

PARK RIDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

JOSEPH J. BRUNO
President

DANIEL C. BROWNE
Vice President

FRANK CHURCH
PETER MONTALBANO
PATRICK MORAN
ROBERT T. SILEO
BARBARA VON BRADSKY



PARK RIDGE BOARD OF EDUCATION
2 PARK AVENUE
PARK RIDGE, NEW JERSEY 07656
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ROBERT M. GAMPER, Ed.D.
Superintendent of Schools

ROBERT WRIGHT
Board Secretary and
Business Administrator

December 5, 2013

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, 2013, 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 auditors' 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 auditors' 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 2012-2013 fiscal year with an enrollment of students, which is 23 students higher than 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>
2012-13	1,306	1.80%
2011-12	1,283	-2.73%
2010-11	1,319	-2.00%
2009-10	1,346	-.22%
2008-09	1,349	-1.67%
2007-08	1,372	.88%

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 2011, the Borough underwent a revaluation that decreased ratables by \$105,000,000. Since then, property values have remained relatively stable with the average home assessed at \$476,000. The Borough of Park Ridge has balanced progress and cost with the 39th lowest effective tax rate out of the 70 towns.

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. In standing among our peers, the September 2012 issue of *NJ Monthly Magazine* ranked Park Ridge High School as #14 in the State. The percentage of students taking Advanced Placement exams is 99% and currently 26% of the Juniors and Seniors are enrolled in two or more courses.

Technology is an issue of critical importance at every grade level. The entire school district is serviced by high speed fiber cables and each school has its own wireless network. 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 district is planning on rolling out a one to one laptop initiative over the next few years.

The 2012-13 school year resounded with triumph on every level with 5 National Merit letter of Commendation recipients and two advancing to the semi-finalist level. 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 92% 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, Journalism Club and Robotics competitions.

Park Ridge High School received the NJSIAA sportsmanship award for the 6th straight year and 7th time in 8 years. This past year, the girls soccer, girls tennis, wrestling and baseball won NJIC championships. Several other of our teams finished in the top of their division. 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 student athletes setting new school records, winning their respective leagues, and representing the community in a positive manner, 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 upgraded the existing buildings by installing new roofs and windows and upgrading the heating and control systems. It also installed 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 done qualified the district for a 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, 2013.

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, 2013, the District has outstanding bonded debt of \$12,020,000.

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 auditors' report on the basic financial statements is included in the financial section of this report. The auditors' 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.

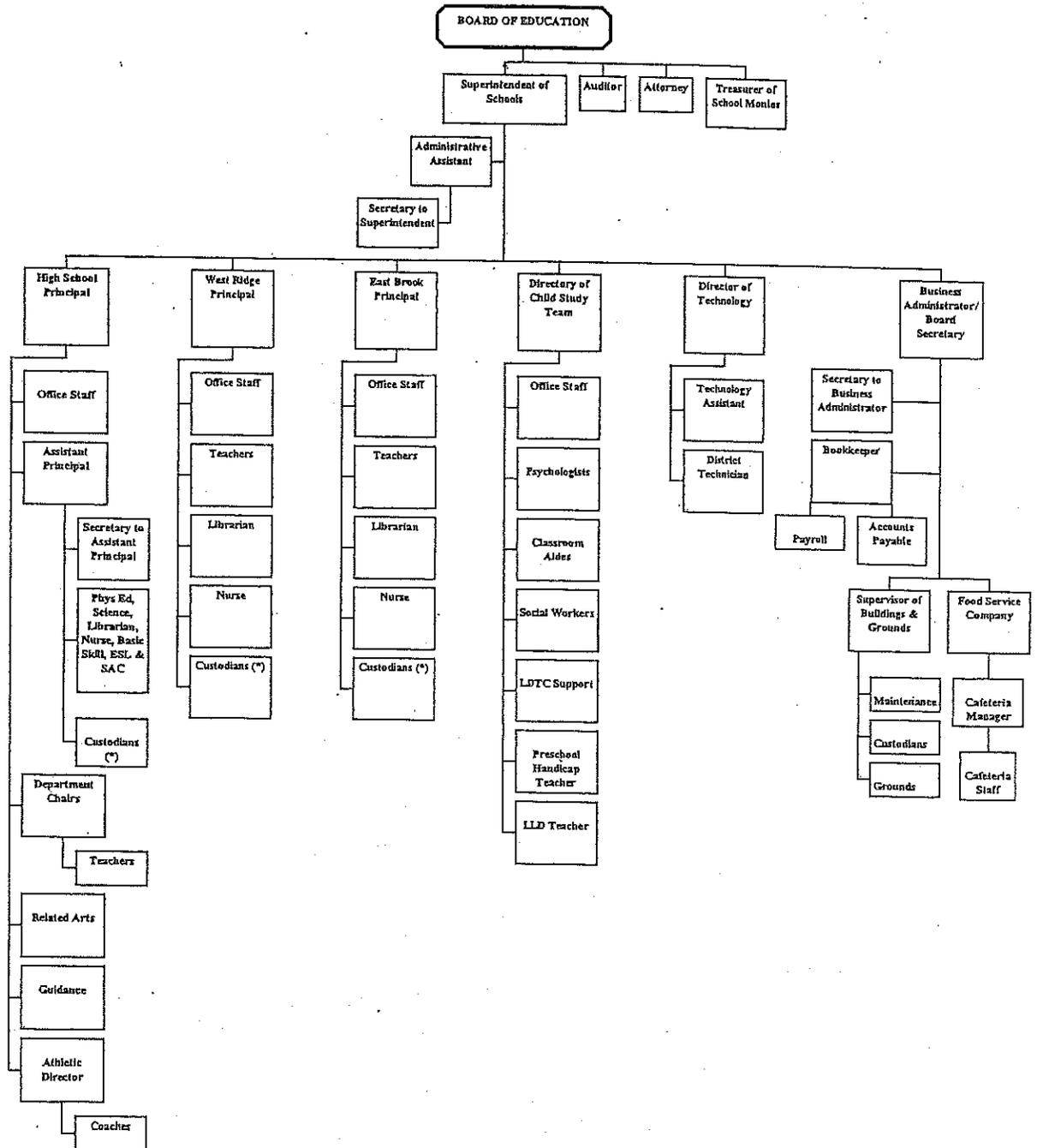
Robert Wright
Business Administrator/Board Secretary

POLICY

PARK RIDGE SCHOOL DISTRICT

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



Note (*) Custodians Report to Building Administrators 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, 2013**

<u><i>Members of the Board of Education</i></u>	<u><i>Term Expires</i></u>
President: Joseph Bruno	2013
Vice President: Daniel Browne	2015
Members of the Board: Frank Church	2014
Barbara von Bradsky	2014
Robert Sileo	2014
Peter Montalbano	2013
Patrick Moran	2015
<u>Other Officials:</u>	
Superintendent: Dr. Robert Gamper	
Board Secretary/Business Administrator Robert Wright	

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

Consultants and Advisors

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route #208
Fair Lawn, New Jersey 07410

Attorney

Kenney, Gross, Kovats & Campbell L.L.P.
130 Maple Avenue
Red Bank, New Jersey 07701

Official Depository

Capital One Bank
553 Broadway
Westwood, NJ 07675

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park Ridge Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Park Ridge Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Park Ridge Board of Education's internal control over financial reporting and compliance.

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, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

PARK RIDGE BOARD OF EDUCATION

Management Discussion and Analysis Fiscal Year Ended June 30, 2013

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, 2013. 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 (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-2013 fiscal year include the following:

- The assets and deferred outflows of resources of the Park Ridge Board of Education exceeded its liabilities at the close of the fiscal year by \$10,142,497 (net position). Of this amount, \$994,492 (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's total net position increased \$1,173,164 or 13%.
- Overall District revenues were \$29,717,640. General revenues accounted for \$24,999,264 or 84% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,718,376 or 16% of total revenues.
- The school district had \$28,081,987 in expenses for governmental activities; only \$4,189,523 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$24,999,264 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 \$6,618,658. Of this amount, \$281,954 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 \$560,842 which represented a decrease of \$61,166 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.

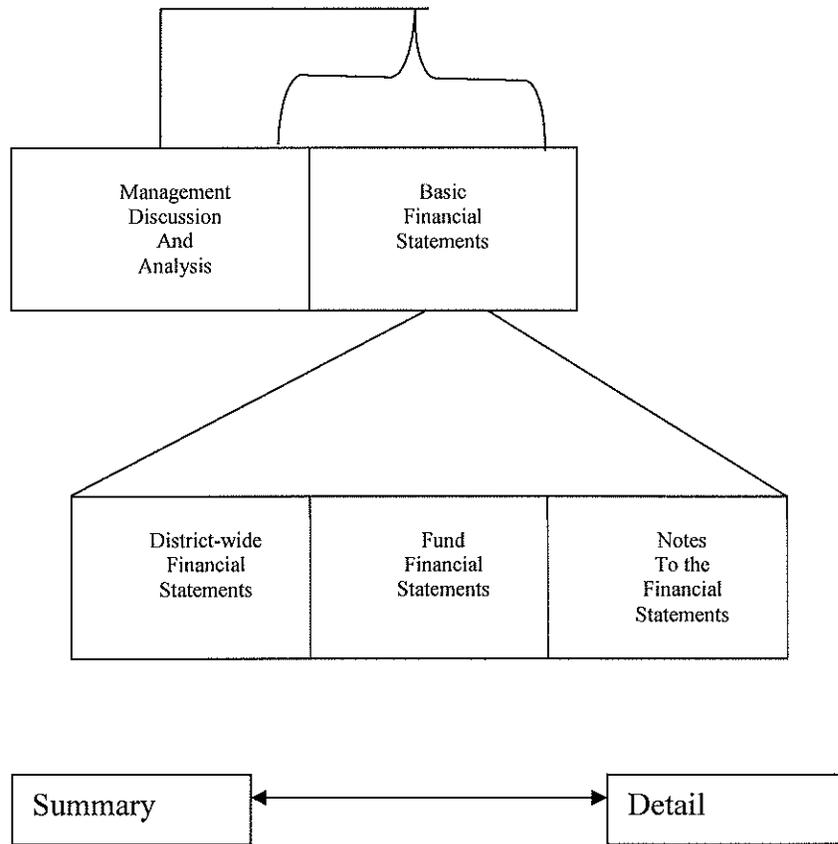
PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

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
Fiscal Year Ended June 30, 2013

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 Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes In Fund Net Position, Statement of Cash Flows	Statements of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position
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/deferred resource Information	All assets, liabilities, and deferred outflows/inflows of resources 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, and deferred outflows/inflows of resources 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 position includes *all* of the District’s assets, liabilities and deferred outflows/inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

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, volleyball clinic program, summer basketball program, summer music program and laptop insurance program 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 seven enterprise funds for its food service (cafeteria) program, before and after school child care program, SAT review program, volleyball clinic program, summer basketball program, summer music program and laptop insurance program.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

- *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.
- *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 position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the 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 financial statements can be found following the financial statements.

Other Information

In addition to the 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 financial statements.

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

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$10,142,497 at June 30, 2013 and \$8,969,333 at June 30, 2012 as follows:

	Net Position					
	As of June 30, 2013 and 2012					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2011</u>
Assets						
Current Assets	\$ 6,998,275	\$ 6,979,053	\$ 423,205	\$ 324,591	\$ 7,421,480	\$ 7,303,644
Capital Assets	<u>15,919,079</u>	<u>15,317,442</u>	<u>20,385</u>	<u>23,674</u>	<u>15,939,464</u>	<u>15,341,116</u>
Total Assets	<u>22,917,354</u>	<u>22,296,495</u>	<u>443,590</u>	<u>348,265</u>	<u>23,360,944</u>	<u>22,644,760</u>
Deferred Outflows of Resources	<u>78,199</u>	<u>92,815</u>	<u>-</u>	<u>-</u>	<u>78,199</u>	<u>92,815</u>
Total Assets and Deferred Outflows of Resources	<u>22,995,553</u>	<u>22,389,310</u>	<u>443,590</u>	<u>348,265</u>	<u>23,439,143</u>	<u>22,737,575</u>
Liabilities						
Long-Term Liabilities	12,821,176	13,168,186			12,821,176	13,168,186
Other Liabilities	<u>356,355</u>	<u>509,902</u>	<u>119,115</u>	<u>90,154</u>	<u>475,470</u>	<u>600,056</u>
Total Liabilities	<u>13,177,531</u>	<u>13,678,088</u>	<u>119,115</u>	<u>90,154</u>	<u>13,296,646</u>	<u>13,768,242</u>
Net Position						
Net Investment in Capital Assets	5,206,951	4,065,772	20,385	23,674	5,227,336	4,089,446
Restricted	3,920,669	3,326,144			3,920,669	3,326,144
Unrestricted	<u>690,402</u>	<u>1,319,306</u>	<u>304,090</u>	<u>234,437</u>	<u>994,492</u>	<u>1,553,743</u>
Total Net Position	<u>\$ 9,818,022</u>	<u>\$ 8,711,222</u>	<u>\$ 324,475</u>	<u>\$ 258,111</u>	<u>\$ 10,142,497</u>	<u>\$ 8,969,333</u>

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

By far the largest portion of the District's net position 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. Restricted net position represent amounts reserved for specific purposes by outside parties or state regulations. Unrestricted net position represent amounts available to the government that are neither restricted nor invested in capital assets.

Change in Net Position
For The Fiscal Years Ended June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2011
Revenues						
Program Revenues						
Charges for Services	\$ 108,384	\$ 63,855	\$ 489,487	\$ 426,483	\$ 597,871	\$ 490,338
Operating Grants and Contributions	3,885,838	3,305,634	39,366	28,165	3,925,204	3,333,799
Capital Grants and Contributions	195,301	103,735			195,301	103,735
General Revenues						
Property Taxes	24,652,668	23,967,560			24,652,668	23,967,560
State Aid	166,495	82,803			166,495	82,803
Other	180,101	141,343	-	-	180,101	141,343
Total Revenues	29,188,787	27,664,930	528,853	454,648	29,717,640	28,119,578
Expenses						
Instruction						
Regular	\$ 11,838,555	10,327,794			11,838,555	10,327,794
Special Education	3,934,433	3,951,431			3,934,433	3,951,431
Other Instruction	887,332	720,873			887,332	720,873
School Sponsored Activities and Athletics	689,106	736,522			689,106	736,522
Support Services					-	
Student and Instruction Related Services	4,852,101	4,544,753			4,852,101	4,544,753
General Administrative Services	763,368	662,967			763,368	662,967
School Administrative Services	1,287,528	1,214,662			1,287,528	1,214,662
Central and Other Support Services	711,393	715,054			711,393	715,054
Plant Operations and Maintenance	2,059,681	1,994,117			2,059,681	1,994,117
Pupil Transportation	638,787	583,140			638,787	583,140
Interest on Debt	419,703	432,690			419,703	432,690
Food Services			226,544	210,923	226,544	210,923
Child Care Program			220,176	183,562	220,176	183,562
SAT Review Program	-	-	6,922	7,108	6,922	7,108
Summer Basketball Program			2,832	1,650	2,832	1,650
Volleyball Clinic Program			2,305	1,445	2,305	1,445
Summer Music Program			3,710		3,710	-
Laptop Insurance Program	-	-	-	-	-	-
Total Expenses	28,081,987	25,884,003	462,489	404,688	28,544,476	26,288,691
Increase in Net Position	1,106,800	1,780,927	66,364	49,960	1,173,164	1,830,887
Net Position, Beginning of Year	8,711,122	6,930,295	258,111	208,151	8,969,233	7,138,446
Net Position, End of Year	\$ 9,817,922	\$ 8,711,222	\$ 324,475	\$ 258,111	\$ 10,142,397	\$ 8,969,333

PARK RIDGE BOARD OF EDUCATION

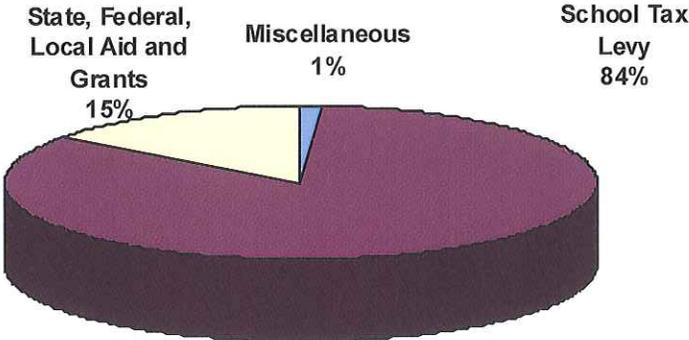
Management’s Discussion and Analysis
 Fiscal Year Ended June 30, 2013

Governmental Activities. The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$29,188,787 for the year ended June 30, 2013. Property taxes of \$24,652,668 represented 84% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local aid and contributions of \$4,247,634 represented 15% of revenues. In addition, tuition and miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

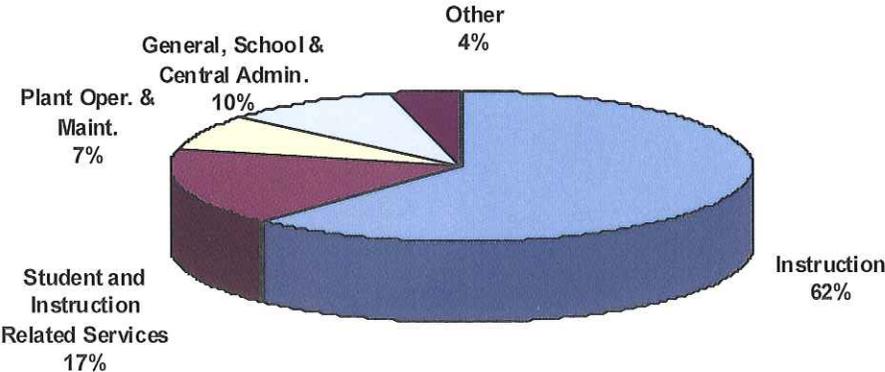
The total cost of all governmental activities programs and services was \$28,081,987. The District’s expenses are predominantly related to educating and caring for students. Instruction totaled \$17,349,426 (62%) of total expenses. Support services, total \$10,312,858 (37%) of total expenses and interest on debt totaled \$419,703 (1%) of total expenses.

Total governmental activities revenues exceeded expenses, increasing net position by \$1,106,800 over the previous year.

Revenues by Sources – Governmental Activities
 For Fiscal Year 2013



Expenditures by Type-Governmental Activities
 For Fiscal Year 2013



PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2013 and 2012**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Instruction				
Regular	\$ 11,838,555	\$ 10,327,794	\$ 10,433,347	\$ 9,249,980
Special Education	3,934,433	3,951,431	2,418,639	2,569,325
Other Instruction	887,332	720,873	754,386	634,381
School Sponsored Activities and Athletics	689,106	736,522	689,106	736,522
Support Services				
Student and Instruction Related Services	4,852,101	4,544,753	4,235,140	4,046,065
General Administrative Services	763,368	662,967	727,538	581,979
School Administrative Services	1,287,528	1,214,662	1,179,236	1,113,494
Central and Other Support Services	711,393	715,054	679,421	637,200
Plant Operations and Maintenance	2,059,681	1,994,117	1,846,599	1,994,117
Pupil Transportation	638,787	583,140	619,765	583,140
Interest on Debt	419,703	432,690	309,287	264,576
Total	<u>\$ 28,081,987</u>	<u>\$ 25,884,003</u>	<u>\$ 23,892,464</u>	<u>\$ 22,410,779</u>

Total and Net Cost of Governmental Activities. The District's total cost of services was \$28,081,987. After applying program revenues, derived from charges for services of \$108,384, and operating and capital grants and contributions of \$4,081,139, the net cost of services of the District is \$23,892,464.

Business-Type Activities – The District's total business-type activities revenues were \$528,853 for the year ended June 30, 2013. Charges for services accounted for 93% of total revenues. Operating grants and contributions accounted for 7% of total revenue for the year.

Total cost of all business-type activities programs and services was \$462,489. The District's expenses are related to Food Service (49%), Child Care (48%), SAT Review Programs (2%), summer basketball program (less than 1%), volleyball clinic program (less than 1%) and summer music program (less than 1%).

Total business-type activities revenues exceeded expenses, increasing net position by \$66,364, over the previous year. Food service operations increased net position by \$2,747, child care operations increased net position by \$57,696, and the remaining increase in net position was from the other nonmajor enterprise fund program operations which increased a combined \$5,921 from the previous year.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

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 \$6,618,658 which was an increase of, \$162,956 over last year's fund balance of \$6,455,702. This increase was largely attributable to additional state aid received during 2012/2013 and expenditures that were less than budget estimates.

Revenues for the District's governmental funds were \$28,993,486, while total expenditures were \$29,588,233 for the fiscal year ended June 30, 2013. The District also had total other financing sources of \$757,703 which was the result of the school financing certain purchases through lease-purchase agreements 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, 2013 and 2012:

	Fiscal Year Ended June 30,		Amount of	Percent
	<u>2013</u>	<u>2012</u>	(Decrease)	Change
Local Sources				
Property Taxes	\$ 23,926,685	\$ 23,253,731	\$ 672,954	3%
Tuition	108,384	63,855	44,529	70%
Other	180,101	141,343	38,758	27%
Federal Sources	-	27,949	(27,949)	-100%
State Sources	<u>3,238,505</u>	<u>2,573,795</u>	<u>664,710</u>	26%
Total General Fund Revenues	<u>\$ 27,453,675</u>	<u>\$ 26,060,673</u>	<u>\$ 1,393,002</u>	5%

Total General Fund revenues increased \$1,393,002 or 5% from the previous year. Local property taxes increased by \$672,954 or 3% to finance increases in current year operating costs. There was a significant increase in State Aid revenue of \$664,710 or 26% mainly attributable to an increase in on-behalf aid for teacher pension and post retirement medical benefit contributions made by the State for the District.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2013 and 2012:

	<u>Year Ended June 30,</u>		Amount of Increase (Decrease)	Percent Change
	<u>2013</u>	<u>2012</u>		
Instruction	\$ 16,413,701	\$ 14,857,809	\$ 1,555,892	10%
Support Services	9,928,748	9,347,072	581,676	6%
Debt Service	462,807	20,000	20,000	-88%
Capital Outlay	<u>1,076,831</u>	<u>510,428</u>	<u>566,403</u>	111%
Total Expenditures	<u>\$ 27,882,087</u>	<u>\$ 24,735,309</u>	<u>\$ 3,146,778</u>	13%

Total General Fund expenditures increased \$3,146,778 or 13% from the previous year. Increases during the year were attributed to increases in regular instructional and student instruction related service costs as well as significant increases in capital outlay project costs.

For 2012-2013 General Fund revenues and other financing sources exceeded expenditures by \$329,291. Therefore, total fund balance increased to \$5,256,541 at June 30, 2013. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$244,564 at June 30, 2012 to \$281,954 at June 30, 2013. In addition, fund balances restricted for capital reserve increased \$647,750 to \$3,920,668, 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 funded by unassigned fund balance.

General Fund budgetary revenues and other financing sources exceeded expenditures increasing budgetary fund balance by \$230,735. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance decreased \$61,166 from \$622,008 at June 30, 2012 to \$560,842 at June 30, 2013. 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 \$213,657 at June 30, 2013. These excess funds will be appropriated in the 2014/2015 budget in accordance with State budget regulations.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013

CAPITAL ASSETS

At the end of the fiscal year 2013 the District had \$15,939,464 (net of accumulated depreciation) invested in land, buildings, furniture, equipment and vehicles. Depreciation expenses for fiscal year 2013 amounted to \$783,605 for governmental activities and \$3,289 for business-type activities. The following is a comparison of the June 30, 2013 and 2012 balances:

**Capital Assets
at June 30, 2013 and 2012**

	<u>Governmental Activities</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 1,054,125	\$ 1,054,125			\$ 1,054,125	\$ 1,054,125
Land Improvements	1,218,755	1,074,072			1,218,755	1,074,072
Buildings and Building Improvements	18,735,133	17,559,898			18,735,133	17,559,898
Machinery and Equipment	2,775,945	2,716,736	\$ 102,372	\$ 102,372	2,878,317	2,819,108
Construction in Progress	109,850	103,735	-	-	109,850	103,735
	23,893,808	22,508,566	102,372	102,372	23,996,180	22,610,938
Less Accumulated Depreciation	(7,974,729)	(7,191,124)	(81,987)	(78,698)	(8,056,716)	(7,269,822)
Total	\$ 15,919,079	\$ 15,317,442	\$ 20,385	\$ 23,674	\$ 15,939,464	\$ 15,341,116

LONG TERM LIABILITIES

At June 30, 2013 the District had long-term liabilities outstanding in the amount of \$12,821,176 consisting of bonds payable, capital leases, lease-purchase agreements and compensated absences. The following is a comparison of the June 30, 2013 and 2012 balances.

**Outstanding Long-Term Liabilities
At June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Bonds Payable (Net of Unamortized Amounts)	\$ 12,074,303	\$ 12,719,452
Leases Payable	612,615	313,789
Compensated Absences	134,258	134,945
Total	\$ 12,821,176	\$ 13,168,186

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2013

FACTORS BEARING THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of State funding, 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 2013-2014 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, special education costs and capital improvements.

These indicators were considered when adopting the budget for fiscal year 2013-2014. Budgeted expenditures in the General Fund increased 6% percent to \$27,808,675 in fiscal year 2013-2014. Increases in contractual payroll, employee health benefits and capital outlay projects 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 POSITION
AS OF JUNE 30, 2013**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,903,962	\$ 395,080	\$ 7,299,042
Receivables, net	94,313	16,206	110,519
Inventories		1,958	1,958
Prepaid Items		9,961	9,961
Capital Assets, Not Being Depreciated	1,163,975	-	1,163,975
Capital Assets, Being Depreciated, Net	<u>14,755,104</u>	<u>20,385</u>	<u>14,775,489</u>
Total Assets	<u>22,917,354</u>	<u>443,590</u>	<u>23,360,944</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding of Debt	<u>78,199</u>	-	<u>78,199</u>
Total Deferred Outflows of Resources	<u>78,199</u>	-	<u>78,199</u>
Total Assets and Deferred Outflows of Resources	<u>22,995,553</u>	<u>443,590</u>	<u>23,439,143</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	178,179	15,034	193,213
Payable to Other Governments	20,355		20,355
Accrued Interest Payable	157,821		157,821
Unearned Revenue		104,081	104,081
Noncurrent Liabilities			
Due within one year	686,952		686,952
Due beyond one year	<u>12,134,224</u>	-	<u>12,134,224</u>
Total Liabilities	<u>13,177,531</u>	<u>119,115</u>	<u>13,296,646</u>
NET POSITION			
Net Investment in Capital Assets	5,206,951	20,385	5,227,336
Restricted for			
Capital Projects	3,920,668		3,920,668
Debt Service	1		1
Unrestricted	<u>690,402</u>	<u>304,090</u>	<u>994,492</u>
Total Net Position	<u>\$ 9,818,022</u>	<u>\$ 324,475</u>	<u>\$ 10,142,497</u>

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

**PARK RIDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 11,838,555	\$ 33,750	\$ 1,371,458		\$ (10,433,347)	\$	\$ (10,433,347)
Special Education	3,934,433	74,634	1,441,160		(2,418,639)		(2,418,639)
Other Instruction	887,332		132,946		(754,386)		(754,386)
School Sponsored Activities and Athletics Support Services	689,106				(689,106)		(689,106)
Student and Instruction Related Services	4,852,101		616,961		(4,235,140)		(4,235,140)
General Administrative Services	763,368		35,830		(727,538)		(727,538)
School Administrative Services	1,287,528		108,292		(1,179,236)		(1,179,236)
Central and Other Support Services	711,393		31,972		(679,421)		(679,421)
Plant Operations and Maintenance	2,059,681		17,781	\$ 195,301	(1,846,599)		(1,846,599)
Pupil Transportation	638,787		19,022		(619,765)		(619,765)
Interest on Debt	419,703	-	110,416	-	(309,287)	-	(309,287)
Total Governmental Activities	28,081,987	108,384	3,885,838	195,301	(23,892,464)	-	(23,892,464)
Business-Type Activities							
Food Service	226,544	189,925	39,366			\$ 2,747	2,747
Child Care Program	220,176	277,872				57,696	57,696
SAT Review Program	6,922	7,700				778	778
Summer Basketball Program	2,832	2,940				108	108
Volleyball Clinic Program	2,305	2,440				135	135
Summer Music Program	3,710	3,910				200	200
Laptop Insurance Program	-	4,700				4,700	4,700
Total Business-Type Activities	462,489	489,487	39,366	-	-	66,364	66,364
Total Primary Government	\$ 28,544,476	\$ 597,871	\$ 3,925,204	\$ 195,301	(23,892,464)	66,364	(23,826,100)

**PARK RIDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Property Taxes	\$ 23,926,685		\$ 23,926,685
Levied for General Purposes	725,983		725,983
Levied for Debt Service	166,495		166,495
State Aid for Debt Principal	180,101	-	180,101
Miscellaneous Income	-		-
Total General Revenues	24,999,264	-	24,999,264
Change in Net Position	1,106,800	\$ 66,364	1,173,164
Net Position Beginning of Year, (Restated)	8,711,222	258,111	8,969,333
Net Position End of Year	9,818,022	\$ 324,475	\$ 10,142,497

FUND FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2013**

	<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	\$ 5,340,407	\$ 20,355	\$ 1,362,116	\$ 1	\$ 6,722,879
Receivables, Net					
Intergovernmental	94,115				94,115
Due from Other Funds	<u>198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198</u>
Total Assets	<u>\$ 5,434,720</u>	<u>\$ 20,355</u>	<u>\$ 1,362,116</u>	<u>\$ 1</u>	<u>\$ 6,817,192</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 167,090				\$ 167,090
Accrued Salary and Wages	11,089				11,089
Payable to Other Governments	<u>-</u>	<u>\$ 20,355</u>	<u>-</u>	<u>-</u>	<u>20,355</u>
Total Liabilities	<u>178,179</u>	<u>20,355</u>	<u>-</u>	<u>-</u>	<u>198,534</u>
Fund Balances					
Restricted					
Capital Reserve	2,120,668				2,120,668
Capital Reserve - Designated for Subsequent Year's Expenditures	1,800,000				1,800,000
Emergency Reserve	241,040				241,040
Reserved Excess Surplus	213,657				213,657
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	249,258				249,258
Capital Projects			\$ 1,362,116		1,362,116
Debt Service				\$ 1	1
Assigned					
Year End Encumbrances	259,444				259,444
Designed for Subsequent Year's Expenditures	90,520				90,520
Unassigned	<u>281,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,954</u>
Total Fund Balances	<u>5,256,541</u>	<u>-</u>	<u>1,362,116</u>	<u>1</u>	<u>6,618,658</u>
Total Liabilities and Fund Balances	<u>\$ 5,434,720</u>	<u>\$ 20,355</u>	<u>\$ 1,362,116</u>	<u>\$ 1</u>	

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

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2013**

Total Fund Balances - Governmental Funds (Carried Forward)		\$ 6,618,658
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,893,808 and the accumulated depreciation is \$7,974,729.		15,919,079
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.		78,199
The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is:		(157,821)
Long-term liabilities, including bonds payable, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
	Bonds Payable, Net	\$ 12,074,303
	Capital Leases	78,140
	Lease-Purchase Agreements	534,475
	Compensated Absences	<u>134,258</u>
		(12,821,176)
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 position		<u>181,083</u>
Net Position of Governmental Activities (Exhibit A-1)		<u>\$ 9,818,022</u>

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

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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	\$ 23,926,685			\$ 725,983	\$ 24,652,668
Tuition	108,384				108,384
Miscellaneous	180,101	\$ 9,200	-	-	189,301
Total - Local Sources	24,215,170	9,200	-	725,983	24,950,353
State Sources	3,238,505	143,929	-	276,911	3,659,345
Federal Sources	-	383,788	-	-	383,788
Total Revenues	27,453,675	536,917	-	1,002,894	28,993,486
EXPENDITURES					
Current					
Regular Instruction	11,266,266	4,232			11,270,498
Special Education Instruction	3,589,950	299,063			3,889,013
Other Instruction	868,379	18,953			887,332
School-Sponsored Activities and Athletics	689,106				689,106
Support Services					
Student and Instruction Related Services	4,608,618	214,669			4,823,287
General Administrative Services	751,666				751,666
School Administrative Services	1,261,888				1,261,888
Central and Other Support Service	711,393				711,393
Plant Operations and Maintenance	1,976,469				1,976,469
Pupil Transportation	618,714				618,714
Debt Service					
Principal	458,877			635,000	1,093,877
Interest	3,930			421,119	425,049
Capital Outlay	1,076,831	-	\$ 113,110	-	1,189,941
Total Expenditures	27,882,087	536,917	113,110	1,056,119	29,588,233
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,412)	-	(113,110)	(53,225)	(594,747)
OTHER FINANCING SOURCES (USES)					
Lease Purchase Proceeds	757,703	-	-	-	757,703
Total Other Financing Sources and Uses	757,703	-	-	-	757,703
Net Change in Fund Balance	329,291	-	(113,110)	(53,225)	162,956
Fund Balance, Beginning of Year	4,927,250	-	1,475,226	53,226	6,455,702
Fund Balance End of Year	\$ 5,256,541	\$ -	\$ 1,362,116	\$ 1	\$ 6,618,658

The accompanying Notes to the 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, 2013**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 162,956

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	\$ 1,189,941	
	Depreciation Expense	<u>(783,605)</u>	
			406,336

The net effect of various miscellaneous transactions involving capital assets (i.e. sales disposals, donations) is to increase net position. These transactions are not reported in the governmental fund financial statement

	Donated Capital Assets		195,301
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities

	Payment of Serial Bond Principal	635,000	
	Payment of Capital Leases	22,119	
	Payment of Lease Purchase Agreements	<u>436,758</u>	
			1,093,877

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 position and is not reported in the statement of activities.

	Lease Purchase Agreement Proceeds		(757,703)
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Governmental funds report the effect of premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

	Deferred Amount on Refunding	(14,616)	
	Original Issue Premium	<u>10,149</u>	
			(4,467)

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		687
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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.

	Decrease in Accrued Interest		<u>9,813</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,106,800**

**PARK RIDGE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013**

	<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 Funds</u>	<u>Totals</u>	
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 38,198	\$ 342,490	\$ 14,392	\$ 395,080	\$ 181,083
Intergovernmental Receivable	1,825			1,825	
Accounts Receivable- Other	61	14,320		14,381	
Inventories	1,958			1,958	
Prepaid Items	-	9,961	-	9,961	-
Total Current Assets	<u>42,042</u>	<u>366,771</u>	<u>14,392</u>	<u>423,205</u>	<u>181,083</u>
Capital Assets					
Equipment	86,793	15,579		102,372	
Less: Accumulated Depreciation	<u>(72,636)</u>	<u>(9,351)</u>	<u>-</u>	<u>(81,987)</u>	<u>-</u>
Total Capital Assets	<u>14,157</u>	<u>6,228</u>	<u>-</u>	<u>20,385</u>	<u>-</u>
Total Assets	<u>56,199</u>	<u>372,999</u>	<u>14,392</u>	<u>443,590</u>	<u>181,083</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	13,697	1,337	-	15,034	
Unearned Revenue	<u>-</u>	<u>104,081</u>	<u>-</u>	<u>104,081</u>	<u>-</u>
Total Current Liabilities	<u>13,697</u>	<u>105,418</u>	<u>-</u>	<u>119,115</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	14,157	6,228		20,385	
Unrestricted	<u>28,345</u>	<u>261,353</u>	<u>14,392</u>	<u>304,090</u>	<u>181,083</u>
Total Net Position	<u>\$ 42,502</u>	<u>\$ 267,581</u>	<u>\$ 14,392</u>	<u>\$ 324,475</u>	<u>\$ 181,083</u>

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

**PARK RIDGE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<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 Funds</u>	<u>Totals</u>	
OPERATING REVENUES					
Charges for Services					
Daily Sales	\$ 187,048			\$ 187,048	
Special Functions	2,877			2,877	
Program Fees		\$ 277,872	\$ 21,690		
Tuition	-	-	-	-	-
Total Operating Revenues	<u>189,925</u>	<u>277,872</u>	<u>21,690</u>	<u>489,487</u>	<u>-</u>
OPERATING EXPENSES					
Salaries and Employee Benefits	102,837	181,189	15,359	299,385	
Cost of Sales	92,265			92,265	
Purchased Management Services	15,221			15,221	
Other Purchased Services	3,905	7,527		11,432	
Supplies and Materials	6,482	16,543	410	23,435	
Repair and Maintenance	3,584	-		3,584	
Miscellaneous	-	13,878		13,878	
Depreciation	2,250	1,039	-	3,289	-
Total Operating Expenses	<u>226,544</u>	<u>220,176</u>	<u>15,769</u>	<u>462,489</u>	<u>-</u>
Operating Income (Loss)	<u>(36,619)</u>	<u>57,696</u>	<u>5,921</u>	<u>26,998</u>	<u>-</u>
NONOPERATING REVENUES					
Federal Sources					
National School Lunch Program	28,951			28,951	
Special Milk Program	9,328			9,328	
State Sources					
State School Lunch Program	1,087	-	-	1,087	-
Total Nonoperating Revenues	<u>39,366</u>	<u>-</u>	<u>-</u>	<u>39,366</u>	<u>-</u>
Change in Net Position	2,747	57,696	5,921	66,364	-
Total Net Position, Beginning of Year	<u>39,755</u>	<u>209,885</u>	<u>8,471</u>	<u>258,111</u>	<u>\$ 181,083</u>
Total Net Position End of Year	<u>\$ 42,502</u>	<u>\$ 267,581</u>	<u>\$ 14,392</u>	<u>\$ 324,475</u>	<u>\$ 181,083</u>

The accompanying Notes to the 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, 2012**

	<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 Funds</u>	<u>Totals</u>	
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 189,864	\$ 287,038	\$ 21,690	\$ 498,592	-
Cash Payments for Employees' Salaries and Benefits	(102,837)	(181,189)	(15,359)	(299,385)	-
Cash Payments to Suppliers for Goods and Services	(100,726)	(40,425)	(410)	(141,561)	-
Net Cash Provided by (Used for) Operating Activities	(13,699)	65,424	5,921	57,646	-
Cash Flows from Noncapital Financing Activities					
Cash Received from State and Federal Subsidy Reimbursements	29,062	-	-	29,062	-
Net Cash Provided by (Used for) Noncapital Financing Activities	29,062	-	-	29,062	-
Net Increase in Cash and Cash Equivalents	15,363	65,424	5,921	86,708	-
Cash and Cash Equivalents, Beginning of Year	22,835	277,066	8,471	308,372	\$ 181,083
Cash and Cash Equivalents, End of Year	\$ 38,198	\$ 342,490	\$ 14,392	\$ 395,080	\$ 181,083
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ (36,619)	\$ 57,696	\$ 5,921	\$ 26,998	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	2,250	1,039		3,289	
Food Distribution Program (USDA Commodities)	10,314			10,314	
Change in Assets and Liabilities					
(Increase)/Decrease in Accounts Receivable	(61)	(10,006)		(10,067)	-
(Increase)/Decrease in Inventories	765			765	
(Increase)/Decrease in Prepaid Items		(2,614)		(2,614)	
Increase/(Decrease) in Accounts Payable	9,652	137		9,789	-
Increase/(Decrease) in Unearned Revenue	-	19,172	-	19,172	-
Total Adjustments	22,920	7,728	-	30,648	-
Net Cash Provided by (Used for) Operating Activities	\$ (13,699)	\$ 65,424	\$ 5,921	\$ 57,646	\$ -
Non-Cash Investing, Capital and Financing Activities:					
Value Received - Food Distribution Program	\$ 10,314				

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

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013**

	Unemployment Compensation Trust Fund	Private Purpose Trust Funds			Agency Fund
		Scholarship Trust Fund	Folkens Trust Fund	Varsity Club Trust Fund	
ASSETS					
Cash and Cash Equivalents	\$ 224,227	\$ 65,323	\$ 44,329	\$ 5,082	\$ 227,212
Investments	-	39,625	-	-	-
Total Assets	<u>\$ 224,227</u>	<u>\$ 104,948</u>	<u>\$ 44,329</u>	<u>\$ 5,082</u>	<u>\$ 227,212</u>
LIABILITIES					
Accounts Payable			\$ 11,710		
Payroll Deductions and Withholdings					\$ 163,122
Intergovernmental Payable-State	\$ 145				63,892
Due to Student Groups					198
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>145</u>	<u>-</u>	<u>11,710</u>	<u>-</u>	<u>\$ 227,212</u>
NET POSITION					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 224,082</u>	<u>\$ 104,948</u>	<u>\$ 32,619</u>	<u>\$ 5,082</u>	

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

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose Trust Funds		
		<u>Scholarship Trust Fund</u>	<u>Folkens Trust Fund</u>	<u>Varsity Club Trust Fund</u>
ADDITIONS				
Contributions				
Employees	\$ 11,134			
Private	-	-	-	\$ 12,228
Total Contributions	<u>11,134</u>	<u>-</u>	<u>-</u>	<u>12,228</u>
Investment Earnings				
Interest	1,105	\$ 35	\$ 578	25
Dividends	-	1,069	-	-
Total Investment Earnings	<u>1,105</u>	<u>1,104</u>	<u>578</u>	<u>25</u>
Add: Net Increase in the Fair Value of Investments	<u>-</u>	<u>4,509</u>	<u>-</u>	<u>-</u>
Net Investment Earnings	<u>1,105</u>	<u>5,613</u>	<u>578</u>	<u>25</u>
Total Additions	<u>12,239</u>	<u>5,613</u>	<u>578</u>	<u>12,253</u>
DEDUCTIONS				
Scholarship Awards		4,250		
Unemployment Claims and Contributions	11,899			
School Sponsored Activities and Athletics				9,990
Construction Services Donated	-	-	195,301	-
Total Deductions	<u>11,899</u>	<u>4,250</u>	<u>195,301</u>	<u>9,990</u>
Change in Net Position	340	1,363	(194,723)	2,263
Net Position, Beginning of the Year	<u>223,742</u>	<u>103,585</u>	<u>227,342</u>	<u>2,819</u>
Net Position, End of the Year	<u>\$ 224,082</u>	<u>\$ 104,948</u>	<u>\$ 32,619</u>	<u>\$ 5,082</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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. New Accounting Standards

During fiscal year 2013, the District adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. 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 position, 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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, state aid for debt service principal, and other items not properly included among program revenues are reported instead as general revenues.

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.

Fund Financial Statements

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

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, state and local 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 capital facilities and other capital assets, other than those financed by the proprietary funds.

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 FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (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 and after school program fund* accounts for the activities of the District's extended teaching and recreation after school ("EXTRAS") program which provides daycare 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 fund* accounts for the activities of the District's SAT review courses provided to District and non-District students during the school year.

The *summer basketball program fund* accounts for the activities of the summer basketball camp program provided to District students during the summer recess.

The *volleyball clinic program fund* accounts for the activities of the volleyball clinic program that runs periodically and is provided to District students.

The *summer music program fund* accounts for the activities of the summer music program provided to District students during the summer recess.

The *laptop insurance program fund* accounts for the non-refundable deposits charged to students to repair and replenish the District's laptop computers provided to students.

Additionally, the government reports the following fund types:

The *internal service fund* accounts for LLD program services 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 and other purposes, payroll related activities 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.

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".

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, 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. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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.

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents 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

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

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 and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. 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.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance (Continued)

5. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

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

6. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the *deferred charge on refunding of debt* which results from the loss on a debt refunding reported in the district-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and 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 vacation and 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.

8. 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 position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts, 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. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance (Continued)

8. Long-Term Obligations (Continued)

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.

9. Net Position/Fund Balance

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment In Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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 2.)

Capital Reserve – Designated for Subsequent Year's Expenditures – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 and represents the June 30, 2013 capital reserve balance that was appropriated in the 2013/2014 District budgeted certified for taxes. (See Note 2.)

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2013 audited excess surplus that is required to be appropriated in the 2014/2015 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, 2012 audited excess surplus that was appropriated in the 2013/2014 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 2013/2014 District budget certified for taxes.

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

10. Reclassifications

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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, state aid restricted for debt service principal, investment earnings and miscellaneous revenues.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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 inflows of resources. 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. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are 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 2011-2012 and 2012-2013 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.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

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 program enterprise fund, the various non-major enterprise funds and of the District’s internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund 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.

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. Capital lease transactions are accounted for on the GAAP basis.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 13, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

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 2012/2013. During 2012/2013 the Board increased the original budget by \$892,033. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. An authorized and approved additional fund balance appropriation of \$169,521 from the general fund was made during the fiscal year.

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. 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.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

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 activity of the capital reserve for the fiscal year ended June 30, 2013 is as follows:

Balance, July 1, 2012	\$ 3,272,918
Increases	
Deposits Approved by Board Resolution	1,400,000
Unexpended Funds Returned to the Capital Reserve	<u>247,750</u>
	4,920,668
Withdrawals	
Approved in District Budget	<u>1,000,000</u>
Balance, June 30, 2013	<u>\$ 3,920,668</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects is \$48,973,683. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

C. Transfers to Capital Outlay

During the 2012/2013 school year, the district transferred \$269,874 to the non-equipment capital outlay accounts. The transfer was made from unexpended balances available in other budget line accounts. The transfer was approved by the County Superintendent in accordance with N.J.A.C. 6A:23A-13.3(h).

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, 2013 is \$462,915. Of this amount, \$249,258 was designated and appropriated in the 2013/2014 original budget certified for taxes and the remaining amount of \$213,657 will be appropriated in the 2014/2015 original budget certified for taxes.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash 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 the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2013, the book value of the Board's deposits were \$7,865,215 and bank and brokerage firm balances of the Board's deposits amounted to \$8,362,862. The Board's deposits which are displayed on the various fund balance sheets and statements of net position as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 8,307,535
Uninsured and Collateralized	<u>55,327</u>
	<u>\$ 8,362,862</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, 2013 the Board's bank balance of \$55,327 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 but not in the Board's name	<u>\$ 55,327</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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.

As of June 30, 2013, the Board had the following investments:

<u>Investment:</u>	<u>Fair Value</u>
U.S. Government Securities	
Vanguard Wellington Fund	\$ <u>39,625</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, 2013, \$39,625 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>39,625</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 funds.

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

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2013 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Local	\$ 94,115			\$ 94,115
State	-	\$ 59		59
Federal		1,766		1,766
Accounts	-	61	\$ 14,320	14,381
Gross Receivables	94,115	1,886	14,320	110,321
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 94,115</u>	<u>\$ 1,886</u>	<u>\$ 14,320</u>	<u>\$110,321</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Balance, July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2013</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,054,125			\$ 1,054,125
Construction in Progress	103,735	\$ 109,850	\$ (103,735)	109,850
Total Capital Assets, Not Being Depreciated	<u>1,157,860</u>	<u>109,850</u>	<u>(103,735)</u>	<u>1,163,975</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,074,072	144,683		1,218,755
Buildings and Building Improvements	17,559,898	1,175,235	-	18,735,133
Machinery and Equipment	2,716,736	59,209	-	2,775,945
Total Capital Assets Being Depreciated	<u>21,350,706</u>	<u>1,379,127</u>	<u>-</u>	<u>22,729,833</u>
Less Accumulated Depreciation for:				
Land Improvements	(688,483)	(54,155)		(742,638)
Buildings and Building Improvements	(4,311,717)	(505,347)		(4,817,064)
Machinery and Equipment	(2,190,924)	(224,103)	-	(2,415,027)
Total Accumulated Depreciation	<u>(7,191,124)</u>	<u>(783,605)</u>	<u>-</u>	<u>(7,974,729)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,159,582</u>	<u>595,522</u>	<u>-</u>	<u>14,755,104</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,317,442</u>	<u>\$ 705,372</u>	<u>\$ (103,735)</u>	<u>\$ 15,919,079</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Balance, <u>July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2013</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 102,372	-	-	\$ 102,372
Total Capital Assets Being Depreciated	<u>102,372</u>	<u>-</u>	<u>-</u>	<u>102,372</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(78,698)	\$ (3,289)	-	(81,987)
Total Accumulated Depreciation	<u>(78,698)</u>	<u>(3,289)</u>	<u>-</u>	<u>(81,987)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,674</u>	<u>(3,289)</u>	<u>-</u>	<u>20,385</u>
Business-Type Activities Capital Assets, Net	<u>\$ 23,674</u>	<u>\$ (3,289)</u>	<u>\$ -</u>	<u>\$ 20,385</u>

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

Governmental Activities:

Instruction		
Regular		\$ 568,744
Special		<u>45,420</u>
Total Instruction		<u>614,164</u>
Support Services		
Support Services - Students		28,814
General Administration		11,702
School Administration		25,640
Operations and Maintenance of Plant		83,212
Student Transportation		<u>20,073</u>
Total Support Services		<u>169,441</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 783,605</u>
Business-Type Activities:		
Food Service Fund		\$ 2,250
Before and After School Program Fund		<u>1,039</u>
Total Depreciation Expense - Business-Type Activities		<u>\$ 3,289</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2013:

<u>Project</u>	<u>Remaining Commitment</u>
High School Athletic Field Improvements	\$ 76,612
Access Control System Upgrades	41,242
Interior Renovations to Elementary Schools	14,221
Science Lab Renovation at High School	<u>8,854</u>
Total	<u>\$ 140,929</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	<u>\$ 198</u>
Total		<u>\$ 198</u>

The above balances are the result of revenues received in one fund which are due to another fund.

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

E. Leases

Capital Leases

The District is leasing copiers totaling \$116,304 under a capital lease. The lease is for a term of 5 years. In addition, the District is leasing computers (supplies) totaling \$971,233 under lease purchase agreements for terms of 3 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	<u>\$ 116,304</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

Fiscal Year Ending June 30,	<u>Governmental Activities</u>		<u>Total</u>
	<u>Capital Leases</u>	<u>Lease Purchase Agreements</u>	
2014	\$ 26,459		\$ 26,459
2015	26,459	\$ 323,743	350,202
2016	26,462	210,732	237,194
2017	4,409	-	4,409
	<hr/>	<hr/>	<hr/>
Total minimum lease payments	83,789	534,475	618,264
Less: amount representing interest	(5,649)	-	(5,649)
	<hr/>	<hr/>	<hr/>
Present value of minimum lease payments	<u>\$ 78,140</u>	<u>\$ 534,475</u>	<u>\$ 612,615</u>

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 and other capital assets. 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, 2013 are comprised of the following issues:

\$7,524,000, 2010 Bonds, due in annual installments of \$280,000 to \$554,000 through August 15, 2030, interest at 3.25% to 4.00%	\$7,254,000
\$2,155,000, 2010 Refunding Bonds, due in annual installments of \$175,000 to \$210,000 through August 1, 2022, interest at 3.00% to 4.25%	1,985,000
\$3,141,000, 2010 Bonds, due in annual installments \$195,000 to \$231,000 through August 15, 2025, interest at 2.00% to 4.00%	<u>2,781,000</u>
	<u>\$12,020,000</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	720,000	344,463	1,064,463
2018	745,000	322,481	1,067,481
2019-2023	3,975,000	1,225,181	5,200,181
2024-2028	2,956,000	582,509	3,538,509
2029-2031	<u>1,599,000</u>	<u>97,700</u>	<u>1,696,700</u>
	<u>\$ 12,020,000</u>	<u>\$ 3,726,966</u>	<u>\$ 15,746,966</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2013 was as follows:

4 % of Equalized Valuation Basis (Municipal)	\$ 72,962,225
Less: Net Debt (Including Authorized But Not Issued Debt)	<u>13,420,713</u>
Remaining Borrowing Power	<u>\$ 59,541,512</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

	Balance, July 1, 2012	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, 2013	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 12,655,000		\$ 635,000	\$ 12,020,000	\$ 650,000
Add:					
Unamortized Premium on Refunding	<u>64,452</u>	<u>-</u>	<u>10,149</u>	<u>54,303</u>	<u>-</u>
Bonds Payable, Net	12,719,452	-	645,149	12,074,303	650,000
Capital Leases	100,259		22,119	78,140	23,526
Lease Purchase Agreements	213,530	\$ 757,703	436,758	534,475	-
Compensated Absences	<u>134,945</u>	<u>-</u>	<u>687</u>	<u>134,258</u>	<u>13,426</u>
Governmental Activity Long-Term Liabilities	<u>\$ 13,168,186</u>	<u>\$ 757,703</u>	<u>\$ 1,104,713</u>	<u>\$ 12,821,176</u>	<u>\$ 686,952</u>

For the governmental activities, the liabilities for compensated absences, capital leases and lease-purchase agreements 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 or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims and various other insurance coverages.

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.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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 insurance fund 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.

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:

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2013	None	\$ 11,134	\$ 11,899	\$ 224,082
2012	\$ 76,370	15,511	44,507	223,742
2011	50,482	15,810	82,511	175,705

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, 2013, 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, 2013, the District has not estimated its arbitrage earnings due to the IRS, if any.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 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 FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

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.

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 77.5 percent and \$11.6 billion.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (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 July 1, 2011 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 (a) a revised investment rate of return for all retirement systems from 8.25 percent to 7.95 percent and (b) revised projected salary increases of 4.52 percent for the PERS and 3.90 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 6.5% for PERS, 6.5% 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, 2013 for TPAF, which is a cost sharing plan with special funding situations, the 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.

During the years ended June 30, 2013, 2012 and 2011 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:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2013	\$ 230,073	\$ 708,173	\$ 2,835
2012	227,190	332,892	981
2011	207,271	29,594	837

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

The State contributed \$708,173 and \$332,892 during 2012/2013 and 2011/2012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2010/2011, the State did not contribute to the TPAF for normal cost and accrued liability; however, the State contributed \$29,594 for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$820,155 during the year ended June 30, 2013 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 566 state and local participating employers and contributing entities for Fiscal Year 2012.

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.

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

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 July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$18.0 billion for state active and retired members and \$30.9 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.

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 July 1, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2012, there were 97,661, retirees receiving post-retirement medical benefits and the State contributed \$958.9 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

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, 2013, 2012 and 2011 were \$800,766, \$669,200 and \$628,567, 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.

NOTE 5 RESTATEMENT

On July 1, 2012, the Park Ridge Board of Education implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities". The Park Ridge Board of Education has determined that the effect of implementing these accounting changes on the financial statements previously reported as of and for the year ended June 30, 2012 was to eliminate in the District-wide statement of net position the deferred charge related to debt issuance costs in the amount of \$143,460 with a corresponding reduction in the net investment in capital assets component of net position. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2012 from \$8,854,682 as originally reported to \$8,711,222 as adjusted for the effects of the change in accounting principle.

BUDGETARY COMPARISON SCHEDULES

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 23,926,685		\$ 23,926,685	\$ 23,926,685	
Tuition	71,000		71,000	108,384	\$ 37,384
Interest Earned on Capital Reserve Funds	1		1	-	(1)
Miscellaneous	169,000	-	169,000	180,101	11,101
Total Local Sources	<u>24,166,686</u>	<u>-</u>	<u>24,166,686</u>	<u>24,215,170</u>	<u>48,484</u>
State Sources					
Extraordinary Aid	194,261		194,261	259,197	64,936
Special Education Aid	513,493		513,493	513,493	-
Security Aid	18,439		18,439	18,439	-
Transportation Aid	19,726		19,726	19,726	-
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)				672,776	672,776
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				35,397	35,397
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)				800,766	800,766
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	820,155	820,155
Total State Sources	<u>745,919</u>	<u>-</u>	<u>745,919</u>	<u>3,139,949</u>	<u>2,394,030</u>
Total Revenues	<u>24,912,605</u>	<u>-</u>	<u>24,912,605</u>	<u>27,355,119</u>	<u>2,442,514</u>
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers					
Kindergarten	127,352	\$ 190,333	317,685	313,678	4,007
Grades 1-5	2,925,321	(174,342)	2,750,979	2,743,897	7,082
Grades 6-8	1,204,519	(52,634)	1,151,885	1,151,558	327
Grades 9-12	2,734,515	138,777	2,873,292	2,863,423	9,869
Regular Programs-Home Instruction					
Salaries of Teachers	18,000	(10,000)	8,000	2,110	5,890
Other Salaries for Instruction	-	-			-
Regular Programs-Undistributed Instruction					
Purchased Technical Services	134,950	(32,297)	102,653	93,400	9,253
Other Purchased Services	7,700	-	7,700	6,177	1,523
General Supplies	390,802	443,667	834,469	773,272	61,197
General Supplies - Acquired Under Lease Purchase (Nonbudget)	-			757,703	(757,703)
Textbooks	72,690	(12,250)	60,440	48,364	12,076
Other Objects	49,820	(31,000)	18,820	7,802	11,018
Total Regular Programs	<u>7,665,669</u>	<u>460,254</u>	<u>8,125,923</u>	<u>8,761,384</u>	<u>(635,461)</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	321,271	1,871	323,142	323,133	9
Other Salaries for Instruction	71,208	(20,751)	50,457	50,457	-
General Supplies	1,770	3,950	5,720	5,157	563
Total Learning and/or Language Disabilities	<u>394,249</u>	<u>(14,930)</u>	<u>379,319</u>	<u>378,747</u>	<u>572</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 995,505	\$ (73,274)	\$ 922,231	\$ 909,765	\$ 12,466
General Supplies	2,520	845	3,365	3,225	140
Total Resource Room/Resource Center	<u>998,025</u>	<u>(72,429)</u>	<u>925,596</u>	<u>912,990</u>	<u>12,606</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	161,201	400	161,601	161,566	35
Other Salaries for Instruction	59,066	7,893	66,959	66,959	-
General Supplies	2,674	7,688	10,362	6,447	3,915
Total Preschool Disabilities - Part-Time	<u>222,941</u>	<u>15,981</u>	<u>238,922</u>	<u>234,972</u>	<u>3,950</u>
Total Special Education	<u>1,615,215</u>	<u>(71,378)</u>	<u>1,543,837</u>	<u>1,526,709</u>	<u>17,128</u>
Basic Skills/Remedial					
Salaries of Teachers	278,186	67,600	345,786	345,698	88
General Supplies	2,974	(802)	2,172	2,038	134
Total Basic Skills/Remedial	<u>281,160</u>	<u>66,798</u>	<u>347,958</u>	<u>347,736</u>	<u>222</u>
Bilingual Education					
Salaries of Teachers	218,192	26,000	244,192	244,153	39
General Supplies	1,006	(358)	648	568	80
Total Bilingual Education	<u>219,198</u>	<u>25,642</u>	<u>244,840</u>	<u>244,721</u>	<u>119</u>
School Sponsored Cocurricular Activities					
Salaries	173,539	3,910	177,449	176,959	490
Other Objects	33,725	-	33,725	25,303	8,422
Total School Sponsored Cocurricular Activities	<u>207,264</u>	<u>3,910</u>	<u>211,174</u>	<u>202,262</u>	<u>8,912</u>
School Sponsored Athletics					
Salaries	286,567	(57,710)	228,857	216,377	12,480
Purchased Services	56,873	(1,766)	55,107	53,454	1,653
Supplies and Materials	49,658	3,000	52,658	50,339	2,319
Other Objects	26,430	(600)	25,830	17,309	8,521
Total School Sponsored Athletics	<u>419,528</u>	<u>(57,076)</u>	<u>362,452</u>	<u>337,479</u>	<u>24,973</u>
Other Instructional Programs					
Salaries	29,499	5,866	35,365	34,522	843
Total Other Instructional Programs	<u>29,499</u>	<u>5,866</u>	<u>35,365</u>	<u>34,522</u>	<u>843</u>
Total Instruction	<u>10,437,533</u>	<u>434,016</u>	<u>10,871,549</u>	<u>11,454,813</u>	<u>(583,264)</u>
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	535,300	-	535,300	190,429	344,871
Tuition to County Vocational Schools-Regular	234,200	-	234,200	203,530	30,670
Tuition to CSSD and Regional Day Schools	525,800	-	525,800	451,404	74,396
Tuition to Priv. Sch. for the Disabled-Within State	1,166,638	(274,694)	891,944	752,378	139,566
Tuition to Priv. Sch For the Disabled-O/S State	65,000	22,000	87,000	84,741	2,259
Total Undistributed Expenditures- Instruction	<u>2,526,938</u>	<u>(252,694)</u>	<u>2,274,244</u>	<u>1,682,482</u>	<u>591,762</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 216,839	\$ 6,100	\$ 222,939	\$ 222,923	\$ 16
Purchased Professional/Technical Services	5,000	-	5,000	5,000	-
Other Purchased Services	2,200	2,200	4,400	3,519	881
Supplies and Materials	6,820	(1,200)	5,620	5,291	329
Total Health Services	<u>230,859</u>	<u>7,100</u>	<u>237,959</u>	<u>236,733</u>	<u>1,226</u>
Other Support Services-Students-Speech, OT, PT & Related Services					
Salaries	223,525	260	223,785	223,785	-
Supplies and Materials	1,900	1,200	3,100	2,631	469
Total Other Support Services-Students-Speech, OT, PT & Related Serv	<u>225,425</u>	<u>1,460</u>	<u>226,885</u>	<u>226,416</u>	<u>469</u>
Other Support Services-Students-Extra Serv					
Salaries	517,171	38,354	555,525	555,524	1
Other Objects	71,528	(9,289)	62,239	62,238	1
Total Other Support Services-Students-Extra Serv	<u>588,699</u>	<u>29,065</u>	<u>617,764</u>	<u>617,762</u>	<u>2</u>
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	312,750	(11,227)	301,523	301,149	374
Salaries of Secretarial and Clerical Assistants	46,103	1	46,104	46,103	1
Other Purchased Services	400	-	400	-	400
Supplies and Materials	9,237	(2,187)	7,050	4,468	2,582
Other Objects	8,060	-	8,060	5,374	2,686
Total Other Support Services-Students-Guidance	<u>376,550</u>	<u>(13,413)</u>	<u>363,137</u>	<u>357,094</u>	<u>6,043</u>
Other Support Services-Students-Child Study Teams					
Salaries of Other Professional Staff	846,630	(65,903)	780,727	780,649	78
Salaries of Secretarial and Clerical Assistants	48,422	1,775	50,197	50,197	-
Purchased Professional/Educational Services	668,196	(113,087)	555,109	544,623	10,486
Residential Costs	1,898	-	1,898	39	1,859
Supplies and Materials	23,321	3,470	26,791	22,929	3,862
Other Objects	4,014	(1,400)	2,614	1,980	634
Total Other Support Services-Students-Child Study Teams	<u>1,592,481</u>	<u>(175,145)</u>	<u>1,417,336</u>	<u>1,400,417</u>	<u>16,919</u>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	88,868	450	89,318	89,302	16
Supplies and Materials	1,200	500	1,700	1,673	27
Other Objects	7,077	(500)	6,577	6,453	124
Total Improvement of Instructional Services	<u>97,145</u>	<u>450</u>	<u>97,595</u>	<u>97,428</u>	<u>167</u>
Educational Media/School Library					
Salaries	283,951	52,000	335,951	335,853	98
Other Purchased Services	27,357	-	27,357	21,587	5,770
Supplies and Materials	40,740	4,500	45,240	35,322	9,918
Total Educational Media/School Library	<u>352,048</u>	<u>56,500</u>	<u>408,548</u>	<u>392,762</u>	<u>15,786</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	\$ 127,983	\$ 1	\$ 127,984	\$ 127,983	\$ 1
Salaries of Other Professional Staff	13,545	(2,401)	11,144	-	11,144
Salaries of Secretarial/Clerical Assistants	45,974	2,400	48,374	48,286	88
Other Purchased Services	49,175	(260)	48,915	32,216	16,699
Other Objects	2,525	(70)	2,455	-	2,455
Total Instructional Staff Training Services	<u>239,202</u>	<u>(330)</u>	<u>238,872</u>	<u>208,485</u>	<u>30,387</u>
Support Services- General Administration					
Salaries	313,978	1,206	315,184	315,184	-
Legal Services	75,000	(27,025)	47,975	31,214	16,761
Audit Fees	27,800	27,000	54,800	28,500	26,300
Architectural / Engineering Services	24,000	-	24,000	-	24,000
Other Purchased Professional Services	32,300	168,010	200,310	175,185	25,125
Communications/Telephone	52,700	(8,410)	44,290	31,552	12,738
Misc Purchased Services	9,000	321	9,321	4,233	5,088
General Supplies	5,450	436	5,886	4,364	1,522
Miscellaneous Expenditures	20,690	(7,600)	13,090	12,449	641
BOE Membership Dues and Fees	17,521	575	18,096	17,294	802
Total Support Services- General Administration	<u>578,439</u>	<u>154,513</u>	<u>732,952</u>	<u>619,975</u>	<u>112,977</u>
Support Services- School Administration					
Salaries of Principals/Assistant Principals/Program Directors	559,614	1,000	560,614	560,354	260
Salaries of Secretarial and Clerical Assistants	326,104	91,000	417,104	333,756	83,348
Other Purchased Services	16,750	(294)	16,456	3,597	12,859
Supplies and Materials	14,500	1,309	15,809	11,958	3,851
Other Objects	8,730	1,200	9,930	8,608	1,322
Total Support Services- School Administration	<u>925,698</u>	<u>94,215</u>	<u>1,019,913</u>	<u>918,273</u>	<u>101,640</u>
Central Services					
Salaries	389,801	2,000	391,801	390,840	961
Purchased Technical Services	32,600	(10,312)	22,288	22,258	30
Misc. Purchased Services	2,650	(100)	2,550	716	1,834
Supplies and Materials	9,175	309	9,484	8,760	724
Miscellaneous Expenditures	1,925	-	1,925	1,801	124
Total Central Services	<u>436,151</u>	<u>(8,103)</u>	<u>428,048</u>	<u>424,375</u>	<u>3,673</u>
Admin. Info. Technology					
Purchased Technical Services	45,000	(33,699)	11,301	11,301	-
Other Purchased Services	30,542	68,502	99,044	96,391	2,653
Supplies and Materials	-	31,500	31,500	29,602	1,898
Other Objects	-	671	671	100	571
Total Admin. Info. Technology	<u>75,542</u>	<u>66,974</u>	<u>142,516</u>	<u>137,394</u>	<u>5,122</u>
Required Maintenance for School Facilities					
Salaries	199,859	17,300	217,159	211,702	5,457
Cleaning, Repair and Maintenance Services	69,000	23,976	92,976	85,968	7,008
General Supplies	50,500	25,000	75,500	66,629	8,871
Total Required Maintenance for School Facilities	<u>319,359</u>	<u>66,276</u>	<u>385,635</u>	<u>364,299</u>	<u>21,336</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 491,431	\$ 46,410	\$ 537,841	\$ 531,389	\$ 6,452
Salaries of Non-Instructional Aides	53,672	290	53,962	53,961	1
Purchased Professional/Technical Services	25,000	(2,000)	23,000	15,920	7,080
Cleaning, Repair and Maintenance Services	48,820	-	48,820	44,609	4,211
Rental of Land & Bldg. Other than Lease Purchase Agreement	10,800	-	10,800	10,080	720
Other Purchased Property Services	51,200	-	51,200	48,210	2,990
Insurance	153,200	-	153,200	148,123	5,077
Miscellaneous Purchased Services	23,874	1,250	25,124	22,080	3,044
General Supplies	66,420	28,553	94,973	93,533	1,440
Energy (Electricity)	175,650	9,758	185,408	181,611	3,797
Energy (Natural Gas)	350,875	(172,394)	178,481	103,854	74,627
Total Custodial Services	<u>1,450,942</u>	<u>(88,133)</u>	<u>1,362,809</u>	<u>1,253,370</u>	<u>109,439</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	74,890	8,400	83,290	82,168	1,122
Total Care and Upkeep of Grounds	<u>74,890</u>	<u>8,400</u>	<u>83,290</u>	<u>82,168</u>	<u>1,122</u>
Salaries for Pupil Transportation (Other Than Between Home and School)	43,766	6,000	49,766	49,720	46
Contracted Services (Other Than Between Home and School)-Vendors	54,200	14,961	69,161	64,110	5,051
Contracted Services (Spec. Ed Students)-Vendors	67,500	4,600	72,100	71,813	287
Contracted Services (Spec. Ed Students)- Joint Agreements	648,907	(106,998)	541,909	414,190	127,719
Total Student Transportation Services	<u>814,373</u>	<u>(81,437)</u>	<u>732,936</u>	<u>599,833</u>	<u>133,103</u>
Unallocated Employee Benefits					
Social Security Contributions	332,300	-	332,300	289,630	42,670
Other Retirement Contributions - PERS	280,000	-	280,000	230,073	49,927
Workers Compensation	148,580	-	148,580	131,289	17,291
Health Benefits	3,072,360	-	3,072,360	2,728,239	344,121
Tuition Reimbursement	22,000	-	22,000	10,920	11,080
Other Employee Benefits	14,884	-	14,884	1,281	13,603
Total Unallocated Employee Benefits	<u>3,870,124</u>	<u>-</u>	<u>3,870,124</u>	<u>3,391,432</u>	<u>478,692</u>
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)				672,776	(672,776)
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				35,397	(35,397)
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)				800,766	(800,766)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	820,155	(820,155)
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,329,094</u>	<u>(2,329,094)</u>
Total Undistributed Expenditures	<u>14,774,865</u>	<u>(134,302)</u>	<u>14,640,563</u>	<u>15,339,792</u>	<u>(699,229)</u>
Total Current Expenditures	<u>25,212,398</u>	<u>299,714</u>	<u>25,512,112</u>	<u>26,794,605</u>	<u>(1,282,493)</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CAPITAL OUTLAY					
Equipment					
Grades 9-12	\$ 7,000		\$ 7,000	\$ 6,972	\$ 28
Undistributed Expenditures					
Admin. Info. Technology	22,333	\$ 20,943	43,276	26,924	16,352
Required Maint for School Fac		1,503	1,503	-	1,503
Custodial Services	-	3,684	3,684	3,683	1
Transportation	-	21,630	21,630	21,630	-
Total Equipment	<u>29,333</u>	<u>47,760</u>	<u>77,093</u>	<u>59,209</u>	<u>17,884</u>
Facilities Acquisition and Construction Services					
Architectual/Engineering Services	-	44,037	44,037	44,037	-
Construction Services	-	1,131,865	1,131,865	961,515	170,350
Land and Improvements	1,000,000	(774,163)	225,837	12,070	213,767
Other Objects	10,651	-	10,651	10,651	-
Total Facilities Acquisition and Construction Services	<u>1,010,651</u>	<u>401,739</u>	<u>1,412,390</u>	<u>1,028,273</u>	<u>384,117</u>
Interest Deposit to Capital Reserve	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Capital Outlay	<u>1,039,985</u>	<u>449,499</u>	<u>1,489,484</u>	<u>1,087,482</u>	<u>402,002</u>
Total Expenditures	<u>26,252,383</u>	<u>749,213</u>	<u>27,001,596</u>	<u>27,882,087</u>	<u>(880,491)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,339,778)</u>	<u>(749,213)</u>	<u>(2,088,991)</u>	<u>(526,968)</u>	<u>1,562,023</u>
Other Financing Sources / (Uses)					
Lease Purchase Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>757,703</u>	<u>757,703</u>
Total Other Financing Sources / (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>757,703</u>	<u>757,703</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,339,778)</u>	<u>(749,213)</u>	<u>(2,088,991)</u>	<u>230,735</u>	<u>2,319,726</u>
Fund Balances, Beginning of Year	<u>5,304,694</u>	<u>-</u>	<u>5,304,694</u>	<u>5,304,694</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,964,916</u>	<u>\$ (749,213)</u>	<u>\$ 3,215,703</u>	<u>\$ 5,535,429</u>	<u>\$ 2,319,726</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 2,120,668	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,800,000	
Emergency Reserve				241,040	
Reserved Excess Surplus				213,657	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				249,258	
Assigned Fund Balance					
Year End Encumbrances				259,444	
Designated for Subsequent Year's Expenditures				90,520	
Unassigned Fund Balance				<u>560,842</u>	
Fund Balance - Budgetary Basis				5,535,429	
Reconciliation to Governmental Fund Statements (GAAP)					
2012/2013 State Aid Not Recognized on a GAAP Basis				<u>(278,888)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,256,541</u>	

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget Actual</u>
REVENUES					
Intergovernmental					
State	\$ 94,283	\$ 70,001	\$ 164,284	\$ 143,929	\$ (20,355)
Federal	320,169	63,619	383,788	383,788	-
Local	-	9,200	9,200	9,200	-
	<u>414,452</u>	<u>142,820</u>	<u>557,272</u>	<u>536,917</u>	<u>(20,355)</u>
Total Revenues					
	<u>414,452</u>	<u>142,820</u>	<u>557,272</u>	<u>536,917</u>	<u>(20,355)</u>
EXPENDITURES					
Instruction					
Tuition	279,143	15,711	294,854	294,854	-
General Supplies	41,026	(27,476)	13,550	13,550	-
Textbooks	18,000	(4,156)	13,844	13,844	-
	<u>338,169</u>	<u>(15,921)</u>	<u>322,248</u>	<u>322,248</u>	<u>-</u>
Total Instruction					
	<u>338,169</u>	<u>(15,921)</u>	<u>322,248</u>	<u>322,248</u>	<u>-</u>
Support Services					
Other Salaries		16,431	16,431	16,431	-
Purchased Professional/Educational Services	76,283	625	76,908	56,553	20,355
Purchased Professional and Technical Service	-	128,400	128,400	128,400	-
Other Purchased Services		7,572	7,572	7,572	-
Supplies and Materials	-	3,000	3,000	3,000	-
Miscellaneous Expenses	-	1,500	1,500	1,500	-
	<u>76,283</u>	<u>157,528</u>	<u>233,811</u>	<u>213,456</u>	<u>20,355</u>
Total Support Services					
	<u>76,283</u>	<u>157,528</u>	<u>233,811</u>	<u>213,456</u>	<u>20,355</u>
Unallocated Employee Benefits	-	1,213	1,213	1,213	-
	<u>-</u>	<u>1,213</u>	<u>1,213</u>	<u>1,213</u>	<u>-</u>
Total Unallocated Employee Benefits					
	<u>-</u>	<u>1,213</u>	<u>1,213</u>	<u>1,213</u>	<u>-</u>
Total Expenditures					
	<u>414,452</u>	<u>142,820</u>	<u>557,272</u>	<u>536,917</u>	<u>20,355</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, 2013**

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 Fund 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.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1, C-2).	\$ 27,355,119	\$ 536,917
Difference - Budget to GAAP:		
State aid payments recognized for GAAP purposes, not recognized for budgetary purposes - June 30, 2012	377,444	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes - June 30, 2013	<u>(278,888)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 27,453,675</u>	<u>\$ 536,917</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibit C-1, C-2)	<u>\$ 27,882,087</u>	<u>\$ 536,917</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 27,882,087</u>	<u>\$ 536,917</u>

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	IDEA		Chapter 192		Chapter 193		Total Exhibit E-1A
	Part B Basic	Preschool Program	Comprehensive Education	Examination/ Classification	Corrective Speech	Supplemental Instruction	
REVENUES							
State	\$ 316,696	\$ 21,047	\$ 42,469	\$ 36,943	\$ 12,265	\$ 14,084	\$ 105,761
Federal	-	-	-	-	-	-	337,743
Local	-	-	-	-	-	-	-
Total Revenues	\$ 316,696	\$ 21,047	\$ 42,469	\$ 36,943	\$ 12,265	\$ 14,084	\$ 443,504
EXPENDITURES							
Instruction	\$ 278,016	\$ 16,838					\$ 294,854
Tuition		4,209					4,209
General Supplies							
Textbooks							
Other Objects							
Total Instruction	\$ 278,016	\$ 21,047	\$ -	\$ -	\$ -	\$ -	\$ 299,063
Support Services							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional Education Services	\$ 38,680		\$ 42,469	\$ 36,943	\$ 12,265	\$ 14,084	\$ 56,533
Purchased Professional and Technical Services							\$ 87,888
Other Purchased Services							
Supplies and Materials							
Total Support Services	\$ 38,680	\$ -	\$ 42,469	\$ 36,943	\$ 12,265	\$ 14,084	\$ 144,441
Total Expenditures	\$ 316,696	\$ 21,047	\$ 42,469	\$ 36,943	\$ 12,265	\$ 14,084	\$ 443,504

PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NCLB Consolidated Grant

	<u>Title II Part A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	<u>Local Grants</u>	<u>Total per Exhibit E-1A</u>	<u>Total Exhibit E-1B</u>
REVENUES									
State	\$ 20,710	\$ 11,750	\$ 13,585	\$ 13,844	\$ 19,215	\$ 5,109	\$ 9,200	\$ 105,761	\$ 143,929
Federal	-	-	-	-	-	-	-	337,743	383,788
Local	-	-	-	-	-	-	9,200	-	9,200
Total Revenues	\$ 20,710	\$ 11,750	\$ 13,585	\$ 13,844	\$ 19,215	\$ 5,109	\$ 9,200	\$ 443,504	\$ 536,917
EXPENDITURES									
Instruction									
Tuition			2,232					294,854	294,854
General Supplies				13,844			2,000	4,209	13,550
Textbooks									13,844
Total Instruction			2,232	13,844		5,109	2,000	299,063	322,248
Support Services									
Other Salaries	\$ 10,915		4,940						16,431
Personal Services - Employee Benefits	835		378						1,213
Purchased Professional Education Services								56,553	56,553
Purchased Professional and Technical Services			3,845		18,639		2,700	87,888	128,400
Other Purchased Services	5,382		2,190						7,572
Supplies and Materials							3,000		3,000
Miscellaneous Expenditures							1,500		1,500
Total Support Services	20,710	11,750	11,353		19,215		7,200	144,441	214,669
Total Expenditures	\$ 20,710	\$ 11,750	\$ 13,585	\$ 13,844	\$ 19,215	\$ 5,109	\$ 9,200	\$ 443,504	\$ 536,917

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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, 2013

Number	Issue/Project Title	Modified Appropriation	Expenditures to Date		Unexpended Project Balance, June 30, 2013
			Prior Years	Current Year	
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	\$ 9,189,774	\$ 3,260	\$ 1,472,679
12/11/2012	High School Athletic Field Improvement Consisting of Turf Field Installation, Lights Installation and Track Refurfacing	<u>1,400,000</u>	-	<u>109,850</u>	<u>1,290,150</u>
		<u>\$ 12,065,713</u>	<u>\$ 9,189,774</u>	<u>\$ 113,110</u>	<u>\$ 2,762,829</u>
	Less Unfunded Authorizations: Bonds Authorized but Not Issued				<u>(1,400,713)</u>
	Fund Balance, June 30, 2013 - Budgetary Basis				<u>\$ 1,362,116</u>
	Fund Balance, June 30, 2013 - GAAP Basis				<u>\$ 1,362,116</u>
	<u>Recapitulation of Fund Balance</u>				
	Restricted for Capital Projects Year End Encumbrances Available for Capital Projects				\$ 76,612 <u>1,285,504</u>
	Total Fund Balance - Restricted for Capital Projects				<u>\$ 1,362,116</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, 2013**

Expenditures and Other Financing Uses

Expenditures	
Architectural / Engineering Services	\$ 109,850
Construction Services	<u>3,260</u>
 Total Expenditures and Other Financing Uses	 <u>113,110</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (113,110)
 Fund Balance- Beginning of Year	 <u>1,475,226</u>
 Fund Balance- End of Year	 <u>\$ 1,362,116</u>

Reconciliation to GAAP

Fund Balance, End of Year - Budgetary Basis	<u>\$ 1,362,116</u>
Fund Balance, June 30, 2013 - GAAP	<u>\$ 1,362,116</u>

**PARK RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
FISCAL YEAR 2010 REFERENDUM
ENERGY EFFICIENT IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 10,665,000	-	\$ 10,665,000	\$ 10,665,713
 Total Revenues	<u>10,665,000</u>	<u>-</u>	<u>10,665,000</u>	<u>10,665,713</u>
Expenditures and Other Financing Uses				
Legal and Professional Fees	172,652		172,652	213,251
Architectural / Engineering Services	867,790		867,790	867,790
Other Professional Fees	36,457		36,457	66,819
Construction Services	7,984,886	\$ 3,260	7,988,146	9,372,293
Miscellaneous Expenditures	127,989	-	127,989	145,560
 Total Expenditures	<u>9,189,774</u>	<u>3,260</u>	<u>9,193,034</u>	<u>10,665,713</u>
 Excess of Revenue Over Expenditures	<u>\$ 1,475,226</u>	<u>\$ (3,260)</u>	<u>\$ 1,471,966</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%

**PARK RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ATHLETIC FIELD IMPROVEMENTS CONSISTING OF TURF FIELD
INSTALLATION, LIGHTS INSTALLATION AND TRACK RESURFING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ -	-	-	\$ 1,400,000
 Total Revenues	 -	 -	 -	 1,400,000
Expenditures and Other Financing Uses				
Architectural / Engineering Services	-	\$ 109,850	\$ 109,850	110,000
Other Professional/Technical Services				80,625
Land Improvements	-	-	-	1,209,375
 Total Expenditures	 -	 109,850	 109,850	 1,400,000
 Excess of Revenue Over Expenditures	 \$ -	 \$ (109,850)	 \$ (109,850)	 \$ -

Additional Project Information:

Project Number	
Referendum Date	12/11/2012
Bonds Authorized	\$ 1,400,000
Bonds Issued	\$ -
Original Authorized Cost	\$ 1,400,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,400,000
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	7.85%

PARK RIDGE BOARD OF EDUCATION
 ENTERPRISE FUNDS - NON-MAJOR
 STATEMENT OF NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>SAT Review Program</u>	<u>Summer Basketball Program</u>	<u>Volleyball Clinic Program</u>	<u>Summer Music Program</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
Cash and Cash Equivalents	\$ 9,186	\$ 108	\$ 198	\$ 200	\$ 4,700	\$ 14,392
Total Assets	<u>9,186</u>	<u>108</u>	<u>198</u>	<u>200</u>	<u>4,700</u>	<u>14,392</u>
NET POSITION						
Unrestricted	9,186	108	198	200	4,700	14,392
Total Net Position	<u>\$ 9,186</u>	<u>\$ 108</u>	<u>\$ 198</u>	<u>\$ 200</u>	<u>\$ 4,700</u>	<u>\$ 14,392</u>

PARK RIDGE BOARD OF EDUCATION
 ENTERPRISE FUND - NON-MAJOR
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>SAT Review Program</u>	<u>Summer Basketball Program</u>	<u>Volleyball Clinic Program</u>	<u>Summer Music Program</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
OPERATING REVENUES						
Charges for Services	\$ 7,700	\$ 2,940	\$ 2,440	\$ 3,910	\$ 4,700	\$ 21,690
Program Fees	<u>7,700</u>	<u>2,940</u>	<u>2,440</u>	<u>3,910</u>	<u>4,700</u>	<u>21,690</u>
Total Operating Revenues						
OPERATING EXPENSES						
Salaries and Wages	6,512	2,832	2,305	3,710	-	15,359
Supplies and Materials	<u>410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410</u>
Total Operating Expenses	<u>6,922</u>	<u>2,832</u>	<u>2,305</u>	<u>3,710</u>	<u>-</u>	<u>15,769</u>
Operating Income	778	108	135	200	4,700	5,921
Total Net Position Beginning of Year	<u>8,408</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>8,471</u>
Total Net Position , End of Year	<u>\$ 9,186</u>	<u>\$ 108</u>	<u>\$ 198</u>	<u>\$ 200</u>	<u>\$ 4,700</u>	<u>\$ 14,392</u>

**PARK RIDGE BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>SAT Review Program</u>	<u>Summer Basketball Program</u>	<u>Volleyball Clinic Program</u>	<u>Summer Music Program</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
Cash Flows from Operating Activities						
Cash Received from Customers	\$ 7,700	\$ 2,940	\$ 2,440	\$ 3,910	\$ 4,700	\$ 21,690
Cash Payments for Employees	(6,512)	(2,832)	(2,305)	(3,710)	-	(15,359)
Salaries & Benefits						
Cash Payments to Suppliers for Goods and Services	(410)	-	-	-	-	(410)
Net Cash Provided by Operating Activities	<u>778</u>	<u>108</u>	<u>135</u>	<u>200</u>	<u>4,700</u>	<u>5,921</u>
Net Increase in Cash and Cash Equivalents:	778	108	135	200	4,700	5,921
Cash and Cash Equivalents, Beginning of Year	<u>8,408</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>8,471</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,186</u>	<u>\$ 108</u>	<u>\$ 198</u>	<u>\$ 200</u>	<u>\$ 4,700</u>	<u>\$ 14,392</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income	\$ 778	\$ 108	\$ 135	\$ 200	\$ 4,700	\$ 5,921
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Change in Assets and Liabilities:	-	-	-	-	-	-
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ 778</u>	<u>\$ 108</u>	<u>\$ 135</u>	<u>\$ 200</u>	<u>\$ 4,700</u>	<u>\$ 5,921</u>

FIDUCIARY FUNDS
AGENCY FUNDS

**PARK RIDGE BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2013**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 63,892	\$ 163,320	\$ 227,212
Total Assets	<u>\$ 63,892</u>	<u>\$ 163,320</u>	<u>\$ 227,212</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 163,122	\$ 163,122
Due to Student Groups	\$ 63,892		63,892
Due to Other Funds	<u>-</u>	<u>198</u>	<u>198</u>
Total Liabilities	<u>\$ 63,892</u>	<u>\$ 163,320</u>	<u>\$ 227,212</u>

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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, 2013**

	Balance, June 30, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2013</u>
HIGH SCHOOL				
Extracurricular Fund	\$ 66,901	\$ 119,874	\$ 122,885	\$ 63,890
Athletic Fund	<u>1</u>	<u>56,354</u>	<u>56,353</u>	<u>2</u>
 Total	 <u>\$ 66,902</u>	 <u>\$ 176,228</u>	 <u>\$ 179,238</u>	 <u>\$ 63,892</u>

**PARK RIDGE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, June 30, <u>2012</u>	Cash <u>Receipt</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2013</u>
Payroll Deductions and Withholdings	\$ 45,018	\$ 6,965,989	\$ 6,847,885	\$ 163,122
Accrued Salaries and Wages	-	9,576,156	9,576,156	-
Due to Other Funds	<u>4,661</u>	<u>20,866</u>	<u>25,329</u>	<u>198</u>
	<u>\$ 49,679</u>	<u>\$ 16,563,011</u>	<u>\$ 16,449,370</u>	<u>\$ 163,320</u>

LONG-TERM DEBT

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<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, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2013</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	6/2/2010	\$ 7,524,000	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	\$ 270,000	\$ 7,254,000	
Refunding Bonds	7/1/2010	2,155,000	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	170,000	1,985,000

PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<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, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2013</u>
School Bonds	10/28/2010	\$ 3,141,000	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				
						\$ 2,976,000	-	\$ 195,000	\$ 2,781,000
						\$ 12,655,000	\$ -	\$ 635,000	\$ 12,020,000

PARK RIDGE BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AND LEASE PURCHASE AGREEMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2013</u>
<u>CAPITAL LEASE</u>						
2012 Lease of 11 Copiers	3.81%	\$ 116,304	\$ 100,259	-	\$ 22,119	\$ 78,140
<u>LEASE PURCHASE AGREEMENT</u>						
2012 Lease of Computers	0.00%	213,530	213,530	-	142,354	71,176
2013 Lease of Computers	0.00%	125,507	-	\$ 125,507	83,672	41,835
2013 Lease of Computers	0.00%	632,196	-	632,196	210,732	421,464
			<u>\$ 313,789</u>	<u>\$ 757,703</u>	<u>\$ 458,877</u>	<u>\$ 612,615</u>

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 725,983		\$ 725,983	\$ 725,983	
State Sources					
State Aid Type II	276,911	-	276,911	276,911	-
Total Revenues	<u>1,002,894</u>	<u>-</u>	<u>1,002,894</u>	<u>1,002,894</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	421,119		421,119	421,119	\$ -
Principal	635,000	-	635,000	635,000	-
Total Expenditures	<u>1,056,119</u>	<u>-</u>	<u>1,056,119</u>	<u>1,056,119</u>	<u>-</u>
Excess (Deficit) of Revenues Over/(Under) Expenditures	(53,225)	-	(53,225)	(53,225)	-
Fund Balance, Beginning of Year	<u>53,226</u>	<u>-</u>	<u>53,226</u>	<u>53,226</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

Recapitulation of Fund Balance

Restricted for Debt Service:	
Available for Future Debt Service Expenditures	\$ <u>1</u>
Total Fund Balance - Restricted for Debt Service	\$ <u>1</u>

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	\$ 3,317,023	\$ 3,038,202	\$ 3,413,541	\$ 3,599,252	\$ 3,640,187	\$ 3,602,597	\$ 3,912,275	\$ 3,943,209	\$ 4,065,772	\$ 5,206,951
Restricted	2	2	2	2	2	700,002	1,414,614	2,067,838	3,326,144	3,920,669
Unrestricted	393,206	1,143,146	641,521	747,655	1,134,665	1,031,421	1,023,898	919,248	1,319,306	690,402
Total Governmental Activities Net Position	\$ 3,710,231	\$ 4,181,350	\$ 4,055,064	\$ 4,346,909	\$ 4,898,771	\$ 5,334,020	\$ 6,350,787	\$ 6,930,295	\$ 8,711,222	\$ 9,818,022
Business-Type Activities										
Net Investment in Capital Assets	\$ 17,382	\$ 38,243	\$ 37,705	\$ 33,340	\$ 35,960	\$ 33,572	\$ 30,491	\$ 26,553	\$ 23,674	\$ 20,385
Restricted										
Unrestricted	106,119	124,425	188,755	156,149	119,217	127,625	159,376	181,618	234,437	304,090
Total Business-Type Activities Net Position	\$ 123,501	\$ 162,668	\$ 226,460	\$ 189,489	\$ 155,177	\$ 161,197	\$ 189,867	\$ 208,151	\$ 258,111	\$ 324,475
District-Wide										
Net Investment in Capital Assets	\$ 3,334,405	\$ 3,076,445	\$ 3,451,246	\$ 3,632,592	\$ 3,676,147	\$ 3,636,169	\$ 3,942,766	\$ 3,969,742	\$ 4,089,446	\$ 5,227,336
Restricted	2	2	2	2	2	700,002	1,414,614	2,067,838	3,326,144	3,920,669
Unrestricted	499,325	1,267,571	830,276	903,804	1,253,882	1,159,046	1,183,274	1,100,866	1,553,743	994,492
Total District Net Position	\$ 3,833,732	\$ 4,344,018	\$ 4,281,524	\$ 4,536,398	\$ 5,053,948	\$ 5,495,217	\$ 6,540,654	\$ 7,138,446	\$ 8,969,333	\$ 10,142,497

Note 1: Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 7,537,025	\$ 7,920,813	\$ 8,904,856	\$ 9,525,175	\$ 9,238,547	\$ 8,889,448	\$ 9,757,081	\$ 9,794,997	\$ 10,327,794	\$ 11,838,555
Other Education	2,310,854	2,661,512	3,166,702	2,820,219	3,728,610	4,151,189	3,849,988	3,977,713	3,951,431	3,934,433
Instruction	641,881	745,581	821,548	933,996	856,358	564,147	660,610	627,102	720,873	887,332
School Sponsored Activities And Athletics	658,568	637,903	642,376	772,677	824,601	798,292	781,524	736,229	736,522	689,106
Support Services:										
Student & Instruction Related Services										
General Administration	2,775,611	2,940,804	3,242,551	3,825,084	3,914,494	3,742,340	4,068,419	4,268,710	4,544,753	4,852,101
School Administrative Services	876,297	934,492	956,151	1,168,873	1,072,971	1,139,018	1,168,425	1,198,904	1,214,662	1,287,328
Central and Other Support Services	914,413	487,945	460,740	719,475	714,431	750,365	709,976	759,086	715,054	711,393
Plant Operations and Maintenance	413,848	1,573,029	1,839,465	1,787,286	1,934,116	2,009,898	1,994,742	2,021,531	1,994,117	2,059,681
Pupil Transportation	1,518,505	443,736	433,673	505,846	633,236	693,560	653,348	563,942	583,140	638,787
Interest On Long-Term Debt	374,197	143,933	162,752	167,729	122,126	99,934	103,050	386,611	432,690	419,703
Total Governmental Activities Expenses	18,195,294	19,152,013	21,365,808	22,899,059	23,781,023	23,710,963	24,482,146	24,947,926	25,884,003	28,081,987
Business-Type Activities:										
Food Service		193,342	197,789	202,509	201,051	199,728	199,984	214,148	210,923	226,544
Child Care		151,267	146,452	180,343	213,064	216,695	172,203	177,793	183,562	220,176
SAT Review		128,562	5,542	8,800	7,397	6,456	6,394	7,348	7,108	6,922
Summer Sports Program								7,196		2,832
Summer Basketball Program									1,445	2,305
Volleyball Clinic Program										3,710
Summer Music Program										
Laptop Insurance Program										
Total Business-Type Activities Expense										
Total District Expenses	\$ 18,517,826	\$ 19,496,622	\$ 21,715,591	\$ 23,290,711	\$ 24,206,535	\$ 24,133,842	\$ 24,860,727	\$ 25,354,411	\$ 26,288,691	\$ 28,544,476
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Regular)	\$ 81,296	\$ 37,484	\$ 43,374	\$ 55,079	\$ 66,250	\$ 33,431	\$ 36,685	\$ 27,500	\$ 29,971	\$ 31,750
Special Education	492,102	382,228	308,090	203,770	194,696	143,344	149,052	147,296	33,884	74,634
Operating Grants And Contributions	2,392,831	2,682,553	2,960,572	3,428,458	3,614,470	2,813,643	3,385,316	2,363,591	3,305,634	3,885,838
Capital Grants And Contributions					55,945			13,740	103,755	195,301
Total Governmental Activities Program Revenues	2,968,229	3,102,265	3,312,036	3,687,307	3,931,361	2,990,418	3,571,053	2,552,127	3,473,224	4,189,523

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-Type Activities:										
Charges For Services										
Food Service	\$ 189,508	\$ 189,519	\$ 185,122	\$ 192,120	\$ 181,472	\$ 174,459	\$ 176,185	\$ 182,332	\$ 187,237	\$ 189,925
Child Care	180,110	184,285	214,052	206,865	248,144	232,220	199,766	200,509	222,776	277,872
SAT Review			5,730	8,800	5,700	4,800	6,450	8,950	13,300	7,700
Summer Sports Programs								4,400		
Summer Basketball Program									1,650	2,940
Volleyball Clinic Program									1,520	2,440
Summer Music Program	7,110	9,972	8,671	9,396	10,797	17,420	24,850	25,658	28,165	4,700
Laptop Insurance Program										39,366
Operating Grants And Contributions										
Capital Grants And Contributions										
Total Business-Type Activities Program Revenues	<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>	<u>454,648</u>	<u>528,853</u>
Total District Program Revenues	\$ 3,444,957	\$ 3,486,041	\$ 3,725,611	\$ 4,104,488	\$ 4,377,474	\$ 3,419,317	\$ 3,978,304	\$ 2,973,976	\$ 3,927,872	\$ 4,718,376
Net (Expense)/Revenue	<u>\$ (15,227,065)</u>	<u>\$ (16,049,748)</u>	<u>\$ (18,053,772)</u>	<u>\$ (19,211,752)</u>	<u>\$ (19,853,662)</u>	<u>\$ (20,720,545)</u>	<u>\$ (20,911,093)</u>	<u>\$ (22,395,799)</u>	<u>\$ (22,410,779)</u>	<u>\$ (23,892,464)</u>
Governmental Activities	54,196	39,167	63,792	25,529	24,601	6,020	28,670	15,364	49,960	66,364
Business-Type Activities	(15,172,869)	(16,010,581)	(17,989,980)	(19,186,223)	(19,829,061)	(20,714,525)	(20,882,423)	(22,380,435)	(22,360,819)	(23,826,100)
Total District-Wide Net Expense	<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>	<u>\$ 24,191,706</u>	<u>\$ 24,999,264</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	14,572,124	16,091,715	17,405,709	18,869,664	19,824,306	20,845,856	21,616,694	22,797,775	23,253,731	23,926,685
Property Taxes Levied For Debt Service	248,644	244,050	244,377	244,215	248,814	248,078	247,115	245,927	713,829	725,983
Unrestricted Grants And Contributions	76,366	97,828	135,481	102,117	124,311	1,227			82,803	166,495
Miscellaneous Income	52,529	87,275	142,019	225,101	145,593	60,633	64,051	86,829	141,343	180,101
Transfers				62,500	62,500					
Total Governmental Activities	<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>	<u>24,191,706</u>	<u>24,999,264</u>
Business-Type Activities:										
Investment Earnings				138	138					
Miscellaneous Income				3,449	3,449					
Transfers				(62,500)	(62,500)					
Total Business-Type Activities	<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>	<u>\$ 24,191,706</u>	<u>\$ 24,999,264</u>
Total District-Wide	<u>\$ (277,402)</u>	<u>\$ 471,120</u>	<u>\$ (126,286)</u>	<u>\$ 291,845</u>	<u>\$ 551,862</u>	<u>\$ 435,249</u>	<u>\$ 1,016,767</u>	<u>\$ 794,732</u>	<u>\$ 1,780,927</u>	<u>\$ 1,106,800</u>
Governmental Activities	54,196	39,167	63,792	(56,971)	(34,312)	6,020	28,670	15,364	49,960	66,364
Business-Type Activities	(232,206)	(510,287)	(62,494)	(254,874)	(517,550)	(441,269)	(1,045,437)	(750,096)	(1,830,887)	(1,173,164)
Total District	<u>\$ (232,206)</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>	<u>\$ 1,830,887</u>	<u>\$ 1,173,164</u>

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 176,706	\$ 696,585	\$ 436,400	\$ 970,875	\$ 628,049	\$ 1,329,723	\$ 2,218,848	\$ 2,654,136	\$ 3,937,897	\$ 4,624,623
Unreserved	460,987	423,946	522,689	556,003	652,023	585,576	276,177	361,583	744,789	349,964
Restricted	-	-	-	-	-	-	-	256,333	244,564	281,954
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 637,693	\$ 1,120,531	\$ 959,089	\$ 1,526,878	\$ 1,280,072	\$ 1,915,299	\$ 2,495,025	\$ 3,272,052	\$ 4,927,250	\$ 5,256,541
All Other Governmental Funds										
Reserved	\$ 53,400						\$ 7,141,417			
Unreserved	19,983	\$ 16,733	\$ 16,733	\$ 23,919	\$ 23,918	\$ (85,387)	(912,760)		\$ 1,528,452	\$ 1,562,117
Restricted	-	-	-	-	-	-	-		-	-
Total All Other Governmental Funds	\$ 73,383	\$ 16,733	\$ 16,733	\$ 23,919	\$ 23,918	\$ (85,387)	\$ 6,228,657	\$ 1,545,741	\$ 1,528,452	\$ 1,562,117

Source: District financial Statements

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fiscal Year Ended June 30,										
Revenues										
Property Tax Levy	\$ 14,820,768	\$ 16,335,765	\$ 17,649,986	\$ 19,113,879	\$ 20,075,120	\$ 21,093,934	\$ 21,863,809	\$ 23,043,702	\$ 23,967,560	\$ 24,652,668
Tuition Charges	414,004	37,484	43,374	55,079	82,864	55,309	50,203	56,202	63,855	108,384
Miscellaneous	52,529	124,994	180,428	238,885	169,519	74,877	131,080	117,440	150,845	189,301
State Sources	2,175,703	2,427,175	2,701,418	3,168,884	3,352,721	2,436,508	2,690,277	1,952,081	2,944,895	3,659,345
Federal Sources	293,494	315,486	356,226	347,907	367,104	364,118	628,010	414,639	434,040	383,788
Total Revenue	17,756,498	19,240,904	20,931,432	22,924,634	24,045,328	24,024,746	25,363,379	25,564,064	27,561,195	28,993,486
Expenditures										
Instruction										
Regular Instruction	7,274,268	7,680,744	8,456,231	9,127,788	9,520,034	8,714,602	9,482,548	9,327,380	9,861,561	11,270,498
Special Education Instruction	2,134,956	2,541,895	2,745,016	2,591,541	3,735,695	3,937,508	3,767,272	3,843,877	3,906,011	3,889,015
Other Instruction	639,191	742,529	819,353	909,162	828,809	552,667	615,052	626,517	720,469	887,532
School Sponsored Activities and Athletics	602,369	586,107	603,896	726,152	773,147	745,404	781,524	736,229	756,522	689,106
Community Services										
Support Services:										
Student and Inst. Related Services	2,736,602	2,902,517	3,214,472	3,663,383	4,004,145	3,737,119	4,066,246	4,226,297	4,503,740	4,823,287
General Administration	871,421	658,153	731,590	669,245	748,741	868,214	734,517	600,023	662,922	751,666
School Administrative Services	909,687	929,964	963,317	1,111,345	1,116,443	1,134,361	1,143,832	1,176,557	1,167,758	1,261,888
Central and Other Support Services	406,731	444,251	409,075	701,233	699,531	732,345	709,545	741,485	700,973	711,393
Plant Operations And Maintenance	1,498,761	1,566,437	1,832,660	1,780,069	1,911,017	1,983,103	1,915,934	1,927,167	1,915,472	1,976,469
Pupil Transportation	367,674	437,441	428,061	502,294	588,841	649,928	635,437	544,965	565,229	618,714
Capital Outlay	488,743	129,831	282,504	403,508	242,119	193,496	1,832,391	8,606,270	527,718	1,189,941
Debt Service:										
Principal	168,538	198,522	427,940	115,000	125,000	130,000	135,000	140,000	331,045	1,093,877
Interest and Other Charges	177,143	171,345	178,759	173,939	123,815	118,077	112,115	52,703	653,700	425,049
Advance Refunding Escrow	-	-	-	-	-	-	-	155,274	-	-
Cost of Issuance	-	-	-	-	-	-	62,196	110,146	-	-
Total Expenditures	18,276,084	18,989,716	21,092,874	22,474,659	24,417,135	23,498,824	25,993,609	32,794,890	26,253,120	29,588,233
Excess (Deficiency) of Revenues Over (Under) Expenditures	(519,586)	251,188	(161,442)	449,975	(371,807)	525,922	(630,230)	(7,230,826)	1,308,075	(594,747)

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Capital Lease / Lease Purchase Proceeds (Non-Budgete)	\$ 300,000	\$ 175,000					\$ 7,524,000	\$ 3,141,000	\$ 329,834	\$ 757,703
Bond Proceeds								2,155,000		
Refunding Bond Proceeds								93,937		
Premium on Refunding Bonds								(2,065,000)		
Payment to Refunded Escrow Agent	1,957	63	\$ 1,051	\$ 125,000	\$ 125,000		85,388			
Transfers In	(1,957)	(63)	(1,051)	-	-	-	(85,388)	-	-	-
Transfers Out										
Total Other Financing Sources (Uses)	300,000	175,000	-	125,000	125,000	-	7,524,000	3,324,937	329,834	757,703
Net Change in Fund Balances	\$ (219,586)	\$ 426,188	\$ (161,442)	\$ 574,975	\$ (246,807)	\$ 525,922	\$ 6,893,770	\$ (3,905,889)	\$ 1,637,909	\$ 162,956
Debt Service as a Percentage of Noncapital Expenditures	0.95%	1.05%	2.06%	0.52%	0.52%	0.56%	0.82%	1.81%	1.81%	5.35%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

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>Rentals- Use of Facilities</u>	<u>Energy Credits</u>	<u>Transportation Fees</u>	<u>Other</u>	<u>Total</u>
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
2012	63,855	17,158	15,779	6,222	5,900	\$ 82,441		13,843	205,198
2013	108,384	32,849	11,061	5,025	8,980	85,201		36,985	288,485

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
2004 (1)	13,646,900	1,445,322,300	204,365,900	3,379,800	13,563,500	1,680,278,400	1,663,505	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	1,705,953,664	1,995,026,966	1.080
2007	15,747,200	1,487,211,600	197,809,300	3,379,800	13,563,500	1,717,710,400	1,294,588	1,719,004,988	2,015,533,185	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	1,932,502,130	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
2012	5,991,700	1,390,657,900	208,261,200	3,815,600	18,427,800	1,627,154,200	1,757,481	1,628,911,681	1,822,150,340	1.493
2013	6,577,300	1,371,375,600	200,188,600	3,815,600	17,953,900	1,599,911,000	1,733,938	1,601,644,938	1,743,954,709	1.565

Source: County Abstract of Ratables

^a Tax rates are per \$100

(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>	
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
2012		1.493	0.539	0.247	2.279
2013		1.565	0.560	0.250	2.375

(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	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hertz Corp.	\$ 33,985,200	2.12%	\$ 29,500,000	1.75%
Sony Corp.	30,000,000	1.87%	30,000,000	1.78%
SA Park Ridge LLC	24,000,000	1.50%	26,167,200	1.56%
Sartak Holdings Inc.	20,850,000	1.30%	20,507,900	1.22%
JLM Park Ridge (Marriott)	12,000,000	0.75%	26,570,800	1.58%
Park Ridge Hye Partners	7,410,600	0.46%	6,564,300	0.39%
Ridge Manor Apts. LLC	4,041,100	0.25%	-	-
Erich Uhlmann	3,271,700	0.20%	2,898,100	0.17%
Artdor Reality Co.	3,036,400	0.19%	-	-
S/K Park Ridge Assoc	2,800,000	0.18%	-	-
Bedrosian & Tonelli	-	-	2,443,800	0.15%
Jems Assoc.	-	-	2,107,100	0.13%
First Union (Wachovia) Bank	-	-	1,578,300	0.09%
	<u>\$ 141,395,000</u>	<u>8.82%</u>	<u>\$ 148,337,500</u>	<u>8.82%</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	
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%	
2012	23,967,560	23,967,560	100%	
2013	24,652,668	24,652,668	100%	

Source: District records

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

Fiscal Year Ended June 30,	Governmental Activities					Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Lease Purchase Agreements	Grant Anticipation Notes				
2006	\$ 2,860,000			\$ 1,340,000	\$ 4,200,000	8,800	\$ 477	
2007	2,745,000			1,340,000	4,085,000	8,747	467	
2008	2,620,000			1,200,000	3,820,000	8,831	433	
2009	2,490,000			1,200,000	3,690,000	8,863	416	
2010	9,879,000				9,879,000	8,932	1,106	
2011	12,970,000				12,970,000	8,655	1,499	
2012	12,655,000	\$ 100,259	\$ 213,530		12,968,789	8,701	1,490	
2013	12,020,000	78,140	534,475		12,632,615	8,963	1,409	

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 eight 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 EIGHT FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2006	\$ 2,860,000		\$ 2,860,000	0.17%	\$ 325
2007	2,745,000		2,745,000	0.16%	314
2008	2,620,000		2,620,000	0.15%	297
2009	2,490,000		2,490,000	0.14%	281
2010	9,879,000		9,879,000	0.57%	1,106
2011	12,970,000		12,970,000	0.80%	1,499
2012	12,655,000		12,655,000	0.78%	1,454
2013	12,020,000		12,020,000	0.75%	1,341

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 eight 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, 2012
(Unaudited)**

MUNICIPAL DEBT (1)	
Park Ridge Board of Education (as of June 30, 2013)	\$ 13,420,713
Borough of Park Ridge (as of December 31, 2012)	<u>23,030,620</u>
Total Direct Debt	<u>36,451,333</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County: (2) and (3)	
County of Bergen (A)	8,495,822
Bergen County Utilities Authority-Waste Water (B)	<u>2,510,897</u>
Total Overlapping Debt	<u>11,006,719</u>
Total Direct and Overlapping Debt	<u>\$ 47,458,052</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2012 equalized value by the total 2012 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Park Ridge 2012 Annual Debt Statement
- (2) BCUA 2012 Audit
- (3) Bergen County 2012 Annual Debt Statement

**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>
2004	4.00%	\$ 54,669	8,795
2005	1.50%	56,963	8,833
2006	1.60%	63,021	8,800
2007	1.40%	67,113	8,747
2008	1.90%	68,541	8,831
2009	3.40%	64,388	8,863
2010	3.50%	65,486	8,932
2011	3.40%	66,096	8,655
2012	3.50%	N/A	8,701
2013	N/A	N/A	8,963

(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>2013</u>		<u>2004</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 SEVEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction							
Regular	140	142	143	143	143	143	141
Special Education	40	40	40	40	38	45	46
Other Instruction	7	7	7	7	7	7	7
Support Services:							
Student and Instruction Related Services	11	11	11	12	12	13	13
General Administration	5	5	5	5	5	5	5
School Administrative Services	12	12	12	12	12	12	12
Other Administrative Services	6	6	6	6	6	6	6
Central Services	5	5	5	5	5	3	6
Administrative Information Technology							
Plant Operations And Maintenance	14	14	14	15	15	15	15
Child Care (EXTRA's)	<u>8</u>						
Total	<u>248</u>	<u>250</u>	<u>251</u>	<u>253</u>	<u>251</u>	<u>257</u>	<u>259</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 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
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior/Senior High School	Average Daily Enrollment (ADE)			
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	13,932	4.36%	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	23,976,201	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%
2012	1,283	24,740,657	19,283	7.09%	141	1:10	1:10	1,271	1,211	-2.23%	95.28%
2013	1,306	26,879,366	20,581	6.73%	141	1:10	1:9	1,297	1,243	2.05%	95.84%

Sources: District records

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

	2007	2008	2009	2010	2011	2012	2013
District Building							
<u>Elementary</u>							
East Brook							
Square Feet	31,675	31,675	31,675	31,675	31,675	31,675	31,675
Capacity (students)	388	388	388	388	388	388	388
Enrollment	388	378	372	360	368	360	360
West Ridge							
Square Feet	32,605	32,605	32,605	32,605	32,605	32,605	32,605
Capacity (students)	407	407	407	407	407	407	407
Enrollment	407	424	384	365	356	365	365
<u>Junior / Senior High School</u>							
Square Feet	93,253	93,253	93,253	93,253	93,253	93,253	93,253
Capacity (students)	584	584	584	584	584	584	584
Enrollment	565	570	571	590	595	590	590
<u>Other</u>							
<u>Board Office - Square Feet</u>							
Trailers - Square Feet						1,850	1,850
Square Feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Number of Schools at June 30, 2012							
Elementary =	2	2	2	2	2	2	2
Junior / Senior High School =	1	1	1	1	1	1	1
Other =	1	1	1	1	1	1	1

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
 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)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
*School Facilities										
East Brook Elementary School	\$ 36,992	\$ 54,088	\$ 57,738	\$ 60,350	\$ 58,334	\$ 66,079	\$ 65,514	\$ 75,220	\$ 79,017	\$ 69,371
West Ridge Elementary School	33,098	62,014	71,326	43,720	68,013	58,350	57,852	66,423	69,775	77,153
High School	163,123	170,504	278,822	186,323	181,050	186,157	184,567	211,909	222,605	217,775
District-Wide	-	-	10,529	-	-	-	-	-	-	-
Total School Facilities	\$ 233,213	\$ 286,606	\$ 418,415	\$ 290,393	\$ 307,397	\$ 310,586	\$ 307,933	\$ 353,552	\$ 371,397	\$ 364,299

*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, 2013
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Blanket Building & Contents	\$ 37,731,065	\$ 5,000
Inland Marine:		
Computer Equipment	5,000,000	
Contractors Equipment	250,000	
Crime Coverage	100,000	-
Boiler & Machinery	Per individual statement	-
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	
Comprehensive Auto Liability	1,000,000	1,000
School Board Legal Liability		
Darwin National Insurance	1,000,000	5,000
Umbrella Liability Policy - Aggregate per Occurrence	9,000,000	
Excess Umbrella Liability	50,000,000	
Employee Dishonesty & Faithful Performance	100,000 / Employee 400,000 / Loss	- 0
Public Official Bonds -		
Western Surety Company		
Business Administrator/Board Secretary/Treasurer	225,000	
Environmental Liability - ACE	2,000,000	15,000
Standard Worker's Compensation and Employer's Liability Policy		
Republic Western Insurance	Statutory	

Source: Park Ridge School District records.

SINGLE AUDIT SECTION



CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, 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**

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, in accordance with the 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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, 2013 and the related notes to the financial statements, which collectively comprise the Park Ridge Board of Education's basic financial statements and have issued our report thereon dated December 5, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Park Ridge Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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. Accordingly, we do not express an opinion on the effectiveness of the Park Ridge Board of Education's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Park Ridge Board of Education's financial statements are free from 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 Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that we 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, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park Ridge Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Park Ridge Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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, 2013



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY 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

Report on Compliance for Each Major State Program

We have audited the Park Ridge Board of Education's compliance with the types of compliance requirements described in 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, 2013. The 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Park Ridge Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. 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 Office of School Finance, Department of Education, State of New Jersey; 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 the 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 on compliance for each major state program. However, our audit does not provide a legal determination of the Park Ridge Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Park Ridge Board of Education complied, in all material respects, with the types of 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item 2013-001. Our opinion on each major state program is not modified with respect to these matters.

The Park Ridge Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Park Ridge Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Park Ridge Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Park Ridge Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with 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 Park Ridge Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency.

The Park Ridge Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Park Ridge Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

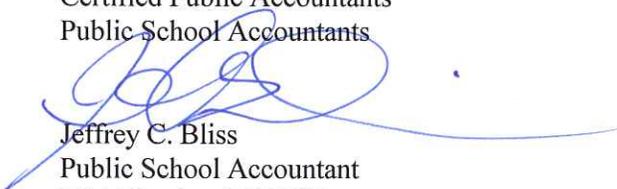
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

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, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 5, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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, 2013

PARK RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balances, June 30, 2012			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balance	Balances, June 30, 2013			Memo
				(Account Receivable)	Uncearned Revenue	Due to Grantor					(Account Receivable)	Uncearned Revenue	Due to Grantor	
U.S. Department of Education														
Passed-through State Department of Education														
10.555	N/A	7/1/12-6/30/13	\$ 18,637				\$ 17,623	\$ 18,637			\$ (1,014)			\$ (1,014)
		7/1/11-6/30/12	9,348	\$ (1,049)			1,049							
		7/1/12-6/30/13	10,314				10,314	10,314			(752)			(752)
10.556	N/A	7/1/12-6/30/13	9,328				8,576	9,328						
10.556	N/A	7/1/11-6/30/12	9,448	(724)			724							
				(1,773)			38,286	38,279			(1,766)			(1,766)
Total U.S. Department of Agriculture														
U.S. Department of Education														
Passed-through State Department of Education														
84.367A	NCLB394012	9/1/12-8/31/13	20,710				20,710	20,710						
84.365A	NCLB394012	9/1/12-8/31/13	11,750				11,750	11,750						
84.365A	NCLB394012	9/1/12-8/31/13	13,585				13,585	13,585						
84.027	IDEA394012	9/1/12-8/31/13	316,696				316,696	316,696						
84.173	IDEA394012	9/1/12-8/31/13	21,047				21,047	21,047						
							383,788	383,788						
Total U.S. Department of Education - Special Revenue Fund														
				(1,773)			422,074	422,067			(1,766)			(1,766)
Total Federal Financial Assistance														

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, 2013

State Grantor/Program Title	Grant or State Funding Number	Grant Period	Award Amount	Balance, July 1, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2013		Due to Grantor	GAAP Receivable	Memo Cumulative Total Expenditures
									(Accounts Receivable)	Unearned Revenue			
State Department of Education													
General Fund													
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	\$ 513,493	\$ (13,662)		\$ 495,164	\$ 513,493		\$ (18,329)			\$	\$ 513,493
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	464,698			13,662	19,726						19,726
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	19,726			17,781	18,439						18,439
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	259,197			363,782	259,197						259,197
Extraordinary Aid	13-100-034-5120-473	7/1/11-6/30/13	363,782			672,776	672,776						672,776
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	35,397			800,766	35,397						800,766
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	800,766			820,155	830,155						830,155
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-001	7/1/12-6/30/13	820,155			3,238,505	3,159,949		(278,888)				3,159,949
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	820,155										
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13		(377,444)									
Total General Fund State Aid													
Special Revenue Fund													
N.J. Nonpublic Aid													
Nonpublic Auxiliary Services	12-100-034-5120-067	7/1/11-6/30/12	38,293	49,621		51,001	42,469	49,621			\$ 8,532		42,469
Comp Education	13-100-034-5120-067	7/1/12-6/30/13	51,001										
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	55,663	11,207		4,263	11,207	11,207					
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	4,263										4,263
Nonpublic Handicapped Services	12-100-034-5120-066	7/1/11-6/30/12	37,518	4,196		36,944	36,943	4,196					36,943
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	36,944										
Examination and Classification	12-100-034-5120-066	7/1/11-6/30/12	33,175	20,537		16,562	12,265	20,537					12,265
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	16,562										16,562
Supplemental Instruction	12-100-034-5120-066	7/1/11-6/30/12	21,316	14,521		17,316	14,084	14,521					14,084
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	14,084			19,215	19,215						19,215
Nonpublic Nursing Services Aid	13-100-034-5120-070	7/1/12-6/30/13	19,215			3,109	3,109						3,109
Nonpublic Technology Initiative	12-100-034-5120-073	7/1/12-6/30/13	5,000			13,844	13,844						13,844
Nonpublic Textbooks	13-100-034-5120-064	7/1/12-6/30/13	13,844										
Total Special Revenue Fund													
Special Revenue Fund													
Type II Debt Service Aid													
Total Debt Service Aid	13-495-034-5120-125	7/1/12-6/30/13	276,911			276,911	276,911						276,911
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	1,087			1,028	1,087					\$ (59)	1,087
National School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	995	(62)		82							
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
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Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
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Type II Debt Service Aid													
Total Debt Service Aid													
State Department of Agriculture													
National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
General Fund													
Total State Financial Assistance													
State Department of Education													
Special Revenue Fund													
Type II Debt Service Aid													
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National School Lunch Program													
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6/30/13	35,397			(35,397)	(35,397)						(35,397)
On-Behalf TPAF - Post Retirement Medical Contributions	13-495-034-5095-001	7/1/12-6/30/13	800,766			(800,766)	(800,766)						(800,766)
Total State Financial Assistance Subject to Single Audit													
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State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	13-495-034-5095-006	7/1/12-6/30/13	672,776			(672,776)	(672,776)						(672,776)
On-Behalf TPAF - Pension - NCCI Premium	13-495-034-5095-007	7/1/12-6											

**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, 2013**

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 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 prepared and 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 financial statements. The information in these schedules is presented in accordance with requirements of U.S. 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". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 \$98,556 for the general fund and no change for the special revenue 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,238,505	\$ 3,238,505
Special Revenue Fund	\$ 383,788	143,929	527,717
Debt Service Fund		276,911	276,911
Food Service Fund	<u>38,279</u>	<u>1,087</u>	<u>39,366</u>
Total Financial Assistance	<u>\$ 422,067</u>	<u>\$ 3,660,432</u>	<u>\$ 4,082,499</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, 2013**

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 \$820,155 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013. The amount reported as TPAF Pension System Contributions in the amount of \$708,173 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$800,766 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2013.

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 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, 2013**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued:	<u>Unmodified</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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported

Type of auditors' report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? X yes _____ no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5095-002	TPAF Social Security Contributions

Dollar threshold used to distinguish between Type A and Type B \$ 300,000

Auditee qualified as low-risk auditee? _____ yes X no

**PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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, 2013**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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

**PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 STATE AWARDS

Finding 2013-001:

Our audit of budget charges in the General Fund revealed certain expenditures were not charged to the proper line accounts. We noted budget charges for certain certified staff salaries, capital outlay expenditures and lease purchase payments that were not charged to the proper line accounts in accordance with the Uniform Minimum Chart of Accounts.

Stage Program Information:

Special Education Aid	13-495-034-5120-089
Security Aid	13-495-034-5120-084

Criteria or specific requirement:

State Grant Compliance Supplement – State Aid Public

Condition:

Certain budget account charges were not classified and charged to the proper line accounts.

Questioned Costs:

Unknown

Context:

See Finding 2013-001.

Effect:

The District's budget reports may not accurately reflect expenditure classifications in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Cause:

Unknown.

Recommendation:

Expenditures be classified and charged to the approved budget line item accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and has indicated it will review its procedures and make appropriate revisions to ensure corrective action be taken.

**PARK RIDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Finding 2012-1

Our audit indicated that student counts reported on the Application for State School Aid (ASSA) for On Roll Special Education were not supported by an Individual Education Program (IEP) for certain students.

Current Status

Corrective action has been taken.