30
Purchased Professional/Technical Services	5,000	-	5,000	5,000	-
Other Purchased Services	2,200	-	2,200	1,794	406
Supplies and Materials	7,212	\$ 72	7,284	4,886	2,398
Total Health Services	219,429	72	219,501	216,667	2,834
Other Support Services-Students-Speech, OT, PT & Related Services					
Salaries	258,532	(7,000)	251,532	250,728	804
Supplies and Materials	1,900	-	1,900	1,387	513
Total Other Support Services-Students-Speech, OT, PT & Related Serv	260,432	(7,000)	253,432	252,115	1,317
Other Support Services-Students-Extra Serv					
Salaries	412,943	34,000	446,943	444,287	2,656
Other Objects	64,411	1	64,412	64,411	1
Total Other Support Services-Students-Extra Serv	477,354	34,001	511,355	508,698	2,657
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	303,724	(4,062)	299,662	283,863	15,799
Salaries of Secretarial and Clerical Assistants	44,191	61	44,252	44,252	-
Other Purchased Services	400	-	400	-	400
Supplies and Materials	11,345	-	11,345	6,071	5,274
Other Objects	7,840	-	7,840	4,552	3,288
Total Other Support Services-Students-Guidance	367,500	(4,001)	363,499	338,738	24,761
Other Support Services-Students-Child Study Teams					
Salaries of Other Professional Staff	739,355	31,859	771,214	755,921	15,293
Salaries of Secretarial and Clerical Assistants	87,866	(39,252)	48,614	46,204	2,410
Purchased Professional/Educational Services	626,349	2,920	629,269	458,511	170,758
Miscellaneous Purchased Services		1,150	1,150	374	776
Supplies and Materials	16,190	2,425	18,615	17,309	1,306
Other Objects	2,405	-	2,405	2,371	34
Total Other Support Services-Students-Child Study Teams	1,472,165	(898)	1,471,267	1,280,690	190,577
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	85,025	-	85,025	85,000	25
Total Improvement of Instructional Services	85,025	-	85,025	85,000	25
Educational Media/School Library					
Salaries	266,587	(46,550)	220,037	215,759	4,278
Other Purchased Services	27,357	-	27,357	18,003	9,354
Supplies and Materials	37,875	-	37,875	31,904	5,971
Total Educational Media/School Library	331,819	(46,550)	285,269	265,666	19,603

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	\$ 123,688	\$ 79	\$ 123,767	\$ 120,673	\$ 3,094
Salaries of Other Professional Staff	13,545	(13,397)	148	-	148
Salaries of Secretarial/Clerical Assistants	45,953	-	45,953	43,974	1,979
Other Purchased Services	70,590	-	70,590	18,655	51,935
Other Objects	2,025	-	2,025	75	1,950
Total Instructional Staff Training Services	255,801	(13,318)	242,483	183,377	59,106
Support Services- General Administration					
Salaries	317,118	(10,473)	306,645	304,568	2,077
Legal Services	75,000	6,561	81,561	44,778	36,783
Audit Fees	27,800	25,300	53,100	24,646	28,454
Other Purchased Professional Services	62,100	58,003	120,103	47,567	72,536
Communications/Telephone	55,200	-	55,200	36,560	18,640
Misc Purchased Services	9,000	-	9,000	4,458	4,542
General Supplies	4,750	1,387	6,137	3,188	2,949
Miscellaneous Expenditures	15,693	-	15,693	11,216	4,477
BOE Membership Dues and Fees	18,654	-	18,654	16,267	2,387
Total Support Services- General Administration	585,315	80,778	666,093	493,248	172,845
Support Services- School Administration					
Salaries of Principals/Assistant Principals/Program Directors	509,696	24,478	534,174	533,686	488
Salaries of Secretarial and Clerical Assistants	275,163	52,483	327,646	325,940	1,706
Other Purchased Services	17,650	(618)	17,032	5,149	11,883
Supplies and Materials	8,428	400	8,828	6,059	2,769
Other Objects	6,500	218	6,718	5,698	1,020
Total Support Services- School Administration	817,437	76,961	894,398	876,532	17,866
Central Services					
Salaries	338,132	35,397	373,529	357,766	15,763
Purchased Technical Services	32,660	-	32,660	17,778	14,882
Misc. Purchased Services	2,650	-	2,650	807	1,843
Supplies and Materials	9,175	2,433	11,608	8,322	3,286
Miscellaneous Expenditures	1,925	330	2,255	2,145	110
Total Central Services	384,542	38,160	422,702	386,818	35,884
Admin. Info. Technology					
Purchased Technical Services	45,000	14,291	59,291	51,491	7,800
Other Purchased Services	153,110	31,089	184,199	149,234	34,965
Supplies and Materials		16,844	16,844	16,844	-
Other Objects	8,930	320	9,250	9,102	148
Total Admin. Info. Technology	207,040	62,544	269,584	226,671	42,913
Required Maintenance for School Facilities					
Salaries	201,049	20,107	221,156	219,072	2,084
Cleaning, Repair and Maintenance Services	68,000	14,460	82,460	60,578	21,882
General Supplies	50,500	29,000	79,500	73,902	5,598
Total Required Maintenance for School Facilities	319,549	63,567	383,116	353,552	29,564

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 460,699	\$ 44,500	\$ 505,199	\$ 490,548	\$ 14,651
Salaries of Non-Instructional Aides	44,409	(7,000)	37,409	36,780	629
Cleaning, Repair and Maintenance Services	65,062	(3,700)	61,362	57,598	3,764
Rental of Land & Bldg. Other than Lease Purchase Agreement	10,080	-	10,080	10,080	-
Other Purchased Property Services	51,200	4,500	55,700	40,407	15,293
Insurance	149,795	-	149,795	143,974	5,821
Miscellaneous Purchased Services	25,795	248	26,043	17,724	8,319
General Supplies	67,620	27,720	95,340	92,013	3,327
Energy (Electricity)	250,650	(2,000)	248,650	213,212	35,438
Energy (Natural Gas)	350,875	(90,800)	260,075	116,884	143,191
Total Custodial Services	<u>1,476,185</u>	<u>(26,532)</u>	<u>1,449,653</u>	<u>1,219,220</u>	<u>230,433</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	82,800	(9,000)	73,800	69,662	4,138
Total Care and Upkeep of Grounds	<u>82,800</u>	<u>(9,000)</u>	<u>73,800</u>	<u>69,662</u>	<u>4,138</u>
Student Transportation Services					
Salaries for Pupil Transportation (Other Than Between Home and School)	30,509	9,000	39,509	37,940	1,569
Contracted Services(Other Than Between Home and School)-Vendors	61,650	1,621	63,271	42,073	21,198
Contracted Services(Spec. Ed Students)-Vendors	44,000	16,009	60,009	60,008	1
Contracted Services(Spec. Ed Students)- Joint Agreements	608,000	(88,830)	519,170	390,471	128,699
Total Student Transportation Services	<u>744,159</u>	<u>(62,200)</u>	<u>681,959</u>	<u>530,492</u>	<u>151,467</u>
Unallocated Employee Benefits					
Social Security Contributions	298,590		298,590	272,255	26,335
Other Retirement Contributions - PERS	198,000	10,271	208,271	208,108	163
Unemployment Compensation		50,482	50,482	50,482	-
Workers Compensation	142,768	-	142,768	121,527	21,241
Health Benefits	2,736,267	(57,905)	2,678,362	2,397,690	280,672
Tuition Reimbursement	22,000	-	22,000	11,970	10,030
Other Employee Benefits	14,884	(2,492)	12,392	577	11,815
Total Unallocated Employee Benefits	<u>3,412,509</u>	<u>356</u>	<u>3,412,865</u>	<u>3,062,609</u>	<u>350,256</u>
On-behalf TPAF Pension Contribution - NCGI (Nonbudgeted)				29,594	(29,594)
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)				628,567	(628,567)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	781,947	(781,947)
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,440,108</u>	<u>(1,440,108)</u>
Total Undistributed Expenditures	<u>14,257,821</u>	<u>152,350</u>	<u>14,410,171</u>	<u>14,117,531</u>	<u>292,640</u>
Total Current Expenditures	<u>23,473,968</u>	<u>148,323</u>	<u>23,622,291</u>	<u>23,192,919</u>	<u>429,372</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction					
Grades 9-12	\$ 4,000	\$ (4,000)			
Undistributed Expenditures					
Admin. Info. Technology	16,000	61,592	\$ 77,592	\$ 50,285	\$ 27,307
Required Maint for School Fac	10,000	(375)	9,625	9,625	-
Custodial Services	-	64,395	64,395	58,749	5,646
Total Equipment	<u>30,000</u>	<u>121,612</u>	<u>151,612</u>	<u>118,659</u>	<u>32,953</u>
Facilities Acquisition and Construction Services					
Land and Improvements	600,000	-	600,000	600,000	-
Infrastructure Improvement	-	104,549	104,549	58,214	46,335
Total Facilities Acquisition and Construction Services	<u>600,000</u>	<u>104,549</u>	<u>704,549</u>	<u>658,214</u>	<u>46,335</u>
Total Capital Outlay	<u>630,000</u>	<u>226,161</u>	<u>856,161</u>	<u>776,873</u>	<u>79,288</u>
Total Expenditures	<u>24,103,968</u>	<u>374,484</u>	<u>24,478,452</u>	<u>23,969,792</u>	<u>508,660</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(976,432)	(374,484)	(1,350,916)	751,753	2,102,669
Fund Balances, Beginning of Year	<u>2,860,930</u>	<u>-</u>	<u>2,860,930</u>	<u>2,860,930</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,884,498</u>	<u>\$ (374,484)</u>	<u>\$ 1,510,014</u>	<u>\$ 3,612,683</u>	<u>\$ 2,102,669</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 1,614,613	
Capital Reserve - Designated for Subsequent Year's Expenditures				400,000	
Emergency Reserve				241,040	
Reserved Excess Surplus				174,681	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				222,771	
Waiver Offset Reserve - Designated for Subsequent Year's Expenditures				1,031	
Assigned Fund Balance					
Year End Encumbrances				240,607	
Designated for Subsequent Year's Expenditures				120,976	
Unassigned Fund Balance				<u>596,964</u>	
Fund Balance - Budgetary Basis				3,612,683	
Reconciliation to Governmental Fund Statements (GAAP)					
2010/2011 Extraordinary Aid Not Recognized on a GAAP Basis				<u>(340,631)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,272,052</u>	

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 94,283	\$ 31,785	\$ 126,068	126,068	-
Federal	320,169	94,470	414,639	414,639	-
Local	-	30,611	30,611	30,611	-
	<u>414,452</u>	<u>156,866</u>	<u>571,318</u>	<u>571,318</u>	<u>-</u>
EXPENDITURES					
Instruction					
Other Salaries for Instruction		9,289	9,289	9,289	-
Tuition	279,143	22,007	301,150	301,150	-
General Supplies		27,915	27,915	27,915	-
Textbooks	18,000	(3,392)	14,608	14,608	-
Other Objects	-	375	375	375	-
	<u>297,143</u>	<u>56,194</u>	<u>353,337</u>	<u>353,337</u>	<u>-</u>
Support Services					
Other Salaries	41,026	(38,526)	2,500	2,500	-
Purchased Professional/Educational Services	52,000	15,959	67,959	67,959	-
Purchased Professional and Technical Service	24,283	88,976	113,259	113,259	-
Other Purchased Services		14,728	14,728	14,728	-
Supplies and Materials	-	3,084	3,084	3,084	-
Miscellaneous Expenses	-	2,000	2,000	2,000	-
	<u>117,309</u>	<u>86,221</u>	<u>203,530</u>	<u>203,530</u>	<u>-</u>
Unallocated Employee Benefits	-	711	711	711	-
	<u>-</u>	<u>711</u>	<u>711</u>	<u>711</u>	<u>-</u>
Facilities Acquisition & Construction					
Instructional Equipment	-	13,740	13,740	13,740	-
	<u>-</u>	<u>13,740</u>	<u>13,740</u>	<u>13,740</u>	<u>-</u>
Total Expenditures	<u>414,452</u>	<u>156,866</u>	<u>571,318</u>	<u>571,318</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1, C-2).	\$ 24,721,545	\$ 571,318
Difference - Budget to GAAP:		
State aid payments recognized for GAAP purposes, not recognized for budgetary purposes - June 30, 2010	365,905	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes - June 30, 2011	<u>(340,631)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 24,746,819</u>	<u>\$ 571,318</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibit C-1, C-2)	<u>\$ 23,969,792</u>	<u>\$ 571,318</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 23,969,792</u>	<u>\$ 571,318</u>

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

EXHIBIT D-1

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
COMBINING BALANCE SHEET
AS OF JUNE 30, 2011**

NOT APPLICABLE

EXHIBIT D-2

**BLENDED RESOURCE FUND
SCHEDULE OF EXPENDITURES ALLOCATED BY RESOURCE**

NOT APPLICABLE

EXHIBIT D-3

**BLENDED RESOURCE FUND
SCHEDULE OF BLENDED EXPENDITURES**

NOT APPLICABLE

SPECIAL REVENUE FUND

PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA			IDEA ARRA			Chapter 192			Chapter 193			Total Exhibit E-1A
	Part B Basic	Preschool Program	Part B Basic	Preschool Program	Comprehensive Education	ESL	Examination/Classification	Corrective Speech	Supplemental Instruction	Home Instruction			
REVENUES													
State	\$ 305,469	\$ 20,571	\$ 35,433	\$ 8,769	\$ 46,050	\$ 2,562	\$ 23,277	\$ 11,187	\$ 10,909	\$ 166	\$ 94,151		
Federal	-	-	-	-	-	-	-	-	-	-	370,242		
Local	-	-	-	-	-	-	-	-	-	-	-		
Total Revenues	\$ 305,469	\$ 20,571	\$ 35,433	\$ 8,769	\$ 46,050	\$ 2,562	\$ 23,277	\$ 11,187	\$ 10,909	\$ 166	\$ 464,393		
EXPENDITURES													
Instruction	\$ 280,579	\$ 20,571	\$ 4,737	-	-	-	-	-	-	-	301,150		
Tuition	-	-	-	-	-	-	-	-	-	-	4,737		
General Supplies	-	-	-	-	-	-	-	-	-	-	-		
Textbooks	-	-	-	-	-	-	-	-	-	-	-		
Other Objects	-	-	-	-	-	-	-	-	-	-	-		
Total Instruction	280,579	20,571	4,737	-	-	-	-	-	-	-	305,887		
Support Services													
Other Salaries	-	-	-	-	-	-	-	-	-	-	-		
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	-	-		
Purchased Professional Education Services	24,890	-	27,612	-	\$ 46,050	\$ 2,562	\$ 23,277	\$ 11,187	\$ 10,909	\$ 166	56,939		
Purchased Professional and Technical Services	-	-	-	-	-	-	-	-	-	-	89,694		
Other Purchased Services	-	-	3,084	-	-	-	-	-	-	-	3,084		
Supplies and Materials	-	-	-	-	-	-	-	-	-	-	-		
Total Support Services	24,890	-	30,696	-	46,050	2,562	23,277	11,187	10,909	166	149,737		
Facilities Acquisition & Construction													
Buildings	-	-	-	\$ 8,769	-	-	-	-	-	-	8,769		
Instructional Equipment	-	-	-	8,769	-	-	-	-	-	-	8,769		
Total Facilities Acq. & Construction	-	-	-	8,769	-	-	-	-	-	-	8,769		
Total Expenditures	\$ 305,469	\$ 20,571	\$ 35,433	\$ 8,769	\$ 46,050	\$ 2,562	\$ 23,277	\$ 11,187	\$ 10,909	\$ 166	\$ 464,393		

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NCLB Consolidated Grant

	<u>Title II Part A</u>	<u>Title II D</u>	<u>Title III</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>PREF Math & Literacy</u>	<u>PREF Media Production</u>	<u>PREF Writers Workshop</u>	<u>MSG Grants</u>	<u>West Ridge PTO Sound System</u>	<u>Total Exhibit E-1B</u>
REVENUES											
State	\$ 26,965	\$ 31	\$ 17,401	\$ 14,608	\$ 17,309	\$ 500	\$ 16,711	\$ 3,025	\$ 5,000	\$ 5,000	\$ 31,917
Federal	-	-	-	-	-	-	-	-	-	-	44,397
Local	-	-	-	-	-	-	-	-	-	-	30,236
Total Revenues	\$ 26,965	\$ 31	\$ 17,401	\$ 14,608	\$ 17,309	\$ 500	\$ 16,711	\$ 3,025	\$ 5,000	\$ 5,000	\$ 106,550
EXPENDITURES											
Instruction											
Other Salaries for Instruction		\$ 9,289									9,289
Purchased Professional and Technical Services			2,901				16,711		2,000		21,178
Tuition	\$ 1,037			\$ 14,608							14,608
General Supplies											
Textbooks											
Other Objects											
Total Instruction	1,037		12,190	14,608		500	16,711		2,000	29	47,075
Support Services											
Other Salaries			1,500						1,000		2,500
Personal Services - Employee Benefits			711								711
Purchased Professional Education Services	11,000				16,790			3,025			11,000
Purchased Professional and Technical Services	3,750										23,565
Other Purchased Services	11,178	\$ 31	3,000		519						14,728
Supplies and Materials											
Miscellaneous Expenditures									2,000		2,000
Total Support Services	25,928	31	5,211		17,309			3,025	3,000		54,504
Facilities Acquisition & Construction											
Buildings											
Instructional Equipment										4,971	4,971
Total Facilities Acquisition & Construction										4,971	4,971
Total Expenditures	\$ 26,965	\$ 31	\$ 17,401	\$ 14,608	\$ 17,309	\$ 500	\$ 16,711	\$ 3,025	\$ 5,000	\$ 5,000	\$ 106,550

PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	PREF Foreign Language	Total Exhibit E-1A	Total Exhibit E-1B	Grand Total
REVENUES				
State	\$	94,151	\$ 31,917	\$ 126,068
Federal		370,242	44,397	414,639
Local	\$	375	30,236	30,611
Total Revenues	\$	464,393	\$ 106,550	\$ 571,318
EXPENDITURES				
Instruction				
Other Salaries for Instruction	\$	301,150	\$ 9,289	\$ 9,289
Tuition		4,737	23,178	301,150
General Supplies		-	14,608	27,915
Textbooks	\$	375	-	14,608
Other Objects		-	-	375
Total Instruction		305,887	47,075	353,337
Support Services				
Other Salaries		-	2,500	2,500
Personal Services - Employee Benefits		-	711	711
Purchased Professional Education Services		56,959	11,000	67,959
Purchased Professional and Technical Services		89,694	23,565	113,259
Other Purchased Services		-	14,728	14,728
Supplies and Materials		3,084	-	3,084
Miscellaneous Expenditures		-	2,000	2,000
Total Support Services		149,737	54,504	204,241
Facilities Acquisition & Construction				
Instructional Equipment		8,769	4,971	13,740
Non-Instructional Equipment		-	-	-
Total Facilities Acquisition & Construction		8,769	4,971	5,000
Total Expenditures	\$	464,393	\$ 106,550	\$ 571,318

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**PARK RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Number</u>	<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Unexpended Project Balance, June 30, 2011</u>
9/29/2009	Energy Efficient Improvements to All School Facilities Consisting of Roof Replacement, Window and Door Replacement, Boiler / Temperature Controls Replacement and the Installation of Photovoltaic Panels (Solar Panels)	\$ 10,665,713	\$ 1,295,344	\$ 7,877,140	\$ 1,493,229
		<u>\$ 10,665,713</u>	<u>\$ 1,295,344</u>	<u>\$ 7,877,140</u>	<u>1,493,229</u>
	Less Unfunded Authorizations: Bonds Authorized but Not Issued				<u>(713)</u>
	Fund Balance, June 30, 2011 - Budgetary Basis				<u>\$ 1,492,516</u>
	Fund Balance, June 30, 2011 - GAAP Basis				<u>\$ 1,492,516</u>
	<u>Recapitulation of Fund Balance</u>				
	Restricted for Capital Projects Available for Capital Projects				<u>\$ 1,492,516</u>
	Total Fund Balance - Restricted for Capital Projects				<u>\$ 1,492,516</u>

**PARK RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Revenues and Other Financing Sources

Other Financing Sources	
Bond Proceeds	\$ 3,141,000
	<u>3,141,000</u>
Total Revenues and Other Financing Sources	<u>3,141,000</u>

Expenditures and Other Financing Uses

Expenditures	
Legal and Professional Services	110,456
Architectural / Engineering Services	228,150
Other Professional Services	36,457
Construction Services	7,407,036
Miscellaneous Expenditures	<u>95,041</u>
	<u>7,877,140</u>
Total Expenditures and Other Financing Uses	<u>7,877,140</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,736,140)
--	-------------

Fund Balance- Beginning of Year	\$ <u>6,228,656</u>
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Fund Balance- End of Year	\$ <u><u>1,492,516</u></u>
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Reconciliation to GAAP

Fund Balance, End of Year - Budgetary Basis	\$ <u>1,492,516</u>
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Fund Balance, June 30, 2011 - GAAP	\$ <u><u>1,492,516</u></u>
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**PARK RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
2010 REFERENDUM
ENERGY EFFICIENT IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 7,524,000	\$ 3,141,000	\$ 10,665,000	\$ 10,665,713
 Total Revenues	 <u>7,524,000</u>	 <u>3,141,000</u>	 <u>10,665,000</u>	 <u>10,665,713</u>
Expenditures and Other Financing Uses				
Legal and Professional Fees	\$ 62,196	\$ 110,456	172,652	213,251
Architectural / Engineering Services	639,640	228,150	867,790	867,790
Other Professional Fees		36,457	36,457	66,819
Construction Services	560,560	7,407,036	7,967,596	9,372,293
Miscellaneous Expenditures	32,948	95,041	127,989	145,560
 Total Expenditures	 <u>1,295,344</u>	 <u>7,877,140</u>	 <u>9,172,484</u>	 <u>10,665,713</u>
 Excess of Revenue Over Expenditures	 <u>\$ 6,228,656</u>	 <u>\$ (4,736,140)</u>	 <u>\$ 1,492,516</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	
Referendum Date	9/29/09
Bonds Authorized	\$ 10,665,713
Bonds Issued	\$ 10,665,000
Original Authorized Cost	\$ 10,665,713
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 10,665,713
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	100.00%

PROPRIETARY FUNDS

**PARK RIDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SAT Review Program</u>	<u>Summer Sports Program</u>	<u>Total Non-Major Enterprise Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,216	\$ -	\$ 2,216
Total Assets	<u>2,216</u>	<u>-</u>	<u>2,216</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds	-	12	12
Unearned Revenue	-	<u>2,920</u>	<u>2,920</u>
Total Liabilities	<u>-</u>	<u>2,932</u>	<u>2,932</u>
NET ASSETS			
Unrestricted	<u>2,216</u>	<u>(2,932)</u>	<u>(716)</u>
Total Net Assets	<u>\$ 2,216</u>	<u>\$ (2,932)</u>	<u>\$ (716)</u>

**PARK RIDGE BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SAT Review Program</u>	<u>Summer Sports Program</u>	<u>Total Non-Major Enterprise Fund</u>
OPERATING REVENUES			
Charges for Services Program Fees	\$ 8,950	\$ 4,400	\$ 13,350
Total Operating Revenues	<u>8,950</u>	<u>4,400</u>	<u>13,350</u>
OPERATING EXPENSES			
Salaries and Wages	6,500	6,825	13,325
Supplies and Materials	<u>848</u>	<u>371</u>	<u>1,219</u>
Total Operating Expenses	<u>7,348</u>	<u>7,196</u>	<u>14,544</u>
Operating Income (Loss)	1,602	(2,796)	(1,194)
Total Net Assets (Deficits), Beginning of Year	<u>614</u>	<u>(136)</u>	<u>478</u>
Total Net Assets (Deficits), End of Year	<u>\$ 2,216</u>	<u>\$ (2,932)</u>	<u>\$ (716)</u>

**PARK RIDGE BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SAT Review Program</u>	<u>Summer Sports Program</u>	<u>Total Non-Major Enterprise Fund</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 8,950	\$ 7,320	\$ 16,270
Cash Payments for Employees Salaries & Benefits	(6,500)	(6,825)	(13,325)
Cash Payments to Suppliers for Goods and Services	<u>(848)</u>	<u>(507)</u>	<u>(1,355)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,602</u>	<u>(12)</u>	<u>1,590</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from Other Funds	<u>-</u>	<u>12</u>	<u>12</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>12</u>	<u>12</u>
Net Increase in Cash and Cash Equivalents	1,602	-	1,602
Cash and Cash Equivalents, Beginning of Year Beginning of Year	<u>614</u>	<u>-</u>	<u>614</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,216</u>	<u>\$ -</u>	<u>\$ 2,216</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	<u>\$ 1,602</u>	<u>\$ (2,796)</u>	<u>(1,194)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Change in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable		(136)	(136)
Increase/(Decrease) in Unearned Revenue	<u>-</u>	<u>2,920</u>	<u>2,920</u>
Total Adjustments	<u>-</u>	<u>2,784</u>	<u>2,784</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,602</u>	<u>\$ (12)</u>	<u>\$ 1,590</u>

FIDUCIARY FUNDS

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 75,301	\$ 37,702	\$ 113,003
Total Assets	<u>\$ 75,301</u>	<u>\$ 37,702</u>	<u>\$ 113,003</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 33,389	\$ 33,389
Due to Student Groups	\$ 75,301		75,301
Due to Other Funds	<u>-</u>	<u>4,313</u>	<u>4,313</u>
Total Liabilities	<u>\$ 75,301</u>	<u>\$ 37,702</u>	<u>\$ 113,003</u>

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**PARK RIDGE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance, July 1, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2011</u>
HIGH SCHOOL				
Extracurricular Fund	\$ 62,058	\$ 165,900	\$ 152,659	\$ 75,299
Athletic Fund	<u>2</u>	<u>54,923</u>	<u>54,923</u>	<u>2</u>
 Total	 <u>\$ 62,060</u>	 <u>\$ 220,823</u>	 <u>\$ 207,582</u>	 <u>\$ 75,301</u>

**PARK RIDGE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance, July 1, <u>2010</u>	Cash <u>Receipt</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2011</u>
Payroll Deductions and Withholdings	\$ 40,733	\$ 5,035,111	\$ 5,042,455	\$ 33,389
Accrued Salaries and Wages	340	9,323,686	9,324,026	-
Due to Other Funds	<u>3,340</u>	<u>4,313</u>	<u>3,340</u>	<u>4,313</u>
	<u>\$ 44,413</u>	<u>\$ 14,363,110</u>	<u>\$ 14,369,821</u>	<u>\$ 37,702</u>

LONG-TERM DEBT

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	8/1/2001	\$ 3,180,000	8/1/2011	150,000	4.50 %	\$ 2,355,000	\$ 2,205,000	\$ 150,000	
School Bonds	6/2/2010	7,524,000	8/15/2012	270,000	3.25				
			8/15/2013	280,000	3.25				
			8/15/2014	295,000	3.25				
			8/15/2015	305,000	3.25				
			8/15/2016	315,000	3.25				
			8/15/2017	330,000	3.25				
			8/15/2018	345,000	3.25				
			8/15/2019	355,000	3.25				
			8/15/2020	370,000	3.25				
			8/15/2021	385,000	3.50				
			8/15/2022	405,000	3.50				
			8/15/2023	420,000	3.50				
			8/15/2024	435,000	3.50				
			8/15/2025	455,000	3.625				
			8/15/2026	470,000	3.75				
			8/15/2027	490,000	4.00				
			8/15/2028	510,000	4.00				
			8/15/2029	535,000	4.00				
			8/15/2030	554,000	4.00	7,524,000	-	7,524,000	
Refunding Bonds	7/1/2010	2,155,000	8/1/2012	170,000	2.00 %				
			8/1/2013	175,000	3.00				
			8/1/2014	185,000	3.00				
			8/1/2015	190,000	3.50				
			8/1/2016	200,000	3.50				
			8/1/2017	205,000	3.50				
			8/1/2018	200,000	4.00				
			8/1/2019	205,000	4.00				
			8/1/2020	210,000	4.25				
			8/1/2021	210,000	3.13				
			8/1/2022	205,000	3.25				
						-	2,155,000	2,155,000	

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2011</u>
School Bonds	10/28/2010	3,141,000	8/15/2011	165,000	2.00 %	-	3,141,000	-	3,141,000
			8/15/2012	195,000	2.00				
			8/15/2013	195,000	2.00				
			8/15/2014	200,000	2.00				
			8/15/2015	200,000	2.00				
			8/15/2016	205,000	2.00				
			8/15/2017	210,000	2.25				
			8/15/2018	210,000	3.00				
			8/15/2019	215,000	3.00				
			8/15/2020	215,000	3.00				
			8/15/2021	220,000	3.25				
			8/15/2022	225,000	4.00				
			8/15/2023	225,000	4.00				
			8/15/2024	230,000	4.00				
			8/15/2025	231,000	4.00				
						-	3,141,000	-	3,141,000
						<u>\$ 9,879,000</u>	<u>\$ 5,296,000</u>	<u>\$ 2,205,000</u>	<u>\$ 12,970,000</u>

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 245,927	-	\$ 245,927	\$ 245,927	-
Total Revenues	245,927	-	245,927	245,927	-
EXPENDITURES					
Regular Debt Service					
Interest	105,928		105,928	52,703	53,225
Principal	140,000		140,000	140,000	-
Advance Refunding Escrow				135,274	(135,274)
Cost of Issuance	-	-	-	48,663	(48,663)
Total Expenditures	245,928	-	245,928	376,640	(130,712)
Excess (Deficit) of Revenues Over/(Under) Expenditures	(1)	-	(1)	(130,713)	(130,712)
OTHER FINANCING SOURCES (USES)					
Refunding Bond Proceeds				2,155,000	2,155,000
Premium on Refunding Bonds				93,937	93,937
Payment to Refunded Bond Escrow Agent	-	-	-	(2,065,000)	(2,065,000)
Total Other Financing Sources and Uses	-	-	-	183,937	183,937
Net Change in Fund Balance	(1)	-	(1)	53,224	53,225
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ 53,225	\$ 53,225

Recapitulation of Fund Balance

Restricted for Debt Service:

Available for Debt Service:

Available for Future Debt Service Expenditures \$ 53,225

Total Fund Balance - Restricted for Debt Service

\$ 53,225

STATISTICAL SECTION

This part of the Park Ridge Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

PARK RIDGE BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$ 3,297,035	\$ 3,317,023	\$ 3,038,202	\$ 3,413,541	\$ 3,599,232	\$ 3,640,187	\$ 3,602,597	\$ 3,912,275	\$ 4,098,433
Restricted	196,340	2	2	2	2	123,919	708,002	1,414,614	2,067,838
Unrestricted	494,258	393,206	1,143,146	641,521	747,655	1,134,665	1,031,421	1,023,898	919,248
Total Governmental Activities Net Assets	\$ 3,987,633	\$ 3,710,231	\$ 4,181,350	\$ 4,055,064	\$ 4,346,909	\$ 4,898,771	\$ 5,334,020	\$ 6,350,787	\$ 7,085,519
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt	\$ 21,208	\$ 17,382	\$ 38,243	\$ 37,705	\$ 33,340	\$ 35,960	\$ 53,572	\$ 30,491	\$ 26,533
Restricted	48,097	106,119	124,425	188,755	156,149	119,217	127,625	159,376	178,698
Unrestricted									
Total Business-Type Activities Net Assets	\$ 69,305	\$ 123,501	\$ 162,668	\$ 226,460	\$ 189,489	\$ 155,177	\$ 161,197	\$ 189,867	\$ 205,231
District-Wide									
Invested in Capital Assets, Net of Related Debt	\$ 3,318,243	\$ 3,334,405	\$ 3,076,445	\$ 3,451,246	\$ 3,632,592	\$ 3,676,147	\$ 3,636,169	\$ 3,942,766	\$ 4,124,966
Restricted	196,340	2	2	2	2	123,919	700,002	1,414,614	2,067,838
Unrestricted	542,355	499,325	1,267,571	830,276	903,804	1,253,882	1,159,046	1,183,274	1,097,946
Total District Net Assets	\$ 4,056,938	\$ 3,833,732	\$ 4,344,018	\$ 4,281,524	\$ 4,536,398	\$ 5,053,948	\$ 5,495,217	\$ 6,540,654	\$ 7,290,750

Note:
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PARK RIDGE BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities									
Instruction									
Regular	\$ 6,947,411	\$ 7,537,025	\$ 7,920,813	\$ 8,904,856	\$ 9,525,175	\$ 9,238,547	\$ 8,889,448	\$ 9,757,081	\$ 9,794,997
Special Education	2,001,649	2,310,854	2,661,512	3,166,702	2,820,219	3,728,610	4,151,189	3,849,988	3,977,713
Other Instruction	489,775	641,881	745,581	821,548	933,996	856,358	564,147	660,610	627,102
School Sponsored Activities And Athletics	528,124	658,568	637,903	642,376	772,677	824,601	798,292	781,524	736,229
Community Service	24,190								
Support Services:									
Student & Instruction Related Services	2,478,650	2,775,611	2,940,804	3,242,551	3,825,084	3,914,494	3,742,340	4,068,419	4,268,710
General Administration	631,757	876,297	662,265	734,994	672,699	745,533	870,772	734,983	613,101
School Administrative Services	826,575	914,413	934,492	956,151	1,168,873	1,072,971	1,139,018	1,168,423	1,198,904
Central and Other Support Services	399,745	413,848	487,945	460,740	719,475	714,431	750,365	709,976	759,086
Plant Operations and Maintenance	1,247,179	1,518,505	1,575,029	1,839,465	1,787,286	1,934,116	2,009,898	1,994,742	2,021,531
Pupil Transportation	413,615	374,197	443,736	433,673	505,846	633,236	695,560	653,348	563,942
Interest On Long-Term Debt	186,638	174,095	143,933	162,752	167,729	122,126	99,934	103,050	386,611
Total Governmental Activities Expenses	16,173,308	18,193,294	19,152,013	21,365,808	22,899,059	23,785,023	23,710,963	24,482,146	24,947,926
Business-Type Activities:									
Food Service	187,960	193,970	193,342	197,789	202,509	201,051	199,728	199,984	214,148
Child Care	128,126	128,562	151,267	146,452	180,345	213,064	216,695	172,203	177,793
SAT Review				5,542	8,800	7,397	6,456	6,394	7,348
Summer Sports Program	556								7,196
Adult Program									
Total Business-Type Activities Expense	316,642	322,532	344,609	349,783	391,652	421,512	422,879	378,581	406,485
Total District Expenses	\$ 16,491,950	\$ 18,517,826	\$ 19,496,622	\$ 21,715,591	\$ 23,290,711	\$ 24,206,535	\$ 24,133,842	\$ 24,860,727	\$ 25,354,411
Program Revenues									
Governmental Activities:									
Charges For Services:									
Instruction (Regular)	\$ 8,500	\$ 83,296	\$ 37,484	\$ 43,374	\$ 55,079	\$ 66,250	\$ 33,431	\$ 36,685	\$ 27,500
Special Education	474,158	492,102	382,228	308,090	203,770	194,696	143,344	149,052	147,296
Operating Grants And Contributions	2,073,096	2,392,831	2,682,553	2,960,572	3,428,458	3,614,470	2,813,643	3,385,316	2,363,591
Capital Grants And Contributions	1,340,189					55,945			13,740
Total Governmental Activities Program Revenues	3,895,943	2,968,229	3,102,265	3,312,036	3,687,307	3,931,361	2,990,418	3,571,053	2,552,127

PARK RIDGE BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-Type Activities:									
Charges For Services	\$ 178,707	\$ 189,508	\$ 189,519	\$ 185,122	\$ 192,120	\$ 181,472	\$ 174,459	\$ 176,185	\$ 182,332
Food Service	136,208	180,110	184,285	214,052	206,865	248,144	232,220	199,766	200,509
Child Care				5,750	8,800	5,700	4,800	6,450	8,950
SAT Review									4,400
Summer Sports Programs	556								
Adult Programs	7,438	7,110	9,972	8,671	9,396	10,797	17,420	24,850	25,658
Operating Grants And Contributions									
Capital Grants And Contributions									
Total Business Type Activities Program Revenues	<u>322,909</u>	<u>376,728</u>	<u>383,776</u>	<u>413,575</u>	<u>417,181</u>	<u>446,113</u>	<u>428,899</u>	<u>407,251</u>	<u>421,849</u>
Total District Program Revenues	<u>\$ 4,218,852</u>	<u>\$ 3,344,957</u>	<u>\$ 3,486,041</u>	<u>\$ 3,725,611</u>	<u>\$ 4,104,488</u>	<u>\$ 4,377,474</u>	<u>\$ 3,419,317</u>	<u>\$ 3,978,304</u>	<u>\$ 2,973,976</u>
Net (Expense)/Revenue									
Governmental Activities	\$ (12,279,565)	\$ (15,227,065)	\$ (16,049,748)	\$ (18,053,772)	\$ (19,211,752)	\$ (19,853,662)	\$ (20,720,545)	\$ (20,911,095)	\$ (22,395,799)
Business-Type Activities	6,267	54,196	39,167	63,792	25,529	24,601	6,020	28,670	15,364
Total District-Wide Net Expense	<u>\$ (12,273,098)</u>	<u>\$ (15,172,869)</u>	<u>\$ (16,010,581)</u>	<u>\$ (17,989,980)</u>	<u>\$ (19,186,223)</u>	<u>\$ (19,829,061)</u>	<u>\$ (20,714,525)</u>	<u>\$ (20,882,423)</u>	<u>\$ (22,380,435)</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes Levied For General Purposes, Net	\$ 13,286,997	\$ 14,572,124	\$ 16,091,715	\$ 17,405,709	\$ 18,869,664	\$ 19,824,306	\$ 20,845,856	\$ 21,616,694	\$ 22,797,775
Property Taxes Levied For Debt Service	218,910	248,644	244,050	244,277	244,215	248,814	248,078	247,115	245,927
Unrestricted Grants And Contributions		76,366	97,828	135,481	102,117	124,311	1,227		
Miscellaneous Income	102,015	52,529	87,275	142,019	225,101	145,593	60,633	64,051	86,829
Transfers					62,500	62,500			
Total Governmental Activities	<u>13,607,922</u>	<u>14,949,663</u>	<u>16,520,868</u>	<u>17,927,486</u>	<u>19,503,597</u>	<u>20,405,524</u>	<u>21,155,794</u>	<u>21,927,860</u>	<u>23,130,531</u>
Business-Type Activities:									
Investment Earnings						138			
Miscellaneous Income						3,449			
Transfers					(62,500)	(62,500)			
Total Business-Type Activities						<u>(58,913)</u>			
Total District-Wide	<u>\$ 13,607,922</u>	<u>\$ 14,949,663</u>	<u>\$ 16,520,868</u>	<u>\$ 17,927,486</u>	<u>\$ 19,441,097</u>	<u>\$ 20,346,611</u>	<u>\$ 21,155,794</u>	<u>\$ 21,927,860</u>	<u>\$ 23,130,531</u>
Change in Net Assets									
Governmental Activities	\$ 1,328,557	\$ (277,402)	\$ 471,120	\$ (126,286)	\$ 291,845	\$ 551,862	\$ 435,249	\$ 1,016,767	\$ 734,732
Business-Type Activities	6,267	54,196	39,167	63,792	(36,971)	(34,312)	6,020	28,670	15,364
Total District	<u>\$ 1,334,824</u>	<u>\$ (223,206)</u>	<u>\$ 510,287</u>	<u>\$ (62,494)</u>	<u>\$ 254,874</u>	<u>\$ 517,550</u>	<u>\$ 441,269</u>	<u>\$ 1,045,437</u>	<u>\$ 750,096</u>

Note:
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PARK RIDGE BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
General Fund										
Reserved	\$ 61,513	\$ 176,706	\$ 696,585	\$ 456,400	\$ 970,875	\$ 628,049	\$ 1,329,723	\$ 2,218,848		
Unreserved	675,500	460,987	423,946	522,689	556,003	652,023	585,576	276,177		
Restricted									\$ 2,654,136	
Assigned									361,583	
Unassigned									256,333	
Total General Fund	\$ 737,013	\$ 637,693	\$ 1,120,531	\$ 959,089	\$ 1,526,878	\$ 1,280,072	\$ 1,915,299	\$ 2,495,025	\$ 3,272,052	
All Other Governmental Funds										
Reserved	\$ 171,318	\$ 53,400			\$ 23,919	\$ 23,918	\$ (85,387)	\$ 7,141,417		
Unreserved	22,331	19,983	16,733	16,733				(912,760)		
Restricted										\$ 1,545,741
Total All Other Governmental Funds	\$ 193,649	\$ 73,383	\$ 16,733	\$ 16,733	\$ 23,919	\$ 23,918	\$ (85,387)	\$ 6,228,657	\$ 1,545,741	

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PARK RIDGE BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Property Tax Levy	\$ 13,505,907	\$ 14,820,768	\$ 16,335,765	\$ 17,649,986	\$ 19,113,879	\$ 20,073,120	\$ 21,093,934	\$ 21,863,809	\$ 23,043,702
Tuition Charges	482,658	414,004	37,484	43,374	55,079	82,864	55,309	50,203	56,202
Miscellaneous	102,015	52,529	124,994	180,428	238,885	169,519	74,877	131,080	117,440
State Sources	3,174,113	2,175,703	2,427,175	2,701,418	3,168,884	3,352,721	2,436,508	2,690,277	1,932,081
Federal Sources	239,172	293,494	315,486	356,226	347,907	367,104	364,118	628,010	414,639
Total Revenue	17,503,865	17,756,498	19,240,904	20,931,432	22,924,634	24,045,328	24,024,746	25,363,379	25,564,064
Expenditures									
Instruction									
Regular Instruction	6,828,094	7,274,268	7,680,744	8,456,231	9,127,788	9,520,034	8,714,602	9,482,548	9,327,380
Special Education Instruction	1,988,755	2,134,956	2,541,895	2,745,016	2,591,541	3,735,695	3,937,508	3,767,272	3,843,877
Other Instruction	487,130	639,191	742,529	819,353	909,162	828,809	552,667	615,052	626,517
School Sponsored Activities and Athletics	490,198	602,369	586,107	603,896	726,152	773,147	745,404	781,524	736,229
Community Services	24,190								
Support Services:									
Student and Inst. Related Services	2,467,290	2,736,602	2,902,517	3,214,472	3,663,383	4,004,143	3,737,119	4,066,246	4,226,297
General Administration	627,653	871,421	658,153	731,590	669,245	748,741	868,214	734,517	600,023
School Administrative Services	824,731	909,687	929,964	963,317	1,111,345	1,116,443	1,134,361	1,143,832	1,176,557
Central and Other Support Services	395,107	406,731	444,231	409,075	701,233	699,331	732,345	709,545	741,485
Plant Operations And Maintenance	1,241,940	1,498,761	1,566,437	1,832,660	1,780,069	1,911,017	1,983,103	1,915,934	1,927,167
Pupil Transportation	413,615	367,674	437,441	428,061	502,294	588,841	649,928	635,437	544,965
Capital Outlay	3,730,035	488,743	129,831	282,504	403,508	242,119	195,496	1,832,391	8,606,270
Debt Service:									
Principal		168,538	198,522	427,940	115,000	125,000	130,000	135,000	140,000
Interest and Other Charges	259,110	177,143	171,345	178,759	179,939	123,815	118,077	112,115	52,703
Advance Refunding Escrow									135,274
Cost of Issuance								62,196	110,146
Total Expenditures	19,777,848	18,276,084	18,989,716	21,092,874	22,474,659	24,417,135	23,498,824	25,993,609	32,794,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,273,983)	(519,586)	251,188	(161,442)	449,975	(371,807)	525,922	(630,230)	(7,230,826)

PARK RIDGE BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)									
Capital Leases (Non-Budgeted)		\$ 300,000	\$ 175,000					\$ 7,524,000	\$ 3,141,000
Bond Proceeds									2,155,000
Refunding Bond Proceeds									93,937
Premium on Refunding Bonds									(2,065,000)
Payment to Refunded Escrow Agent									
Transfers In	\$ 25,292	1,957	63	\$ 1,051	\$ 125,000	\$ 125,000		85,388	
Transfers Out	(25,292)	(1,957)	(63)	(1,051)				(85,388)	
Total Other Financing Sources (Uses)									
		300,000	175,000		125,000	125,000		7,524,000	3,324,937
Net Change in Fund Balances									
	\$ (2,273,983)	\$ (219,586)	\$ 426,188	\$ (161,442)	\$ 574,975	\$ (246,807)	\$ 525,922	\$ 6,893,770	\$ (3,905,889)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.95%	1.05%	2.06%	0.52%	0.52%	0.56%	0.82%	1.81%

* Noncapital expenditures are total expenditures less capital outlay.

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**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Interest on Deposits</u>	<u>Refunds / Voided Checks</u>	<u>Admission Receipts for Sports</u>	<u>Donation</u>	<u>Rentals- Use of Facilities</u>	<u>Transportation Fees</u>	<u>Other</u>	<u>Total</u>
2002	\$ 364,337	\$ 11,646						\$ 31,554	\$ 407,537
2003	482,658	24,109			\$ 25,295			27,319	559,381
2004	414,004	8,879				\$ 30,135		11,558	464,576
2005	37,484					48,000		39,275	124,759
2006	43,374	59,384	\$ 6,437			48,000		27,147	184,342
2007	55,079	131,716	11,384	\$ 3,378		51,500		20,315	273,372
2008	82,864	103,849	10,056	4,611		4,555		22,521	228,456
2009	55,309	39,815		5,923		3,850		11,045	115,942
2010	50,203	25,486	14,515	2,958		3,760	\$ 4,707	12,625	114,254
2011	56,202	54,751	13,861	5,185			9,600	3,432	143,031

Source: Park Ridge School District records

**PARK RIDGE BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2002	\$ 8,755,400	\$ 741,975,015	\$ 164,967,100	\$ 2,213,500	\$ 9,363,500	\$ 927,274,515	\$ 1,369,251	\$ 928,643,766	\$ 1,256,818,093	\$ 1.380
2003	6,738,900	753,362,485	166,943,500	2,213,500	9,363,500	940,641,885	1,295,184	941,937,069	1,373,893,878	1.500
2004 (1)	13,646,900	1,443,322,300	204,365,900	3,379,800	13,563,500	1,680,278,400	1,665,505	1,681,943,905	1,572,019,150	0.930
2005	19,316,100	1,443,325,000	205,431,700	3,379,800	13,563,500	1,685,016,100	1,601,147	1,686,617,247	1,770,664,921	1.010
2006	16,353,900	1,472,131,900	199,105,400	3,379,800	13,563,500	1,704,534,500	1,490,146	1,705,953,864	1,995,026,966	1.080
2007	15,747,200	1,487,211,600	197,899,300	3,379,800	13,563,500	1,717,710,400	1,294,588	1,719,004,988	2,015,553,185	1.140
2008	12,580,100	1,496,844,100	196,708,000	3,379,800	16,663,500	1,726,175,500	1,602,333	1,727,777,833	2,017,489,296	1.191
2009	8,762,400	1,505,283,019	196,192,600	3,379,800	16,663,500	1,730,281,319	1,733,987	1,732,015,306	1,998,385,364	1.240
2010	8,367,500	1,507,046,219	193,986,400	3,379,800	16,463,500	1,729,243,419	2,212,288	1,731,455,707	1,952,502,130	1.297
2011 (2)	6,899,500	1,386,676,000	208,692,400	3,815,600	18,504,000	1,624,587,500	2,020,339	1,626,607,809	1,764,641,919	1.445

Source: County Abstract of Ratables

^a Tax rates are per \$1.00

- (1) The Borough undertook a revaluation of real property which became effective for the calendar year 2005.
- (2) The Borough undertook a town-wide reassessment of real property which became effective for the calendar year 2011.

**PARK RIDGE BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Total Direct Rate</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Local School District</u>	<u>Municipality Park Ridge</u>	<u>County of Bergen</u>	
2002	1.380	0.620	0.310	2.310
2003	1.500	0.680	0.290	2.470
2004 (1)	0.930	0.410	0.170	1.510
2005	1.010	0.410	0.180	1.600
2006	1.080	0.420	0.190	1.690
2007	1.140	0.449	0.211	1.800
2008	1.191	0.449	0.217	1.857
2009	1.240	0.439	0.222	1.900
2010	1.297	0.469	0.222	1.988
2011 (2)	1.445	0.521	0.223	2.189

(1) The Borough undertook a revaluation of real property which became effective for the calendar year 2005.

(2) The Borough undertook a town-wide reassessment of real property which became effective for the calendar year 2011.

Source: Park Ridge Borough Tax Collector

**PARK RIDGE BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hertz Corp.	\$ 33,985,200	2.09%	\$ 34,000,000	3.66%
Sony Corp.	33,750,000	2.07%	29,800,000	3.21%
Benjamin Akinrolabu			19,702,300	2.12%
Park Ridge Health Care Prop.	28,000,000	1.72%		
Sartak Holdings Inc.	20,850,000	1.28%	17,500,000	1.88%
JLM Park Ridge (Marriott)	13,500,000	0.83%	16,400,000	1.77%
Park Ridge Hye Partners	7,410,000	0.46%	3,526,600	.38%
Ridge Manor Apts. LLC	4,041,100	0.25%		
S/K Park Ridge Assoc	3,273,900	0.20%		
Erich Uhlmann	3,271,700	0.20%	2,268,800	.24%
Artdor Reality Co.	3,036,400	0.19%		
Bedrosian & Tonelli			1,600,000	.17%
Interchange State Bank			1,535,600	.17%
Jems Assoc.			1,490,100	.16%
W. Spencer	-	0.00%	1,320,000	.15%
	<u>\$ 151,118,300</u>	<u>9.29%</u>	<u>\$ 129,143,400</u>	<u>13.91%</u>

SOURCE: Tax Assessor's records

**PARK RIDGE BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 12,197,443	\$ 12,197,443	100%	
2003	13,505,907	13,505,907	100%	
2004	14,820,768	14,820,768	100%	
2005	16,335,765	16,335,765	100%	
2006	17,649,986	17,649,986	100%	
2007	19,113,879	19,113,879	100%	
2008	20,073,120	20,073,120	100%	
2009	21,093,934	21,093,934	100%	
2010	21,863,809	21,863,809	100%	
2011	23,043,702	23,043,702	100%	

Source: District records

**PARK RIDGE BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Grant Anticipation Notes	Capital Leases	Total District	Population	
2005	\$ 2,970,000		\$ 317,940	\$ 1,340,000		\$ 4,627,940	8,800	\$ 526
2006	2,860,000			1,340,000		4,200,000	8,747	480
2007	2,745,000			1,340,000		4,085,000	8,831	463
2008	2,620,000			1,200,000		3,820,000	8,863	431
2009	2,490,000			1,200,000		3,690,000	8,932	413
2010	9,879,000					9,879,000	8,932	1,106 (E)
2011	12,970,000					12,970,000	8,932	1,452 (E)

Source: District records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

(E) Estimate

PARK RIDGE BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST SEVEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 2,970,000		\$ 2,970,000	0.18%	\$ 338
2006	2,860,000		2,860,000	0.17%	327
2007	2,745,000		2,745,000	0.16%	311
2008	2,620,000		2,620,000	0.15%	296
2009	2,490,000		2,490,000	0.14%	279
2010	9,879,000		9,879,000	0.57%	1,106
2011	12,970,000		12,970,000	0.80%	1,452

Source: District records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**PARK RIDGE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2010
(Unaudited)**

MUNICIPAL DEBT (1)	
Park Ridge Board of Education (as of June 30, 2011)	\$ 12,970,000
Borough of Park Ridge (as of December 31, 2010)	<u>18,766,032</u>
Total Direct Debt	<u>31,736,032</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County: (2) and (3)	
County of Bergen (A)	7,203,767
Bergen County Utilities Authority-Waste Water (B)	<u>2,768,767</u>
Total Overlapping Debt	<u>9,972,534</u>
Total Direct and Overlapping Debt	<u>\$ 41,708,566</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2010 equalized value by the total 2010 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Park Ridge 2010 Annual Debt Statement
- (2) BCUA 2010 Audit
- (3) Bergen County 2010 Annual Debt Statement

PARK RIDGE BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2008	\$ 1,986,621,591
2009	1,953,354,390
2010	1,891,123,599
	<u>\$ 5,831,099,580</u>

Average equalized valuation of taxable property	\$ 1,943,699,860
Debt limit (4 % of average equalization value)	77,747,994
Total Net Debt Applicable to Limit	12,970,713
Legal debt margin	<u>\$ 64,777,281</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 41,389,790	\$ 45,987,597	\$ 50,418,199	\$ 55,978,682	\$ 62,826,642	\$ 71,106,760	\$ 76,911,829	\$ 79,812,839	\$ 79,276,130	\$ 77,747,994
Total Net Debt Applicable to Limit	4,520,189	4,513,488	4,408,488	4,303,488	4,193,488	2,745,000	2,620,000	2,490,000	13,020,713	12,970,713
Legal Debt Margin	<u>\$ 37,069,601</u>	<u>\$ 41,474,109</u>	<u>\$ 46,009,711</u>	<u>\$ 51,675,194</u>	<u>\$ 58,633,154</u>	<u>\$ 68,361,760</u>	<u>\$ 74,291,829</u>	<u>\$ 77,322,839</u>	<u>\$ 66,255,417</u>	<u>\$ 64,777,281</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.87%	9.81%	8.74%	7.69%	6.67%	3.86%	3.41%	3.12%	16.42%	16.68%
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Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**PARK RIDGE BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>County Per Capita Income</u>	<u>Population</u>	
2002	4.90%	\$ 51,931	8,742	
2003	4.90%	51,291	8,795	
2004	4.00%	54,669	8,833	
2005	1.50%	56,963	8,800	
2006	1.60%	63,021	8,747	
2007	1.40%	67,113	8,831	
2008	1.90%	68,541	8,863	
2009	3.40%	64,388	8,932	
2010	3.50%	N/A	8,932	(E)
2011	N/A	N/A	8,932	(E)

(E) - Estimate

N/A - Information is not available.

Source: Unemployment rates were provided by the NJ Department of Labor - Bureau of Labor Force Statistics; County Per Capita Income was provided by the US Department of Commerce - Bureau of Economic Analysis; School District Population was provided by the US Department of Census - Population Division.

**PARK RIDGE BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

PARK RIDGE BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SIX FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction						
Regular	137	140	142	143	143	143
Special Education	40	40	40	40	40	38
Other Instruction	7	7	7	7	7	7
Support Services:						
Student and Instruction Related Services	11	11	11	11	12	12
General Administration	5	5	5	5	5	5
School Administrative Services	12	12	12	12	12	12
Other Administrative Services	6	6	6	6	6	6
Central Services	5	5	5	5	5	5
Administrative Information Technology						
Plant Operations And Maintenance	14	14	14	14	15	15
Child Care (EXTRA's)	<u>6</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Total	<u>243</u>	<u>248</u>	<u>250</u>	<u>251</u>	<u>253</u>	<u>251</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

PARK RIDGE BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior/Senior High School				
2002	1,240	\$ 14,263,665			126	1:17.9	1:9.4	1,240	1,188	2.73%	95.81%
2003	1,295	15,828,903	\$ 12,223		126	1:10.8	1:8.6	1,295	1,240	4.44%	95.75%
2004	1,309	17,475,160	13,350	9.22%	135	1:15	1:8.3	1,309	1,255	1.08%	95.87%
2005	1,329	18,515,337	13,952	4.56%	131	1:12	1:9.4	1,329	1,273	1.53%	95.79%
2006	1,346	20,203,671	15,010	7.74%	130	1:13	1:9.6	1,354	1,315	1.88%	97.12%
2007	1,360	21,782,212	16,016	6.70%	131	1:12	1:10	1,343	1,288	-0.81%	95.90%
2008	1,372	23,926,201	17,439	8.88%	135	1:11	1:10	1,348	1,326	0.37%	98.37%
2009	1,349	23,055,251	17,091	-2.00%	137	1:10	1:10	1,319	1,257	-2.15%	95.30%
2010	1,346	23,851,907	17,721	3.69%	137	1:10	1:10	1,309	1,255	-0.76%	95.87%
2011	1,319	23,750,497	18,006	1.61%	137	1:10	1:10	1,300	1,249	-0.69%	96.08%

Sources: District records

**PARK RIDGE BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST SIX FISCAL YEARS
(Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>District Building</u>						
<u>Elementary</u>						
East Brook						
Square Feet	31,675	31,675	31,675	31,675	31,675	31,675
Capacity (students)	385	388	388	388	388	388
Enrollment	395	388	378	372	360	368
West Ridge						
Square Feet	32,605	32,605	32,605	32,605	32,605	32,605
Capacity (students)	405	407	407	407	407	407
Enrollment	405	407	424	384	365	356
<u>Junior / Senior High School</u>						
Square Feet	93,253	93,253	93,253	93,253	93,253	93,253
Capacity (students)	584	584	584	584	584	584
Enrollment	562	565	570	571	590	595
<u>Other</u>						
Square Feet	1,200	2,800	2,800	2,800	2,800	5,200
Number of Schools at June 30, 2011						
Elementary =	2	2	2	2	2	2
Junior / Senior High School =	1	1	1	1	1	1
Other =	1	1	1	1	1	2

Source: District Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

Project# (s)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
*School Facilities										
East Brook Elementary School	\$ 30,973	\$ 34,139	\$ 36,992	\$ 54,088	\$ 57,738	\$ 60,350	\$ 58,334	\$ 66,079	\$ 65,514	\$ 75,220
West Ridge Elementary School	32,696	32,341	33,098	62,014	71,326	43,720	68,013	58,350	57,852	66,423
High School	88,537	113,435	163,123	170,504	278,822	186,323	181,050	186,157	184,567	211,909
District-Wide	-	-	-	-	10,529	-	-	-	-	-
Total School Facilities	\$ 152,206	\$ 179,915	\$ 233,213	\$ 286,606	\$ 418,415	\$ 290,393	\$ 307,397	\$ 310,586	\$ 307,933	\$ 353,552

*School Facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2011
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective		
Blanket Building & Contents	\$ 36,231,065	\$ 5,000
Extra Expense Blanket	5,000,000	5,000
Ordinance/Law Coverage	2,000,000	
Flood/Earthquake	5,000,000	50,000
	Aggregate Per Occurrence	
Inland Marine:		
Computer Equipment	2,500,000	
Contractors Equipment	250,000	
Crime Coverage	50,000	1,000
Boiler & Machinery	Per individual statement	5,000
Comprehensive/Commercial General Liability - Selective		
Each Occurrence	1,000,000	
General Aggregate Limit	2,000,000	
Products-Completed Operations Aggregate Limit	2,000,000	
Personal & Advertising Injury Limit	1,000,000	
Fire Damage	1,000,000	
Employee Benefits Liability	1,000,000	1,000
Comprehensive Auto Liability	1,000,000	
School Board Legal Liability		
Ace Insurance	1,000,000	10,000
Umbrella Liability Policy - Aggregate per Occurrence	9,000,000	
Shared	50,000,000	
Employee Dishonesty & Faithful Performance	100,000 / Employee 400,000 / Loss	5,000
Public Official Bonds -		
Western Surety Company		
Treasurer of School Monies	220,000	
Business Administrator/Board Secretary	100,000	
Student Accident (AIG)	5,000,000	
Environmental Liability - American Safety	\$1,000,000/Condition	15,000
Standard Worker's Compensation and Employer's Liability Policy		
Republic Western Insurance	Statutory	
Employment Related Liability	1,000,000	5,000

Source: Park Ridge School District records.

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
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EDWARD N. KERE, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Trustees
Park Ridge Board of Education
Park Ridge, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park Ridge Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Park Ridge Board of Education's basic financial statements and have issued our report thereon dated December 5, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Park Ridge Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Park Ridge Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park Ridge Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Park Ridge Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Park Ridge Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

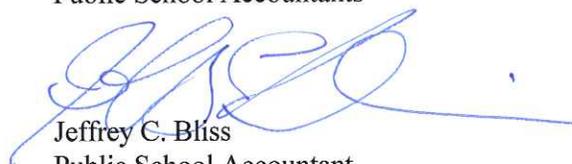
As part of obtaining reasonable assurance about whether the Park Ridge Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we have reported to management of the Park Ridge Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 5, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 5, 2011

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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EDWARD N. KERE, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

Honorable President and Members
of the Board of Trustees
Park Ridge Board of Education
Park Ridge, New Jersey

Compliance

We have audited the Park Ridge Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Park Ridge Board of Education's major state programs for the fiscal year ended June 30, 2011. Park Ridge Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Park Ridge Board of Education's management. Our responsibility is to express an opinion on Park Ridge Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Park Ridge Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Park Ridge Board of Education's compliance with those requirements.

In our opinion, Park Ridge Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of Park Ridge Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Park Ridge Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

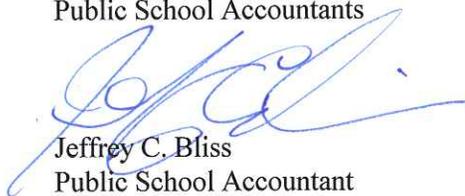
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, management, others within the District, the New Jersey State Department of Education and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 5, 2011

PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal CFDA Program Title	Grant or State Project Number	Grant Period	Award Amount	(Account Receivable)	Balance, June 30, 2010		Carryover Amount	Cash Received	Budgetary Expenditures	Carryover Receivable Adjustment	Refund of Prior Year's Balance	Adjustment/ Cancelled	Balance, June 30, 2011		Memo
					(Account Receivable)	Deferred Revenue							(Account Receivable)	Deferred Revenue	
National School Lunch Program	N/A	7/1/10-6/30/11	\$ 9,348	\$ (647)	\$ 9,348	\$ 10,738							\$ (1,390)		
Cash Assistance		7/1/09-6/30/10	9,424		647										
Cash Assistance		7/1/10-6/30/11	5,872		3,872	5,037							\$ 835		
Non-Cash Assistance (Food Distribution)		7/1/09-6/30/10	6,570			335									
Non-Cash Assistance (Food Distribution)		7/1/10-6/30/11	8,832		7,781	8,832							(1,051)		
Special Milk Program	N/A	7/1/08-6/30/09	8,343	(679)											
Special Milk Program		7/1/10-6/30/11			679										
Total U.S. Department of Agriculture				(1,326)	24,327	24,942							(2,441)	835	(2,441)
U.S. Department of Education															
Passed-through State Department of Education															
Title II - Part A	NCLB394011	9/1/18-8/31/11	26,465	(19,500)	26,465	26,465				(500)					
Title II - Part A	NCLB394010	9/1/09-8/31/10	26,569		500	500									
Title II - Part A	NCLB394009	9/1/08-8/31/09	27,101	(500)											
Title II - Part D	NCLB353011	9/1/10-8/31/11	31		31	31									
Title II - Part D	NCLB353010	9/1/09-8/31/10	155	(25)	25										
Title III	NCLB394011	9/1/10-8/31/11	15,660	(2,893)	13,895	15,660							(1,765)		(1,765)
Title III	NCLB394010	9/1/10-8/31/11	10,383	(1,740)	4,633	1,741									
Title III	NCLB394011	9/1/10-8/31/11	11,268	(1,740)	1,740					(1,740)					
Title III	NCLB394009	9/1/08-8/31/09	324,927	(284,141)	87,726	35,433				1,740			(196,415)	25,749	(170,666)
I.D.E.A. ARRA Part B		9/1/09-8/31/11	11,759	(11,239)	10,269	8,769							(990)	990	
I.D.E.A. ARRA Preschool		9/1/10-8/31/11	305,469		305,469	305,469									
I.D.E.A. Part B, Basic		9/1/10-8/31/11	11,759		20,571	20,571									
I.D.E.A. Part B, Preschool		9/1/10-8/31/11	20,571		20,571	20,571									
Total U.S. Department of Education				(320,058)	489,084	414,639							(199,170)	26,739	(172,431)
Total Federal Financial Assistance				\$ (321,384)	\$ 75,516	\$ 513,411	\$ 439,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (201,611)	\$ 27,574	\$ (174,872)

Note: The District is not subject to Federal Single Audit

PARK RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2011		Cumulative Total Expenditures	
									(Accounts Receivable)	Deferred Revenue		GAAP Receivable
State Department of Education												
General Fund												
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	\$ 552,067	\$ (19,192)	\$	\$ 19,192					\$ -	
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	78,688	(2,735)		2,735					-	
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	64,286	(2,235)		2,235					-	
Extraordinary Aid	11-100-034-5120-471	7/1/10-6/30/11		(341,743)			\$ 340,631				\$ 340,631	
Extraordinary Aid	10-100-034-5120-475	7/1/08-6/30/09	347,743			341,743					781,947	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-062	7/1/10-6/30/11	781,947			781,947					781,947	
Reimbursed TPAF - Pension Contributions - NCGI	11-100-034-5095-066	7/1/10-6/30/11	29,594			29,594					29,594	
Reimbursed TPAF - Post Retirement Medical	11-100-034-5095-007	7/1/10-6/30/11	628,567			628,567					628,567	
Total General Fund State Aid			(365,905)			1,806,013	1,780,739		(340,631)		1,780,739	
Special Revenue Fund												
N.J. Nonpublic Aid												
Nonpublic Auxiliary Services	11-100-034-5120-067	7/1/10-6/30/11	58,609			58,609	46,050				46,050	
Comp Education	10-100-034-5120-067	7/1/09-6/30/10	55,663	6,197		5,978	2,562	6,197			2,562	
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	13,407	2,851			2,851	2,851			-	
Nonpublic Handicapped Services	N/A											
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	25,514			25,514	23,277				23,277	
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	19,562	556			556				11,187	
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	19,558			19,558	11,187				11,187	
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	29,232	10,260			10,260	10,260			10,909	
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	14,731			14,731	10,909				10,909	
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	15,769	2,140			2,140				166	
Home Instruction	11-100-034-5120-070	7/1/10-6/30/11	17,309			17,309	166				17,309	
Nonpublic Nursing Services Aid	11-100-034-5120-073	7/1/10-6/30/11	10,000				17,309				17,309	
Nonpublic Technology Initiative Aid	09-100-034-5120-373	7/1/08-6/30/09	14,608			14,608	14,608				14,608	
Nonpublic Technology Initiative Aid	11-100-034-5120-064	7/1/10-6/30/11										
Total Special Revenue Fund			22,004			156,307	126,068	22,004	(166)		14,608	
State Department of Agriculture												
National School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	716	(51)		624	716		(92)		716	
National School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10				51						
Total State Financial Assistance			(343,952)			1,962,995	1,907,523	22,004	(340,889)		(258)	
State Financial Assistance Not Subject to Single Audit Determination												
General Fund												
On-Behalf TPAF Pension System Contributions	11-100-034-5095-066	7/1/10-6/30/11	29,594			(29,594)	(29,594)				(29,594)	
On-Behalf TPAF Post-Retirement Medical Contribution	11-100-034-5095-007	7/1/10-6/30/11	628,567			(628,567)	(628,567)				(628,567)	
Total State Financial Assistance Subject to Single Audit			(343,952)			1,304,834	1,249,362	22,004	(340,889)		(258)	
Total State Financial Assistance			(343,952)			1,304,834	1,249,362	22,004	(340,889)		(258)	
Total State Financial Assistance Subject to Single Audit			(343,952)			1,304,834	1,249,362	22,004	(340,889)		(258)	

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Park Ridge Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$25,274 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,806,013	\$ 1,806,013
Special Revenue Fund	\$ 414,639	126,068	540,707
Food Service Fund	<u>24,942</u>	<u>716</u>	<u>25,658</u>
Total Financial Assistance	<u>\$ 439,581</u>	<u>\$ 1,932,797</u>	<u>\$ 2,372,378</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$781,947 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$29,594 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$628,567 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to the basic financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards Section - Not Applicable

**PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

THERE ARE NONE.

**PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

**PARK RIDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

There were none.