

PARK RIDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015

Prepared by

Business Office

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

Page

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-16
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	17
A-2 Statement of Activities	18-19

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	20-21
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	23

Proprietary Funds

B-4 Statement of Net Position	24
B-5 Statement of Revenues, Expenses, and Changes in Net Position	25
B-6 Statement of Cash Flows	26

Fiduciary Funds

B-7 Statement of Fiduciary Net Position	27
B-8 Statement of Changes in Fiduciary Net Position	28

Notes to the Financial Statements	29-63
--	-------

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

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	64-69
C-2	Budgetary Comparison Schedule – Special Revenue Fund	70

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	71
-----	--	----

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	72
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	73
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	74
	Notes to Required Supplementary Information	75

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules - Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	76-77
E-2	Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	78

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures – Budgetary Basis	79
F-2	Summary Schedule of Revenues, Expenditures and Changes In Fund Balance – Budgetary Basis	80
F-2a-	Schedule of Project Revenues, Expenditures, Project Balance and Project	
F-2b	Status – Budgetary Basis	81-82

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

	<u>Page</u>
G. Proprietary Funds	
G-1 Statement of Net Position	83
G-2 Statement of Revenues, Expenses and Changes in Net Position	84
G-3 Statement of Cash Flows	85
H. Fiduciary Funds	
H-1 Combining Statement of Assets and Liabilities	86
H-2 Combining Statement of Changes in Net Position – Not Applicable	87
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	88
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	89
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	90-91
I-2 Schedule of Obligations under Capital Lease and Lease Purchase Agreement	92
I-3 Debt Service Fund Budgetary Comparison Schedule	93
J. STATISTICAL SECTION (Unaudited)	
J-1 Net Position by Component	94
J-2 Changes in Net Position	95-96
J-3 Fund Balances – Governmental Funds	97
J-4 Changes in Fund Balances - Governmental Funds	98-99
J-5 General Fund Other Local Revenue by Source	100
J-6 Assessed Value and Actual Value of Taxable Property	101
J-7 Direct and Overlapping Property Tax Rates	102
J-8 Principal Property Taxpayers	103
J-9 Property Tax Levies and Collections	104
J-10 Ratios of Outstanding Debt by Type	105
J-11 Ratios of Net General Bonded Debt Outstanding	106
J-12 Computation of Direct and Overlapping Outstanding Bonded Debt	107
J-13 Legal Debt Margin Information	108
J-14 Demographic Statistics	109
J-15 Principal Employers	110
J-16 Full-Time Equivalent District Employees by Function/Program	111
J-17 Operating Statistics	112
J-18 School Building Information	113
J-19 Schedule of Required Maintenance for School Facilities	114
J-20 Schedule of Insurance	115

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

Page

K. SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards-Independent Auditor's Report	116-117
K-2	Report on Compliance for Each Major 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 15-08 – Independent Auditor's Report	118-120
K-3	Schedule of Expenditures of Federal Awards	121
K-4	Schedule of Expenditures of State Financial Assistance	122
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	123-124
K-6	Schedule of Findings and Questioned Costs	125-128
K-7	Summary Schedule of Prior Audit Findings	129

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
85 PASCACK ROAD
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 21, 2015

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, 2015, 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 2014-2015 fiscal year with an enrollment of 1,279 students, which is twenty-eight (28) students lower 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>
2014-15	1,279	-2.10%
2013-14	1,307	0.00%
2012-13	1,306	1.80%
2011-12	1,283	-2.73%
2010-11	1,319	-2.00%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Park Ridge is a residential suburb of 2.6 square miles, located approximately 25 miles from midtown Manhattan. In 2003, the Borough underwent a revaluation that increased rates by \$437,000,000. Since then, property values have remained relatively stable with the average home assessed at \$475,000. The Borough of Park Ridge has balanced progress and cost with the 33rd 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 past 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 23% and currently 20% 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 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 has a one to one laptop initiative in place for Grades 5-12.

The 2014-15 school year resounded with triumph on every level with 4 National Merit Letter of Commendation recipients. Park Ridge continues to achieve scores above the state and national levels in the SAT. Park Ridge continued to excel at preparing students to further their education as 96% of the students will be attending four-year or two year colleges.

Park Ridge elementary level students enjoyed another year of recognition in academic excellence. Among the recognitions received were the President's Gold Award and Johns Hopkins Center for Talented Youth. Achievement in the arts was also recognized with students being accepted to the Bergen Regional Instrumental Band.

Park Ridge High School had many highlights in the 2014-15 school year. This past year, the Wrestling, Girls Cross Country, Girls Soccer and the Football teams all 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, 2015.

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 Financial Statements".

It should be noted that as a result of the implementation of GASB 68, the related pension revenues and expenses for the 2014/2015 school year will not be comparable to 2013/2014 school year in the District Wide financial exhibits and the Management Discussion and Analysis.

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, 2015, the District has outstanding bonded debt of \$10,690,000.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the 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 15-08 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.

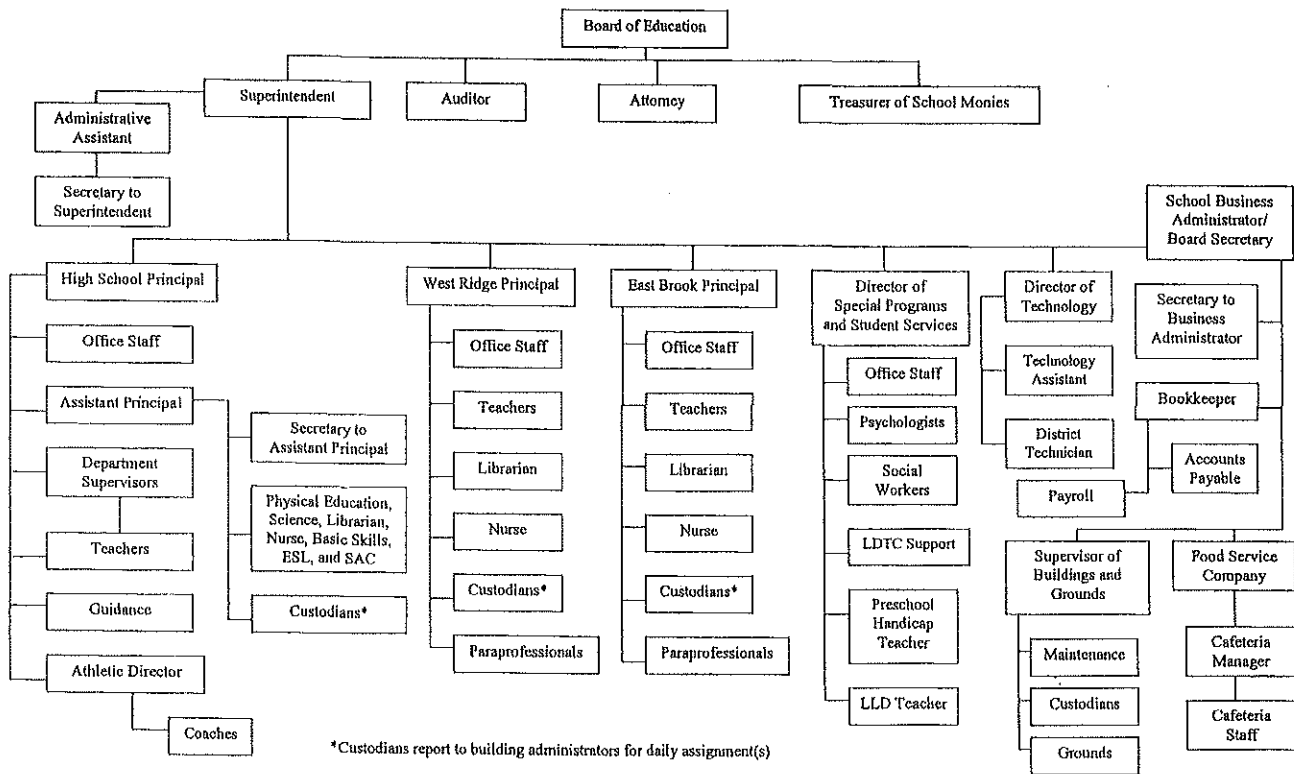
Robert Wright
Business Administrator/Board Secretary

POLICY

PARK RIDGE BOARD OF EDUCATION

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 8 June 2009



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

**ROSTER OF OFFICIALS
June 30, 2015**

<u><i>Members of the Board of Education</i></u>	<u><i>Term Expires</i></u>
President: Joseph Bruno	2016
Vice President: Daniel Browne	2015
Members of the Board: Frank Church	2017
Barbara von Bradsky	2017
Robert Sileo	2017
Peter Montalbano	2016
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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

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

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, 2015 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 above 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, 2015, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Park Ridge Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension 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 15-08, 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.

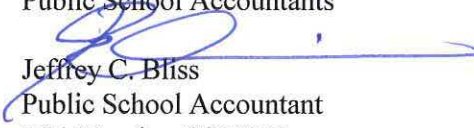
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2015 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 21, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

PARK RIDGE BOARD OF EDUCATION

Management Discussion and Analysis Fiscal Year Ended June 30, 2015

As management of the Park Ridge Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Park Ridge Board of Education for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal year include the following:

- The assets and deferred outflows of resources of the Park Ridge Board of Education exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$6,446,994 (net position).
- The District's total net position increased \$1,043,415 or 19%.
- Overall District revenues were \$34,035,489. General revenues accounted for \$26,851,108 or 79% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,184,381 or 21% of total revenues.
- The school district had \$32,482,037 in expenses for governmental activities; only \$6,621,351 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$26,851,108 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 \$6,553,794. Of this amount, \$300,908 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 \$692,520 which represented an increase of \$78,854 from the previous fiscal year.
- The District's total outstanding long-term liabilities decreased \$137,423 during the current 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.

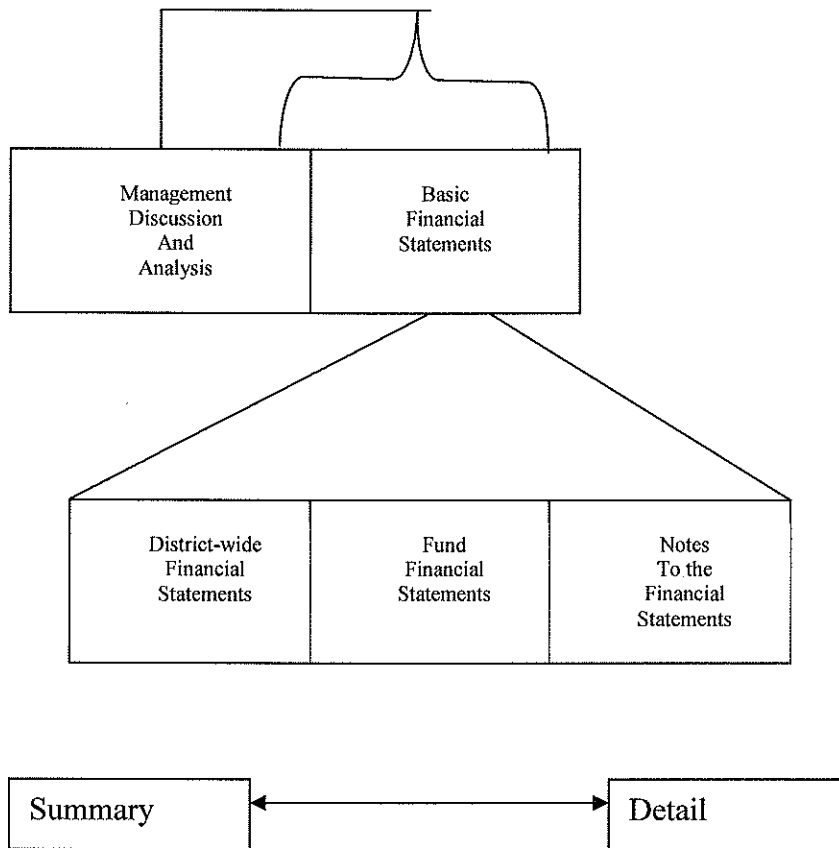
PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

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 basic 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, 2015

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, and 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, 2015

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 program, 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, 2015

- *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. Information regarding the District's employee retirement systems and pension plans has also been provided 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 and pension information.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$6,446,994 at June 30, 2015 and \$5,403,579 at June 30, 2014 as follows:

	Net Position					
	As of June 30, 2015 and 2014					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current Assets	\$ 7,037,768	\$ 6,106,402	\$ 584,650	\$ 537,884	\$ 7,622,418	\$ 6,644,286
Capital Assets	17,411,271	17,369,094	21,183	17,526	17,432,454	17,386,620
Total Assets	<u>24,449,039</u>	<u>23,475,496</u>	<u>605,833</u>	<u>555,410</u>	<u>25,054,872</u>	<u>24,030,906</u>
Deferred Outflows of Resources	<u>408,227</u>	<u>65,383</u>	<u>-</u>	<u>-</u>	<u>408,227</u>	<u>65,383</u>
Total Assets and Deferred Outflows of Resources	<u>24,857,266</u>	<u>23,540,879</u>	<u>605,833</u>	<u>555,410</u>	<u>25,463,099</u>	<u>24,096,289</u>
Liabilities						
Long-Term Liabilities	18,096,514	18,233,937			18,096,514	18,233,937
Other Liabilities	446,242	347,446	108,260	110,375	554,502	457,821
Total Liabilities	<u>18,542,756</u>	<u>18,581,383</u>	<u>108,260</u>	<u>110,375</u>	<u>18,651,016</u>	<u>18,691,758</u>
Deferred Inflows of Resources	<u>364,592</u>	<u>-</u>	<u>497</u>	<u>952</u>	<u>365,089</u>	<u>952</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 18,907,348</u>	<u>\$ 18,581,383</u>	<u>\$ 108,757</u>	<u>\$ 111,327</u>	<u>\$ 19,016,105</u>	<u>\$ 18,692,710</u>
Net Position						
Net Investment in Capital Assets	6,799,817	6,319,245	21,183	17,526	6,821,000	6,336,771
Restricted	4,793,492	4,083,327			4,793,492	4,083,327
Unrestricted	(5,643,391)	(5,443,076)	475,893	426,557	(5,167,498)	(5,016,519)
Total Net Position	<u>\$ 5,949,918</u>	<u>\$ 4,959,496</u>	<u>\$ 497,076</u>	<u>\$ 444,083</u>	<u>\$ 6,446,994</u>	<u>\$ 5,403,579</u>

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.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Change in Net Position
For The Fiscal Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 90,416	\$ 73,533	\$ 520,609	\$ 597,116	\$ 611,025	\$ 670,649
Operating Grants and Contributions	6,454,886	3,461,172	42,421	40,135	6,497,307	3,501,307
Capital Grants and Contributions	76,049	9,317			76,049	9,317
General Revenues						
Property Taxes	26,444,104	25,460,986			26,444,104	25,460,986
State Aid	202,471	171,905			202,471	171,905
Other	204,533	114,717	-	-	204,533	114,717
Total Revenues	33,472,459	29,291,630	563,030	637,251	34,035,489	29,928,881
Expenses						
Instruction						
Regular	14,279,696	11,480,847			14,279,696	11,480,847
Special Education	4,393,862	4,037,621			4,393,862	4,037,621
Other Instruction	684,296	631,304			684,296	631,304
School Sponsored Activities and Athletics	949,245	841,350			949,245	841,350
Support Services					-	
Student and Instruction Related Services	5,537,667	5,086,264			5,537,667	5,086,264
General Administrative Services	773,459	672,470			773,459	672,470
School Administrative Services	1,906,929	1,292,750			1,906,929	1,292,750
Central and Other Support Services	760,004	660,876			760,004	660,876
Plant Operations and Maintenance	2,221,454	2,127,481			2,221,454	2,127,481
Pupil Transportation	592,189	647,292			592,189	647,292
Interest on Debt	383,236	403,744			383,236	403,744
Food Services			224,669	246,871	224,669	246,871
Child Care Program			265,433	249,217	265,433	249,217
Other Programs	-	-	19,935	21,555	19,935	21,555
Total Expenses	32,482,037	27,881,999	510,037	517,643	32,992,074	28,399,642
Increase in Net Position	990,422	1,409,631	52,993	119,608	1,043,415	1,529,239
Net Position, Beginning of Year	4,959,496	9,603,291	444,083	324,475	5,403,579	9,927,766
Prior Period Adjustment	-	(6,053,426)	-	-	-	(6,053,426)
Net Position, End of Year	\$ 5,949,918	\$ 4,959,496	\$ 497,076	\$ 444,083	\$ 6,446,994	\$ 5,403,579

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$33,472,459 for the year ended June 30, 2015. Property taxes of \$26,444,104 represented 79% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local aid and contributions of \$6,733,406 represented 20% of revenues. In addition, tuition and miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

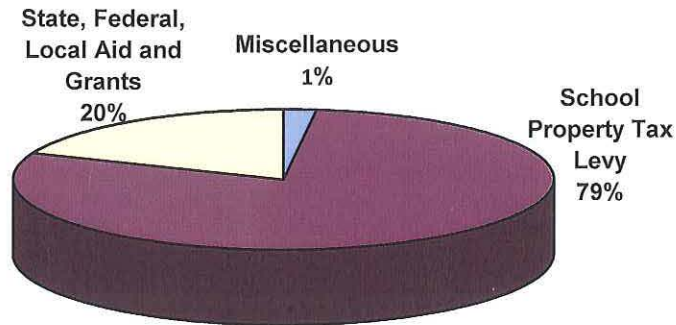
The total cost of all governmental activities programs and services was \$32,482,037. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$20,307,099 (63%) of total expenses. Support services, total \$11,791,702 (36%) of total expenses and interest on debt totaled \$383,236 (1%) of total expenses.

PARK RIDGE BOARD OF EDUCATION

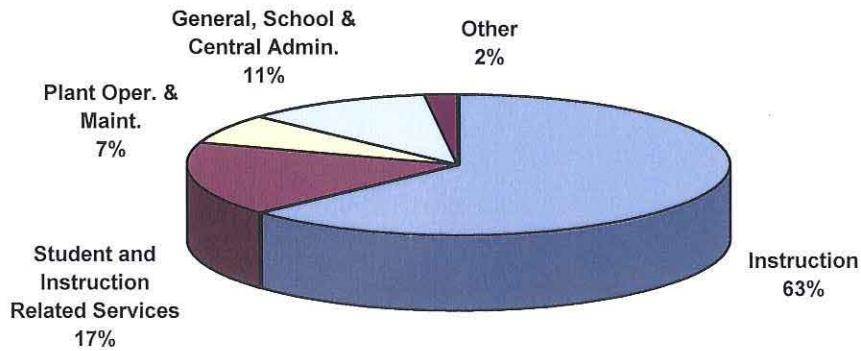
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Total governmental activities revenues exceeded expenses, increasing net position by \$990,422 over the previous year.

Revenues by Sources – Governmental Activities
For Fiscal Year 2015



Expenses by Type-Governmental Activities
For Fiscal Year 2015



PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Total and Net Cost of Governmental Activities. The District's total cost of services was \$32,482,037. After applying program revenues, derived from charges for services of \$90,416, and operating and capital grants and contributions of \$6,530,935, the net cost of services of the District is \$25,860,686 for the fiscal year ended June 30, 2015.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2015 and 2014**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	\$ 14,279,696	\$ 11,480,847	\$ 11,320,659	\$ 10,276,744
Special Education	4,393,862	4,037,621	2,617,052	2,699,272
Other Instruction	684,296	631,304	516,622	555,024
School Sponsored Activities and Athletics	949,245	841,350	937,002	761,505
Support Services				
Student and Instruction Related Services	5,537,667	5,086,264	4,535,591	4,547,468
General Administrative Services	773,459	672,470	694,550	640,531
School Administrative Services	1,906,929	1,292,750	1,567,405	1,199,713
Central and Other Support Services	760,004	660,876	691,621	632,440
Plant Operations and Maintenance	2,221,454	2,127,481	2,125,046	2,098,744
Pupil Transportation	592,189	647,292	572,526	628,556
Interest on Debt	383,236	403,744	282,612	297,980
Total	\$ 32,482,037	\$ 27,881,999	\$ 25,860,686	\$ 24,337,977

For the fiscal year ended June 30, 2015, the total cost of governmental activities reflects the implementation of the new accounting standard GASB Statement No. 68, Accounting and Financial Reporting for Pensions". The effect of implementing GASB 68 was to recognize additional pension expenses of \$2,543,981 for both the PERS and TPAF pension systems and additional state aid revenues for on-behalf TPAF pension contributions of \$2,469,202 for fiscal year 2015.

Business-Type Activities – The District's total business-type activities revenues were \$563,030 for the year ended June 30, 2015. Charges for services accounted for 92% of total revenues. Operating grants and contributions accounted for 8% of total revenue for the year.

Total cost of all business-type activities programs and services was \$510,037. The District's expenses are related to Food Service (44%), Child Care (52%), and other programs (4%) offered to District students.

Total business-type activities revenues exceeded expenses, increasing net position by 52,993, over the previous year. Food service operations decreased net position by \$10,897, child care operations increased net position by \$57,824, and the remaining increase in net position was from the other program operations which increased a combined \$6,066 from the previous year.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

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 \$6,553,794 which was an increase of \$825,162 over last year's fund balance of \$5,728,632. This increase was largely attributable to lease purchase proceeds received to finance the purchase of laptop computers for instructional use by students.

Revenues for the District's governmental funds were \$30,927,208, while total expenditures were \$31,118,351 for the fiscal year ended June 30, 2015. The District also had total other financing sources of \$1,016,305 which was the result of the lease purchase proceeds for the District's laptop computer replacement program initiated 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, 2015 and 2014:

	Fiscal		Amount of Increase (Decrease)	Percent Change
	<u>Year Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>		
Local Sources				
Property Taxes	\$ 25,657,068	\$ 24,682,977	\$ 974,091	4%
Tuition	90,416	73,533	16,883	23%
Other	204,533	114,717	89,816	78%
State Sources	<u>3,365,768</u>	<u>2,837,084</u>	<u>528,684</u>	19%
Total General Fund Revenues	<u>\$ 29,317,785</u>	<u>\$ 27,708,311</u>	<u>\$ 1,609,474</u>	6%

Total General Fund revenues increased \$1,609,474 or 6% from the previous year. Local property taxes increased by \$974,091 or 4% to finance increases in current year operating costs. There was a significant increase in State Aid revenue of \$528,684 or 19% mainly attributable to the increase in on-behalf aid for teacher pension and post retirement medical benefit contributions made by the State for the District's teaching professionals.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2015 and 2014:

	<u>Year Ended June 30,</u>		Amount of	<u>Percent</u> <u>Change</u>
	<u>2015</u>	<u>2014</u>	<u>Increase</u> <u>(Decrease)</u>	
Instruction	\$ 17,492,635	\$ 16,063,619	\$ 1,429,016	9%
Support Services	10,661,474	10,110,802	550,672	5%
Debt Service	607,426	350,202	257,224	73%
Capital Outlay	<u>484,710</u>	<u>765,931</u>	<u>(281,221)</u>	-37%
Total Expenditures	<u>\$ 29,246,245</u>	<u>\$ 27,290,554</u>	<u>\$ 1,955,691</u>	7%

Total General Fund expenditures increased \$1,955,691 or 7% from the previous year. Increases during the year were attributed to significant increase in regular education instructional costs and school administrative support service costs. In addition, debt service costs increased significantly due to the District providing for the early paydown of a number of its lease purchase agreements during the year.

For 2014-2015 General Fund revenues and other financing sources exceeded expenditures by \$1,087,845. Therefore, total fund balance increased to \$6,461,690 at June 30, 2015. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$282,672 at June 30, 2014 to \$300,908 at June 30, 2015. In addition, fund balances restricted for capital reserve increased \$710,165 to a balance of \$4,793,491, 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 budgetary expenditures increasing budgetary fund balance by \$1,148,463. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$78,854 from \$613,666 at June 30, 2014 to \$692,520 at June 30, 2015. 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 \$376,833 at June 30, 2015. These excess funds will be appropriated in the 2016/2017 budget in accordance with State budget regulations.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

CAPITAL ASSETS

At the end of the fiscal year 2015 the District had \$17,432,454 (net of accumulated depreciation) invested in land, buildings, furniture, equipment and vehicles. Depreciation expenses for fiscal year 2015 amounted to \$781,265 for governmental activities and \$3,583 for business-type activities. The following is a comparison of the June 30, 2015 and 2014 balances:

Capital Assets at June 30, 2015 and 2014						
	<u>Governmental Activities</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 1,054,125	\$ 1,054,125			\$ 1,054,125	\$ 1,054,125
Land Improvements	3,570,338	1,419,680			3,570,338	1,419,680
Buildings and Building Improvements	19,234,973	19,043,362			19,234,973	19,043,362
Machinery and Equipment	3,035,374	2,837,109	\$ 109,612	\$ 102,372	3,144,986	2,939,481
Construction in Progress	-	1,717,092	-	-	-	1,717,092
	26,894,810	26,071,368	109,612	102,372	27,004,422	26,173,740
Less Accumulated Depreciation	<u>(9,483,539)</u>	<u>(8,702,274)</u>	<u>(88,429)</u>	<u>(84,846)</u>	<u>(9,571,968)</u>	<u>(8,787,120)</u>
Total	<u>\$ 17,411,271</u>	<u>\$ 17,369,094</u>	<u>\$ 21,183</u>	<u>\$ 17,526</u>	<u>\$ 17,432,454</u>	<u>\$ 17,386,620</u>

LONG TERM LIABILITIES

At June 30, 2015 the District had long-term liabilities outstanding in the amount of \$18,096,514 consisting of bonds payable, capital leases, lease-purchase agreements, compensated absences and net pension liability. The following is a comparison of the June 30, 2015 and 2014 balances.

Outstanding Long-Term Liabilities At June 30, 2015 and 2014		
	<u>2015</u>	<u>2014</u>
Bonds Payable (Including Unamortized Premium)	\$ 10,727,471	\$ 11,415,404
Capital Leases and Lease Purchase Agreements Payable	792,274	381,505
Compensated Absences	458,888	383,602
Net Pension Liability	<u>6,117,881</u>	<u>6,053,426</u>
Total	<u>\$ 18,096,514</u>	<u>\$ 18,233,937</u>

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

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 2015-2016 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 2015-2016. Budgeted expenditures in the General Fund increased less than 4% percent to \$29,207,993 in fiscal year 2015-2016. Increases in contractual payroll and related employee health benefits are the primary reasons for the increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Park Ridge Board of Education, 2 Park Avenue, Park Ridge, NJ 07656.

DISTRICT-WIDE FINANCIAL STATEMENTS

PARK RIDGE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,024,209	\$ 567,510	\$ 7,591,719
Receivables, net	13,559	5,555	19,114
Inventories		3,124	3,124
Prepaid Items		8,461	8,461
Capital Assets, Not Being Depreciated	1,054,125		1,054,125
Capital Assets, Being Depreciated, Net	<u>16,357,146</u>	<u>21,183</u>	<u>16,378,329</u>
Total Assets	<u>24,449,039</u>	<u>605,833</u>	<u>25,054,872</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	53,959	-	53,959
Deferred Amounts on Net Pension Liability	<u>354,268</u>	<u>-</u>	<u>354,268</u>
Total Deferred Outflows of Resources	<u>408,227</u>	<u>-</u>	<u>408,227</u>
Total Assets and Deferred Outflows of Resources	<u>24,857,266</u>	<u>605,833</u>	<u>25,463,099</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	271,738	13,880	285,618
Payable to Other Governments	31,153		31,153
Accrued Interest Payable	143,351		143,351
Unearned Revenue		94,380	94,380
Noncurrent Liabilities			
Due within one year	1,101,775		1,101,775
Due beyond one year	<u>16,994,739</u>	<u>-</u>	<u>16,994,739</u>
Total Liabilities	<u>18,542,756</u>	<u>108,260</u>	<u>18,651,016</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	-	497	497
Deferred Amounts on Net Pension Liability	<u>364,592</u>	<u>-</u>	<u>364,592</u>
Total Deferred Inflows of Resources	<u>364,592</u>	<u>497</u>	<u>365,089</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,907,348</u>	<u>108,757</u>	<u>19,016,105</u>
NET POSITION			
Net Investment in Capital Assets	6,799,817	21,183	6,821,000
Restricted for			
Capital Projects	4,793,491		4,793,491
Debt Service	1		1
Unrestricted	<u>(5,643,391)</u>	<u>475,893</u>	<u>(5,167,498)</u>
Total Net Position	<u>\$ 5,949,918</u>	<u>\$ 497,076</u>	<u>\$ 6,446,994</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, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Governmental Activities							
Instruction							
Regular	\$ 14,279,696		\$ 2,959,037		\$ (11,320,659)		\$ (11,320,659)
Special Education	4,393,862	\$ 90,416	1,686,394		(2,617,052)		(2,617,052)
Other Instruction	684,296		167,674		(516,622)		(516,622)
School Sponsored Activities and Athletics	949,245		12,243		(937,002)		(937,002)
Support Services							
Student and Instruction Related Services	5,537,667		1,002,076		(4,535,591)		(4,535,591)
General Administrative Services	773,459		78,909		(694,550)		(694,550)
School Administrative Services	1,906,929		339,524		(1,567,405)		(1,567,405)
Central and Other Support Services	760,004		68,383		(691,621)		(691,621)
Plant Operations and Maintenance	2,221,454		20,359	\$ 76,049	(2,125,046)		(2,125,046)
Pupil Transportation	592,189		19,663		(572,526)		(572,526)
Interest on Debt	383,236	-	100,624	-	(282,612)	-	(282,612)
Total Governmental Activities	32,482,037	90,416	6,454,886	76,049	(25,860,686)	-	(25,860,686)
Business-Type Activities							
Food Service	224,669	171,351	42,421			\$ (10,897)	(10,897)
Child Care Program	265,433	323,257				57,824	57,824
SAT Review Program	8,566	12,950			-	4,384	4,384
Volleyball Clinic Program	1,551	1,650				99	99
Summer Music Program	3,600	3,810				210	210
Laptop Insurance Program	6,218	7,591	-	-	-	1,373	1,373
Total Business-Type Activities	510,037	520,609	42,421	-	-	52,993	52,993
Total Primary Government	\$ 32,992,074	\$ 611,025	\$ 6,497,307	\$ 76,049	(25,860,686)	52,993	(25,807,693)

18

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

Continued

**PARK RIDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Property Taxes			
Levied for General Purposes	\$ 25,657,068		\$ 25,657,068
Levied for Debt Service	787,036		787,036
Unrestricted State Aid	24,868	-	24,868
State Aid for Debt Principal	177,603		177,603
Miscellaneous Income	204,533	-	204,533
	<u>26,851,108</u>	<u>-</u>	<u>26,851,108</u>
 Total General Revenues			
	990,422	\$ 52,993	1,043,415
Change in Net Position			
Net Position Beginning of Year, (Restated)	<u>4,959,496</u>	<u>444,083</u>	<u>5,403,579</u>
Net Position End of Year	<u>\$ 5,949,918</u>	<u>\$ 497,076</u>	<u>\$ 6,446,994</u>

FUND FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<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	\$ 6,698,051	\$ 31,153	\$ 113,921	\$ 1	\$ 6,843,126
Receivables, Net					
Accounts	13,447	-	-	-	13,447
Due from Other Funds	<u>112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112</u>
Total Assets	<u>\$ 6,711,610</u>	<u>\$ 31,153</u>	<u>\$ 113,921</u>	<u>\$ 1</u>	<u>\$ 6,856,685</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 249,920		\$ 21,818		\$ 271,738
Payable to Other Governments	<u>-</u>	<u>\$ 31,153</u>	<u>-</u>	<u>-</u>	<u>31,153</u>
Total Liabilities	<u>249,920</u>	<u>31,153</u>	<u>21,818</u>	<u>-</u>	<u>302,891</u>
Fund Balances					
Restricted					
Capital Reserve	3,593,491				3,593,491
Capital Reserve - Designated for Subsequent Year's Expenditures	1,200,000				1,200,000
Emergency Reserve	241,040				241,040
Excess Surplus	376,833				376,833
Excess Surplus - Designated for Subsequent Year's Expenditures	140,051				140,051
Capital Projects			\$ 92,103		92,103
Debt Service				\$ 1	1
Assigned					
Year End Encumbrances	409,640				409,640
Designated for Subsequent Year's Expenditures	199,727				199,727
Unassigned	<u>300,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,908</u>
Total Fund Balances	<u>6,461,690</u>	<u>-</u>	<u>92,103</u>	<u>1</u>	<u>6,553,794</u>
Total Liabilities and Fund Balances	<u>\$ 6,711,610</u>	<u>\$ 31,153</u>	<u>\$ 113,921</u>	<u>\$ 1</u>	<u>\$ 6,856,685</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, 2015**

Total Fund Balances - Governmental Funds (Carried Forward)		\$ 6,553,794
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,894,810 and the accumulated depreciation is \$9,483,539.</p>		
		17,411,271
<p>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.</p>		
		53,959
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
Deferred Outflows of Resources	\$ 354,268	
Deferred Inflows of Resources	<u>(364,592)</u>	(10,324)
<p>The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is:</p>		
		(143,351)
<p>Long-term liabilities, including bonds payable, net pension liability, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Bonds Payable, Net	\$ 10,727,471	
Capital Leases	30,045	
Lease-Purchase Agreements	762,229	
Compensated Absences	458,888	
Net Pension Liability	<u>6,117,881</u>	(18,096,514)
<p>Internal service funds are used by management to charge the costs of certain special education programs to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position</p>		
		<u>181,083</u>
Net Position of Governmental Activities (Exhibit A-1)		<u>\$ 5,949,918</u>

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 25,657,068			\$ 787,036	\$ 26,444,104
Tuition	90,416				90,416
Miscellaneous	204,533	\$ 6,100	-	-	210,633
Total - Local Sources	25,952,017	6,100	-	787,036	26,745,153
State Sources	3,365,768	148,306	-	278,227	3,792,301
Federal Sources	-	389,754	-	-	389,754
Total Revenues	29,317,785	544,160	-	1,065,263	30,927,208
EXPENDITURES					
Instruction					
Regular	12,219,320	18,041			12,237,361
Special Education	3,749,255	297,601			4,046,856
Other Instruction	593,249	2,400			595,649
School-Sponsored Activities and Athletics	930,811				930,811
Support Services					
Student and Instruction Related Services	4,870,391	226,118			5,096,509
General Administrative Services	719,271				719,271
School Administrative Services	1,732,226				1,732,226
Central and Other Support Service	720,674				720,674
Plant Operations and Maintenance	2,048,448				2,048,448
Pupil Transportation	570,464				570,464
Debt Service					
Principal	605,536			680,000	1,285,536
Interest	1,890			385,263	387,153
Capital Outlay	484,710	-	\$ 262,683	-	747,393
Total Expenditures	29,246,245	544,160	262,683	1,065,263	31,118,351
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,540	-	(262,683)	-	(191,143)
OTHER FINANCING SOURCES (USES)					
Lease Purchase Proceeds	1,016,305	-	-	-	1,016,305
Total Other Financing Sources and Uses	1,016,305	-	-	-	1,016,305
Net Change in Fund Balance	1,087,845	-	(262,683)	-	825,162
Fund Balance, Beginning of Year	5,373,845	-	354,786	1	5,728,632
Fund Balance End of Year	\$ 6,461,690	\$ -	\$ 92,103	\$ 1	\$ 6,553,794

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, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 825,162

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 depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 747,393	
Depreciation Expense	<u>(781,265)</u>	(33,872)

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		76,049
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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	680,000	
Payment of Capital Leases	24,569	
Payment of Lease Purchase Agreements	<u>580,967</u>	1,285,536

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	<u>(1,016,305)</u>	(1,016,305)
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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	(11,424)	
Original Issue Premium	<u>7,933</u>	(3,491)

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

Increase in Compensated Absences, Net	(75,286)	
Increase in Pension Expense	<u>(74,779)</u>	(150,065)

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>7,408</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 990,422**

**PARK RIDGE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Business-Type Activities - Enterprise Funds</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	\$ 18,751	\$ 486,596	\$ 62,163	\$ 567,510	\$ 181,083
Intergovernmental Receivable	1,800			1,800	
Accounts Receivable- Other		3,755		3,755	
Inventories	3,124			3,124	
Prepaid Items	-	8,461	-	8,461	-
Total Current Assets	<u>23,675</u>	<u>498,812</u>	<u>62,163</u>	<u>584,650</u>	<u>181,083</u>
Capital Assets					
Equipment	94,033	15,579		109,612	
Less: Accumulated Depreciation	(77,000)	(11,429)	-	(88,429)	-
Total Capital Assets, Net	<u>17,033</u>	<u>4,150</u>	<u>-</u>	<u>21,183</u>	<u>-</u>
Total Assets	<u>40,708</u>	<u>502,962</u>	<u>62,163</u>	<u>605,833</u>	<u>181,083</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	9,705	4,175	-	13,880	
Unearned Revenue	10	86,270	8,100	94,380	-
Total Current Liabilities	<u>9,715</u>	<u>90,445</u>	<u>8,100</u>	<u>108,260</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Commodities Revenue	497	-	-	497	-
Total Liabilities and Deferred Inflow of Resources	<u>10,212</u>	<u>90,445</u>	<u>8,100</u>	<u>108,757</u>	<u>-</u>
NET POSITION					
Investment in Capital Assets	17,033	4,150		21,183	
Unrestricted	13,463	408,367	54,063	475,893	181,083
Total Net Position	<u>\$ 30,496</u>	<u>\$ 412,517</u>	<u>\$ 54,063</u>	<u>\$ 497,076</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, 2015**

	<u>Business-Type Activities - Enterprise Funds</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	\$ 171,351			\$ 171,351	
Program Fees	-	\$ 323,257	\$ 26,001	349,258	\$ -
Total Operating Revenues	<u>171,351</u>	<u>323,257</u>	<u>26,001</u>	<u>520,609</u>	<u>-</u>
OPERATING EXPENSES					
Salaries and Employee Benefits	93,036	213,880	13,151	320,067	
Cost of Sales	92,525			92,525	
Purchased Management Services	17,370			17,370	
Supplies and Materials	6,395	16,107	6,784	29,286	
Repair and Maintenance	3,586			3,586	
Miscellaneous	9,213	34,407		43,620	
Depreciation	2,544	1,039	-	3,583	-
Total Operating Expenses	<u>224,669</u>	<u>265,433</u>	<u>19,935</u>	<u>510,037</u>	<u>-</u>
Operating Income (Loss)	<u>(53,318)</u>	<u>57,824</u>	<u>6,066</u>	<u>10,572</u>	<u>-</u>
NONOPERATING REVENUES					
Federal Sources					
National School Lunch Program	30,850			30,850	
Special Milk Program	10,454			10,454	
State Sources					
State School Lunch Program	1,117	-	-	1,117	-
Total Nonoperating Revenues	<u>42,421</u>	<u>-</u>	<u>-</u>	<u>42,421</u>	<u>-</u>
Change in Net Position	(10,897)	57,824	6,066	52,993	-
Total Net Position, Beginning of Year	<u>41,393</u>	<u>354,693</u>	<u>47,997</u>	<u>444,083</u>	<u>\$ 181,083</u>
Total Net Position End of Year	<u>\$ 30,496</u>	<u>\$ 412,517</u>	<u>\$ 54,063</u>	<u>\$ 497,076</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, 2015**

	<u>Business-Type Activities - Enterprise Funds</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	\$ 171,422	\$ 306,976	\$ 34,101	\$ 512,499	-
Cash Payments for Employees' Salaries and Benefits	(93,036)	(213,880)	(19,369)	(326,285)	-
Cash Payments to Suppliers for Goods and Services	(108,931)	(43,980)	(566)	(153,477)	-
Net Cash Provided by (Used for) Operating Activities	(30,545)	49,116	14,166	32,737	-
Cash Flows from Noncapital Financing Activities					
Cash Received from State and Federal Subsidy Reimbursements	29,179	-	-	29,179	-
Net Cash Provided by Noncapital Financing Activities	29,179	-	-	29,179	-
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(7,240)	-	-	(7,240)	-
Net Cash (Used for) Capital and Related Financing Activities	(7,240)	-	-	(7,240)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(8,606)	49,116	14,166	54,676	-
Cash and Cash Equivalents, Beginning of Year	27,357	437,480	47,997	512,834	\$ 181,083
Cash and Cash Equivalents, End of Year	\$ 18,751	\$ 486,596	\$ 62,163	\$ 567,510	\$ 181,083
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ (53,318)	\$ 57,824	\$ 6,066	\$ 10,572	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	2,544	1,039		3,583	
Non-Cash Assistance - Food Distribution Program	13,400			13,400	
Change in Assets, Liabilities and Deferred Inflows					
(Increase)/Decrease in Accounts Receivable	61	4,077		4,138	-
(Increase)/Decrease in Inventories	757			757	
(Increase)/Decrease in Prepaid Items		2,857		2,857	
Increase/(Decrease) in Accounts Payable	6,456	3,677		10,133	-
Increase/(Decrease) in Unearned Revenues	10	(20,358)	8,100	(12,248)	-
Increase/(Decrease) in Deferred Commodities Revenue	(455)	-	-	(455)	-
Total Adjustments	22,773	(8,708)	8,100	22,165	-
Net Cash Provided by (Used for) Operating Activities	\$ (30,545)	\$ 49,116	\$ 14,166	\$ 32,737	\$ -
Non-Cash Investing, Capital and Financing Activities:					
Value Received - Food Distribution Program	\$ 12,945				

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, 2015**

	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	\$ 231,197	\$ 78,053	\$ 25,941	\$ 7,699	\$ 111,974
Investments	-	41,965	-	-	-
Due From Other Funds	6,590	-	-	-	-
Total Assets	<u>\$ 237,787</u>	<u>\$ 120,018</u>	<u>\$ 25,941</u>	<u>\$ 7,699</u>	<u>\$ 111,974</u>
LIABILITIES					
Payroll Deductions and Withholdings					\$ 28,775
Intergovernmental Payable-State	\$ 499				
Due to Student Groups					76,497
Due to Other Funds	-	-	-	-	6,702
Total Liabilities	<u>499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 111,974</u>
NET POSITION					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 237,288</u>	<u>\$ 120,018</u>	<u>\$ 25,941</u>	<u>\$ 7,699</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, 2015**

	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	\$ 24,019			
Private	-	\$ 5,000	-	\$ 12,829
Total Contributions	<u>24,019</u>	<u>5,000</u>	<u>-</u>	<u>12,829</u>
Investment Earnings				
Interest	797	113	\$ 99	32
Dividends	-	<u>1,093</u>	-	-
Total Investment Earnings	<u>797</u>	<u>1,206</u>	<u>99</u>	<u>32</u>
Add: Net Increase in the Fair Value of Investments	-	<u>486</u>	-	-
Net Investment Earnings	<u>797</u>	<u>1,692</u>	<u>99</u>	<u>32</u>
Total Additions	<u>24,816</u>	<u>6,692</u>	<u>99</u>	<u>12,861</u>
DEDUCTIONS				
Scholarship Awards				
Unemployment Claims and Contributions	19,722			
School Sponsored Activities and Athletics		7,750		17,601
Donated Services	-	-	<u>4,764</u>	-
Total Deductions	<u>19,722</u>	<u>7,750</u>	<u>4,764</u>	<u>17,601</u>
Change in Net Position	5,094	(1,058)	(4,665)	(4,740)
Net Position, Beginning of the Year	<u>232,194</u>	<u>121,076</u>	<u>30,606</u>	<u>12,439</u>
Net Position, End of the Year	<u>\$ 237,288</u>	<u>\$ 120,018</u>	<u>\$ 25,941</u>	<u>\$ 7,699</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, 2015**

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 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. 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.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The 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. Fiduciary funds are excluded from the district-wide financial statements.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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.

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

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 before and after school and 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 that are restricted, committed or assigned for 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, 2015**

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 teaching and recreation after school ("EXTRAS") program which provides daycare and recreation services for elementary students in grade K through 6.

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

The *SAT review program fund* accounts for the activities of the 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".

Reclassifications

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

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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.

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.

E. Assets, Liabilities, Deferred Outflows/Inflows 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.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. The amount of unused commodities at year-end is reported as deferred inflows of resources.

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.

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	10-20
Machinery and Equipment	10-20

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on net pension liability which are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Pensions

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

9. 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. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. 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 gross of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

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 designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget 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.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Excess Surplus - Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 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 2015/2016 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, unrestricted state aid, investment earnings and miscellaneous revenues.

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 revenues are 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 2013-2014 and 2014-2015 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, of the before and after school program enterprise fund, the various non major enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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.

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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$522,410. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board approved additional fund balance appropriations of \$105,724 from the general fund on June 15, 2015.

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.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 4,083,326
Increases	
Deposits Approved by Board Resolution	1,100,000
Unexpended Withdrawals Returned	<u>810,165</u>
	5,993,491
Withdrawals	
Approved in District Budget	<u>1,200,000</u>
Balance, June 30, 2015	<u>\$ 4,793,491</u>

At June 30, 2015, \$1,200,000 of the capital reserve balance was designated and appropriated in the 2015/2016 original budget certified for taxes. 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. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district’s General Fund budget as certified for taxes up to a maximum of \$1,000,000.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 241,040
Balance, June 30, 2015	<u>\$ 241,040</u>

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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, 2015 is \$516,884. Of this amount, \$140,051 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$376,833 will be appropriated in the 2016/2017 original budget certified for taxes.

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 are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$8,046,583 and bank and brokerage firm balances of the Board’s deposits amounted to \$8,482,638. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 8,431,506
Uninsured and Collateralized	<u>51,132</u>
	<u>\$ 8,482,638</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2015 the Board’s bank balance of \$51,132 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>51,132</u>

Investments

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

As of June 30, 2015, the Board had the following investments:

<u>Investment:</u>	<u>Fair Value</u>
U.S. Government Securities	
Vanguard Wellington Fund	\$ <u>41,965</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, 2015, \$41,965 of the Board’s investments was exposed to custodial credit risk as follows:

<u>Investment:</u>	<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>41,965</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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 was 100% of its investments in the Vanguard Wellington Fund in accordance with a trust agreement between the District and the donor of funds.

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

Investments and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2015 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	Food <u>Service</u>	Before and After School <u>Program</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State		\$ 59		\$ 59
Federal		1,741		1,741
Accounts	\$ 13,447	61	\$ 5,986	19,494
Gross Receivables	13,447	1,861	5,986	21,294
Less: Allowance for Uncollectibles	-	(61)	(2,231)	(2,292)
Net Total Receivables	<u>\$ 13,447</u>	<u>\$ 1,800</u>	<u>\$ 3,755</u>	<u>\$ 19,002</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,054,125	-		\$ 1,054,125
Construction in Progress	1,717,092	\$ 433,566	\$ (2,150,658)	-
Total Capital Assets, Not Being Depreciated	<u>2,771,217</u>	<u>433,566</u>	<u>(2,150,658)</u>	<u>1,054,125</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,419,680	2,150,658		3,570,338
Buildings and Building Improvements	19,043,362	191,611	-	19,234,973
Machinery and Equipment	2,837,109	198,265	-	3,035,374
Total Capital Assets Being Depreciated	<u>23,300,151</u>	<u>2,540,534</u>	<u>-</u>	<u>25,840,685</u>
Less Accumulated Depreciation for:				
Land Improvements	(795,856)	(208,516)		(1,004,372)
Buildings and Building Improvements	(5,333,174)	(430,609)		(5,763,783)
Machinery and Equipment	(2,573,244)	(142,140)	-	(2,715,384)
Total Accumulated Depreciation	<u>(8,702,274)</u>	<u>(781,265)</u>	<u>-</u>	<u>(9,483,539)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,597,877</u>	<u>1,759,269</u>	<u>-</u>	<u>16,357,146</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,369,094</u>	<u>\$ 2,192,835</u>	<u>\$ (2,150,658)</u>	<u>\$ 17,411,271</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 102,372	\$ 7,240	-	\$ 109,612
Total Capital Assets Being Depreciated	<u>102,372</u>	<u>7,240</u>	<u>-</u>	<u>109,612</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(84,846)	(3,583)	-	(88,429)
Total Accumulated Depreciation	<u>(84,846)</u>	<u>(3,583)</u>	<u>-</u>	<u>(88,429)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,526</u>	<u>3,657</u>	<u>-</u>	<u>21,183</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,526</u>	<u>\$ 3,657</u>	<u>\$ -</u>	<u>\$ 21,183</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:	
Instruction	
Regular	\$ 545,796
Special Education	44,805
	<hr/>
Total Instruction	590,601
Support Services	
Students and Instruction Related Services	8,886
General Administrative Services	12,240
School Administrative Services	4,068
Plant Operations and Maintenance	149,101
Pupil Transportation	16,369
	<hr/>
Total Support Services	190,664
Total Depreciation Expense - Governmental Activities	<u>\$ 781,265</u>
Business-Type Activities:	
Food Service Fund	\$ 2,544
Before and After School Program Fund	1,039
	<hr/>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,583</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	\$ 112
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>6,590</u>
Total		<u>\$ 6,702</u>

The above balances are the result of revenues earned or deposited 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 \$1,016,305 under a lease purchase agreement for a term of 4 years.

The capital assets acquired through capital leases are as follows:

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

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Capital Leases</u>	<u>Lease Purchase Agreements</u>	
2016	\$ 26,462	\$ -	\$ 26,462
2017	4,409	254,075	258,484
2018	-	254,077	254,077
2019	-	<u>254,077</u>	<u>254,077</u>
Total minimum lease payments	30,871	762,229	793,100
Less: amount representing interest	<u>(826)</u>	<u>-</u>	<u>(826)</u>
Present value of minimum lease payments	<u>\$ 30,045</u>	<u>\$ 762,229</u>	<u>\$ 792,274</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities 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, 2015 are comprised of the following issues:

\$7,524,000, 2010 Bonds, due in annual installments of \$305,000 to \$554,000 through August 15, 2030, interest at 3.25% to 4.00%	\$6,679,000
\$2,155,000, 2010 Refunding Bonds, due in annual installments of \$190,000 to \$210,000 through August 1, 2022, interest at 3.13% to 4.25%	1,625,000
\$3,141,000, 2010 Bonds, due in annual installments of \$200,000 to \$231,000 through August 15, 2023, interest at 2.00% to 4.00%	<u>2,386,000</u>
Total	<u>\$10,690,000</u>

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	755,000	298,413	1,053,413
2020	775,000	272,563	1,047,563
2021-2025	3,755,000	956,532	4,711,532
2026-2030	2,691,000	366,805	3,057,805
2031	<u>554,000</u>	<u>11,080</u>	<u>565,080</u>
	<u>\$ 10,690,000</u>	<u>\$ 2,937,750</u>	<u>\$ 13,627,750</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4 % of Equalized Valuation Basis (Municipal)	\$ 70,099,412
Less: Net Debt (Including Authorized But Not Issued Debt)	<u>10,690,713</u>
Remaining Borrowing Power	<u>\$ 59,408,699</u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 (Restated)	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, 2015	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 11,370,000		\$ 680,000	\$ 10,690,000	\$ 695,000
Add:					
Unamortized Premium on Refunding	<u>45,404</u>	<u>-</u>	<u>7,933</u>	<u>37,471</u>	<u>-</u>
Bonds Payable, Net	11,415,404	-	687,933	10,727,471	695,000
Capital Leases	54,614		24,569	30,045	26,660
Lease Purchase Agreements	326,891	\$ 1,016,305	580,967	762,229	-
Compensated Absences	383,602	294,587	219,301	458,888	100,000
Net Pension Liability	<u>6,053,426</u>	<u>64,455</u>	<u>-</u>	<u>6,117,881</u>	<u>280,115</u>
Governmental Activity Long-Term Liabilities	<u>\$ 18,233,937</u>	<u>\$ 1,375,347</u>	<u>\$ 1,512,770</u>	<u>\$ 18,096,514</u>	<u>\$ 1,101,775</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, the liabilities for capital leases, lease purchase agreements, compensated absences and net pension liability are generally liquidated by the General Fund.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation and provides various types of 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 insurance fund attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the 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:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	None	\$ 24,019	\$ 19,722	\$ 237,288
2014	None	51,569	44,602	232,194
2013	None	11,134	11,899	224,082

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

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, 2015, 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, 2015, the District had no estimated arbitrage earnings due to the IRS.

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. PERS is a cost sharing multi-employer defined benefit pension plan.

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. TPAF is a cost sharing plan with special funding situations.

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

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 but are currently suspended as a result of reform legislation.

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.

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. 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 or at www.state.nj.us/treasury/doinvest.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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 funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 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) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 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 6.9% for PERS, 6.9% 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 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 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.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2015, 2014 and 2013 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>
2015	\$ 269,378	\$ 635,532	\$ -
2014	238,653	456,697	-
2013	230,073	708,173	2,835

For fiscal years 2014/2015 and 2012/2013, the state contributed \$635,532, and \$708,173, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$456,697 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$832,625 during the fiscal year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$6,117,881 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was .03268 percent, which was an increase of .00101 percent from its proportionate share measured as of June 30, 2013.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$344,157 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 192,379	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 364,592
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>161,889</u>	<u>-</u>
Total	<u>\$ 354,268</u>	<u>\$ 364,592</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (26,025)
2017	(26,025)
2018	(26,025)
2019	(26,025)
2020	65,123
Thereafter	<u>28,653</u>
	<u>\$ (10,324)</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,104,734 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$57,698,736. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial Assumptions were Based	June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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 classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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, 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-Local 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 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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 paid 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 paid 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 state 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, 2015**

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, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes 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 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 or 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, 2013, OPEB 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, 2015**

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, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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 fiscal years ended June 30, 2015, 2014 and 2013 were \$1,008,908, \$748,811 and \$800,766, 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, 2014, the Park Ridge Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". The Park Ridge Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$6,053,426. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$11,012,922 as originally reported to \$4,959,496 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 25,657,068	-	\$ 25,657,068	\$ 25,657,068	\$ -
Tuition from Other LEA's	71,000	-	71,000	46,916	(24,084)
Tuition from Individuals			-	43,500	43,500
Interest Earned on Capital Reserve Funds	1	-	1		(1)
Miscellaneous	169,000	-	169,000	204,533	35,533
Total Local Sources	<u>25,897,069</u>	<u>-</u>	<u>25,897,069</u>	<u>25,952,017</u>	<u>54,948</u>
State Sources					
Extraordinary Aid	194,261	-	194,261	371,723	177,462
Special Education Aid	512,439	-	512,439	512,439	-
Security Aid	19,950	-	19,950	19,950	-
Transportation Aid	19,269	-	19,269	19,269	-
PARCC Readiness Aid	12,970	-	12,970	12,970	-
Per Pupil Growth Aid	12,970	-	12,970	12,970	-
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)		-		592,877	592,877
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)		-		42,655	42,655
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)		-		1,008,908	1,008,908
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	832,625	832,625
Total State Sources	<u>771,859</u>	<u>-</u>	<u>771,859</u>	<u>3,426,386</u>	<u>2,654,527</u>
Total Revenues	<u>26,668,928</u>	<u>-</u>	<u>26,668,928</u>	<u>29,378,403</u>	<u>2,709,475</u>
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers					
Kindergarten	385,743	\$ (41,192)	344,551	343,137	1,414
Grades 1-5	2,787,404	66,302	2,853,706	2,852,077	1,629
Grades 6-8	1,271,730	(137,302)	1,134,428	1,130,731	3,697
Grades 9-12	3,083,580	138,101	3,221,681	3,215,676	6,005
Regular Programs-Home Instruction					
Salaries of Teachers	18,000	(8,985)	9,015	9,015	-
Regular Programs-Undistributed Instruction					
Purchased Technical Services	29,550	(915)	28,635	7,902	20,733
Other Purchased Services	108,710	(38,331)	70,379	44,037	26,342
General Supplies	480,665	542,737	1,023,402	891,496	131,906
General Supplies - Acquired Under Lease Purchase (Nonbudget)				1,016,305	(1,016,305)
Textbooks	54,937	(3,375)	51,562	32,070	19,492
Other Objects	26,675	(6,600)	20,075	6,245	13,830
Total Regular Programs	<u>8,246,994</u>	<u>510,440</u>	<u>8,757,434</u>	<u>9,548,691</u>	<u>(791,257)</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	322,888	(4,943)	317,945	316,182	1,763
Other Salaries for Instruction	53,530	-	53,530	53,145	385
General Supplies	1,750	3,843	5,593	5,144	449
Total Learning and/or Language Disabilities	<u>378,168</u>	<u>(1,100)</u>	<u>377,068</u>	<u>374,471</u>	<u>2,597</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 949,110	\$ 18,025	\$ 967,135	\$ 967,134	\$ 1
General Supplies	2,808	(343)	2,465	1,808	657
Total Resource Room/Resource Center	<u>951,918</u>	<u>17,682</u>	<u>969,600</u>	<u>968,942</u>	<u>658</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	168,514	(1,200)	167,314	167,200	114
Other Salaries for Instruction	71,038	(11,500)	59,538	56,534	3,004
General Supplies	2,000	3,700	5,700	3,772	1,928
Total Preschool Disabilities - Part-Time	<u>241,552</u>	<u>(9,000)</u>	<u>232,552</u>	<u>227,506</u>	<u>5,046</u>
Total Special Education	<u>1,571,638</u>	<u>7,582</u>	<u>1,579,220</u>	<u>1,570,919</u>	<u>8,301</u>
Basic Skills/Remedial					
Salaries of Teachers	271,652	-	271,652	270,262	1,390
General Supplies	2,948	(550)	2,398	1,614	784
Total Basic Skills/Remedial	<u>274,600</u>	<u>(550)</u>	<u>274,050</u>	<u>271,876</u>	<u>2,174</u>
Bilingual Education					
Salaries of Teachers	168,211	(14,000)	154,211	154,058	153
General Supplies	400	(52)	348	115	233
Total Bilingual Education	<u>168,611</u>	<u>(14,052)</u>	<u>154,559</u>	<u>154,173</u>	<u>386</u>
School Sponsored Cocurricular Activities					
Salaries	196,582	-	196,582	190,684	5,898
Other Objects	33,200	(8,430)	24,770	23,225	1,545
Total School Sponsored Cocurricular Activities	<u>229,782</u>	<u>(8,430)</u>	<u>221,352</u>	<u>213,909</u>	<u>7,443</u>
School Sponsored Athletics					
Salaries	317,281	12,450	329,731	329,100	631
Purchased Services	74,928	80	75,008	71,757	3,251
Supplies and Materials	55,946	(2,678)	53,268	52,994	274
Other Objects	25,830	-	25,830	17,338	8,492
Total School Sponsored Athletics	<u>473,985</u>	<u>9,852</u>	<u>483,837</u>	<u>471,189</u>	<u>12,648</u>
Other Instructional Programs					
Salaries	35,700	-	35,700	31,432	4,268
Total Other Instructional Programs	<u>35,700</u>	<u>-</u>	<u>35,700</u>	<u>31,432</u>	<u>4,268</u>
Total Instruction	<u>11,001,310</u>	<u>504,842</u>	<u>11,506,152</u>	<u>12,262,189</u>	<u>(756,037)</u>
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Special	237,202	(100,128)	137,074	121,603	15,471
Tuition to County Vocational Schools-Regular	237,825	49,300	287,125	276,332	10,793
Tuition to CSSD and Regional Day Schools	448,719	(40,180)	408,539	408,529	10
Tuition to Priv. Sch. for the Disabled-Within State	1,328,088	(330,475)	997,613	885,321	112,292
Tuition to Priv. Sch For the Disabled-O/S State	-	148,754	148,754	148,718	36
Total Undistributed Expenditures- Instruction	<u>2,251,834</u>	<u>(272,729)</u>	<u>1,979,105</u>	<u>1,840,503</u>	<u>138,602</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 229,821	\$ 4,656	\$ 234,477	\$ 234,477	\$ -
Purchased Professional/Technical Services	5,000	-	5,000	5,000	-
Other Purchased Services	2,700	2,600	5,300	4,713	587
Supplies and Materials	7,373	186	7,559	7,244	315
Total Health Services	244,894	7,442	252,336	251,434	902
Other Support Services-Students-Speech, OT, PT & Related Services					
Salaries	234,259	(2,156)	232,103	220,032	12,071
Supplies and Materials	2,000	1,500	3,500	3,353	147
Total Other Support Services-Students-Speech, OT, PT & Related Serv	236,259	(656)	235,603	223,385	12,218
Other Support Services-Students-Extra Serv					
Salaries	643,045	124,000	767,045	750,077	16,968
Other Objects	78,860	-	78,860	59,801	19,059
Total Other Support Services-Students-Extra Serv	721,905	124,000	845,905	809,878	36,027
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	332,274	(19,101)	313,173	311,113	2,060
Salaries of Secretarial and Clerical Assistants	48,437	959	49,396	49,394	2
Other Purchased Services	400	-	400	-	400
Supplies and Materials	9,437	440	9,877	3,676	6,201
Other Objects	8,260	-	8,260	3,368	4,892
Total Other Support Services-Students-Guidance	398,808	(17,702)	381,106	367,551	13,555
Other Support Services-Students-Child Study Teams					
Salaries of Other Professional Staff	831,741	(109,501)	722,240	721,912	328
Salaries of Secretarial and Clerical Assistants	50,587	24,190	74,777	74,777	-
Purchased Professional/Educational Services	754,723	(18,614)	736,109	578,237	157,872
Other Purchased Services	1,158	-	1,158	532	626
Supplies and Materials	21,105	10,718	31,823	26,256	5,567
Other Objects	3,525	1,100	4,625	4,525	100
Total Other Support Services-Students-Child Study Teams	1,662,839	(92,107)	1,570,732	1,406,239	164,493
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	130,893	(1,127)	129,766	128,728	1,038
Supplies and Materials	1,224	100	1,324	911	413
Other Objects	10,350	(100)	10,250	8,459	1,791
Total Improvement of Instructional Services	142,467	(1,127)	141,340	138,098	3,242
Educational Media/School Library					
Salaries	365,269	10,642	375,911	375,911	-
Other Purchased Services	22,000	6,000	28,000	15,562	12,438
Supplies and Materials	44,820	21,426	66,246	58,738	7,508
Total Educational Media/School Library	432,089	38,068	470,157	450,211	19,946

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 133,480	\$ (133,480)			\$ -
Salaries of Other Professional Staff	13,545	(4,000)	\$ 9,545		9,545
Salaries of Secretarial/Clerical Assistants	50,587	-	50,587	\$ 50,355	232
Other Purchased Services	46,035	1,793	47,828	29,105	18,723
Other Objects	3,025	(150)	2,875	-	2,875
Total Instructional Staff Training Services	<u>246,672</u>	<u>(135,837)</u>	<u>110,835</u>	<u>79,460</u>	<u>31,375</u>
Support Services- General Administration					
Salaries	334,379	1,500	335,879	335,835	44
Legal Services	75,000	5,543	80,543	59,227	21,316
Audit Fees	27,800	44,400	72,200	30,335	41,865
Architectural / Engineering Services	24,000	34,900	58,900	25,762	33,138
Other Purchased Professional Services	32,300	(150)	32,150	31,379	771
Communications/Telephone	52,700	4,275	56,975	34,666	22,309
Misc Purchased Services	9,000	-	9,000	1,455	7,545
General Supplies	5,450	-	5,450	1,682	3,768
Judgements Against the School		29,144	29,144	29,144	-
Miscellaneous Expenditures	20,690	(2,529)	18,161	12,966	5,195
BOE Membership Dues and Fees	17,521	60	17,581	14,585	2,996
Total Support Services- General Administration	<u>598,840</u>	<u>117,143</u>	<u>715,983</u>	<u>577,036</u>	<u>138,947</u>
Support Services- School Administration					
Salaries of Principals/Assistant Principals/Program Directors	584,421	287,264	871,685	871,685	-
Salaries of Secretarial and Clerical Assistants	355,543	(2,117)	353,426	353,426	-
Other Purchased Services	9,950	31	9,981	6,879	3,102
Supplies and Materials	18,100	-	18,100	13,884	4,216
Other Objects	10,040	228	10,268	5,594	4,674
Total Support Services- School Administration	<u>978,054</u>	<u>285,406</u>	<u>1,263,460</u>	<u>1,251,468</u>	<u>11,992</u>
Central Services					
Salaries	411,027	-	411,027	410,795	232
Purchased Technical Services	32,600	-	32,600	30,596	2,004
Misc. Purchased Services	2,650	(505)	2,145	833	1,312
Supplies and Materials	9,175	(500)	8,675	7,619	1,056
Miscellaneous Expenditures	1,925	1,005	2,930	2,766	164
Total Central Services	<u>457,377</u>	<u>-</u>	<u>457,377</u>	<u>452,609</u>	<u>4,768</u>
Admin. Info. Technology					
Other Purchased Services	38,000	41,878	79,878	52,785	27,093
Supplies and Materials	49,800	4,394	54,194	51,718	2,476
Other Objects	-	5,500	5,500	3,014	2,486
Total Admin. Info. Technology	<u>87,800</u>	<u>51,772</u>	<u>139,572</u>	<u>107,517</u>	<u>32,055</u>
Required Maintenance for School Facilities					
Salaries	218,387	3,716	222,103	216,586	5,517
Cleaning, Repair and Maintenance Services	69,000	(4,250)	64,750	53,652	11,098
General Supplies	50,500	45,410	95,910	92,957	2,953
Total Required Maintenance for School Facilities	<u>337,887</u>	<u>44,876</u>	<u>382,763</u>	<u>363,195</u>	<u>19,568</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 534,244	\$ (6,151)	\$ 528,093	\$ 527,672	\$ 421
Salaries of Non-Instructional Aides	84,947	(13,099)	71,848	65,263	6,585
Purchased Professional/Technical Services	24,080	(942)	23,138	23,133	5
Cleaning, Repair and Maintenance Services	50,612	(2,152)	48,460	48,135	325
Rental of Land & Bldg. Other than Lease Purchase Agreement	10,800	772	11,572	11,340	232
Other Purchased Property Services	51,200	13,769	64,969	63,902	1,067
Insurance	178,950	-	178,950	173,891	5,059
Miscellaneous Purchased Services	23,874	(6,747)	17,127	15,866	1,261
General Supplies	66,420	71,791	138,211	131,285	6,926
Energy (Electricity)	175,650	6,000	181,650	176,286	5,364
Energy (Natural Gas)	350,875	(212,125)	138,750	99,749	39,001
Total Custodial Services	<u>1,551,652</u>	<u>(148,884)</u>	<u>1,402,768</u>	<u>1,336,522</u>	<u>66,246</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	74,890	(10,674)	64,216	60,754	3,462
Total Care and Upkeep of Grounds	<u>74,890</u>	<u>(10,674)</u>	<u>64,216</u>	<u>60,754</u>	<u>3,462</u>
Salaries for Pupil Transportation (Other Than Between Home and School)	51,086	17,929	69,015	69,014	1
Contracted Services(Other Than Between Home and School)-Vendors	82,100	(20,145)	61,955	25,898	36,057
Contracted Services(Spec. Ed Students)-Vendors	69,000	2,985	71,985	55,272	16,713
Contracted Services(Spec. Ed Students)- Joint Agreements	639,000	-	639,000	393,473	245,527
Total Student Transportation Services	<u>841,186</u>	<u>769</u>	<u>841,955</u>	<u>543,657</u>	<u>298,298</u>
Unallocated Employee Benefits					
Social Security Contributions	343,870	-	343,870	329,582	14,288
Other Retirement Contributions - PERS	300,548	(31,170)	269,378	269,378	-
Workers Compensation	160,465	-	160,465	146,432	14,033
Health Benefits	3,886,524	(344,820)	3,541,704	2,991,403	550,301
Tuition Reimbursement	22,000	-	22,000	5,499	16,501
Other Employee Benefits	14,884	-	14,884	9,819	5,065
Total Unallocated Employee Benefits	<u>4,728,291</u>	<u>(375,990)</u>	<u>4,352,301</u>	<u>3,752,113</u>	<u>600,188</u>
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)				592,877	(592,877)
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				42,655	(42,655)
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)				1,008,908	(1,008,908)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	832,625	(832,625)
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,477,065</u>	<u>(2,477,065)</u>
Total Undistributed Expenditures	<u>15,993,744</u>	<u>(386,230)</u>	<u>15,607,514</u>	<u>16,488,695</u>	<u>(881,181)</u>
Total Current Expenditures	<u>26,995,054</u>	<u>118,612</u>	<u>27,113,666</u>	<u>28,750,884</u>	<u>(1,637,218)</u>

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Admin. Info. Tech	\$ 3,000	\$ 3,613	\$ 6,613	\$ 6,613	-
School Buses - Regular	-	98,134	98,134	98,134	-
Custodial Services	-	16,465	16,465	16,465	-
Required Maint. For School Facilities	-	116,348	116,348	10,674	\$ 105,674
Total Equipment	<u>3,000</u>	<u>234,560</u>	<u>237,560</u>	<u>131,886</u>	<u>105,674</u>
Facilities Acquisition and Construction Services					
Construction Services	1,200,000	20,280	1,220,280	333,574	886,706
Land and Improvements		19,250	19,250	19,250	-
Assessment for Debt Service on SDA Funding	10,651	-	10,651	10,651	-
Total Facilities Acquisition and Construction Services	<u>1,210,651</u>	<u>39,530</u>	<u>1,250,181</u>	<u>363,475</u>	<u>886,706</u>
Interest Deposit to Capital Reserve	1	-	1	-	1
Total Capital Outlay	<u>1,213,652</u>	<u>274,090</u>	<u>1,487,742</u>	<u>495,361</u>	<u>992,381</u>
Total Expenditures	<u>28,208,706</u>	<u>392,702</u>	<u>28,601,408</u>	<u>29,246,245</u>	<u>(644,837)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,539,778)</u>	<u>(392,702)</u>	<u>(1,932,480)</u>	<u>132,158</u>	<u>2,064,638</u>
Other Financing Sources / (Uses)					
Lease Purchase Proceeds	-	-	-	1,016,305	1,016,305
Total Other Financing Sources / (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,016,305</u>	<u>1,016,305</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,539,778)</u>	<u>(392,702)</u>	<u>(1,932,480)</u>	<u>1,148,463</u>	<u>3,080,943</u>
Fund Balances, Beginning of Year	<u>5,704,839</u>	<u>-</u>	<u>5,704,839</u>	<u>5,704,839</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 4,165,061</u>	<u>\$ (392,702)</u>	<u>\$ 3,772,359</u>	<u>\$ 6,853,302</u>	<u>\$ 3,080,943</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 3,593,491	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,200,000	
Emergency Reserve				241,040	
Reserved Excess Surplus				376,833	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				140,051	
Assigned Fund Balance					
Year End Encumbrances				409,640	
Designated for Subsequent Year's Expenditures				199,727	
Unassigned Fund Balance				<u>692,520</u>	
Fund Balance - Budgetary Basis				6,853,302	
Reconciliation to Governmental Fund Statements (GAAP)					
2014/2015 State Aid Not Recognized on a GAAP Basis				<u>(391,612)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,461,690</u>	

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget Actual</u>
REVENUES					
Intergovernmental					
State		\$ 148,306	\$ 148,306	\$ 148,306	\$ -
Federal	\$ 320,169	69,585	389,754	389,754	-
Local	94,283	(88,183)	6,100	6,100	-
	<u>414,452</u>	<u>129,708</u>	<u>544,160</u>	<u>544,160</u>	<u>-</u>
Total Revenues	<u>414,452</u>	<u>129,708</u>	<u>544,160</u>	<u>544,160</u>	<u>-</u>
EXPENDITURES					
Instruction					
Tuition	279,143	16,268	295,411	295,411	-
General Supplies		10,894	10,894	10,894	-
Textbooks	18,000	(6,263)	11,737	11,737	-
	<u>297,143</u>	<u>20,899</u>	<u>318,042</u>	<u>318,042</u>	<u>-</u>
Total Instruction	<u>297,143</u>	<u>20,899</u>	<u>318,042</u>	<u>318,042</u>	<u>-</u>
Support Services					
Other Salaries	20,526	(8,882)	11,644	11,644	-
Purchased Professional/Educational Services	52,000	68,323	120,323	120,323	-
Purchased Professional and Technical Service	44,783	39,366	84,149	84,149	-
Other Purchased Services		6,111	6,111	6,111	-
Supplies and Materials	-	3,000	3,000	3,000	-
Miscellaneous Expenses	-	-	-	-	-
	<u>117,309</u>	<u>107,918</u>	<u>225,227</u>	<u>225,227</u>	<u>-</u>
Total Support Services	<u>117,309</u>	<u>107,918</u>	<u>225,227</u>	<u>225,227</u>	<u>-</u>
Unallocated Employee Benefits	-	891	891	891	-
	<u>-</u>	<u>891</u>	<u>891</u>	<u>891</u>	<u>-</u>
Total Unallocated Employee Benefits	<u>-</u>	<u>891</u>	<u>891</u>	<u>891</u>	<u>-</u>
	<u>414,452</u>	<u>129,708</u>	<u>544,160</u>	<u>544,160</u>	<u>-</u>
Total Expenditures	<u>414,452</u>	<u>129,708</u>	<u>544,160</u>	<u>544,160</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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).	\$ 29,378,403	\$ 544,160
Difference - Budget to GAAP:		
State aid payments recognized for GAAP purposes, not recognized for budgetary purposes - June 30, 2014	330,994	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes - June 30, 2015	<u>(391,612)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 29,317,785</u>	<u>\$ 544,160</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (Exhibit C-1, C-2)	<u>\$ 29,246,245</u>	<u>\$ 544,160</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 29,246,245</u>	<u>\$ 544,160</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Two Fiscal Years*

	2015	2014
District's Proportion of the Net Position Liability (Asset)	.03268	.03167
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,117,881	\$ 6,053,426
District's Covered-Employee Payroll	\$ 2,219,849	\$ 2,221,409
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	275.60%	272.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 269,378	\$ 238,653
Contributions in Relation to the Contractually Required Contribution	<u>269,378</u>	<u>238,653</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,219,849	\$ 2,221,409
Contributions as a Percentage of Covered-Employee Payroll	12.13%	10.74%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Two Fiscal Years*

	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 57,698,736</u>	<u>\$ 55,389,935</u>
Total	<u>\$ 57,698,736</u>	<u>\$ 55,389,935</u>
District's Covered-Employee Payroll	\$ 11,401,726	\$ 11,101,579
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Local Grants	IDEA		Chapter 192	Chapter 193			Total Exhibit E-1A
		Part B Basic	Preschool Program	Comprehensive Education	Examination/ Classification	Corrective Speech	Supplemental Instruction	
REVENUES								
State				\$ 32,070	\$ 43,225	\$ 3,269	\$ 14,046	\$ 92,610
Federal		\$ 329,691	\$ 20,437					350,128
Local	\$ 6,100	-	-	-	-	-	-	6,100
Total Revenues	\$ 6,100	\$ 329,691	\$ 20,437	\$ 32,070	\$ 43,225	\$ 3,269	\$ 14,046	\$ 448,838
EXPENDITURES								
Instruction								
Tuition		\$ 277,164	\$ 18,247					295,411
General Supplies			2,190					2,190
Textbooks	-	-	-	-	-	-	-	-
Total Instruction	-	277,164	20,437	-	-	-	-	297,601
Support Services								
Other Salaries								-
Personal Services - Employee Benefits								-
Purchased Professional Education Services	\$ 3,100	52,527		\$ 32,070			\$ 14,046	101,743
Purchased Professional and Technical Services					\$ 43,225	\$ 3,269		46,494
Supplies and Materials	3,000	-	-	-	-	-	-	3,000
Total Support Services	6,100	52,527	-	32,070	43,225	3,269	14,046	151,237
Total Expenditures	\$ 6,100	\$ 329,691	\$ 20,437	\$ 32,070	\$ 43,225	\$ 3,269	\$ 14,046	\$ 448,838

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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>Total per Exhibit E-1A</u>	<u>Total Exhibit E-1B</u>
REVENUES								
State				\$ 11,737	\$ 37,655	\$ 6,304	\$ 92,610	\$ 148,306
Federal	\$ 21,912	\$ 12,535	\$ 5,179				350,128	389,754
Local	-	-	-	-	-	-	6,100	6,100
Total Revenues	<u>\$ 21,912</u>	<u>\$ 12,535</u>	<u>\$ 5,179</u>	<u>\$ 11,737</u>	<u>\$ 37,655</u>	<u>\$ 6,304</u>	<u>448,838</u>	<u>\$ 544,160</u>
EXPENDITURES								
Instruction								
Tuition	-	-	-	-	-	-	\$ 295,411	\$ 295,411
General Supplies	-	-	2,400	-	-	6304	2,190	10,894
Textbooks	-	-	-	\$ 11,737	-	-	-	11,737
Total Instruction	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>11,737</u>	<u>-</u>	<u>6,304</u>	<u>297,601</u>	<u>318,042</u>
Support Services								
Other Salaries		\$ 11,644					-	11,644
Personal Services - Employee Benefits		891					-	891
Purchased Professional Education Services	17,544		1,036				101,743	120,323
Purchased Professional and Technical Services					37,655		46,494	84,149
Other Purchased Services	4,368	-	1,743	-	-	-	-	6,111
Supplies and Materials	-	-	-	-	-	-	3,000	3,000
Total Support Services	<u>21,912</u>	<u>12,535</u>	<u>2,779</u>	<u>-</u>	<u>37,655</u>	<u>-</u>	<u>151,237</u>	<u>226,118</u>
Total Expenditures	<u>\$ 21,912</u>	<u>\$ 12,535</u>	<u>\$ 5,179</u>	<u>\$ 11,737</u>	<u>\$ 37,655</u>	<u>\$ 6,304</u>	<u>\$ 448,838</u>	<u>\$ 544,160</u>

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015**

<u>Number</u>	<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer to Debt Service Fund Prior Years</u>	<u>Unexpended Project Balance, June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>		
9/29/2009	Energy Efficient Improvements to All School Facilities Consisting of Roof Replacement, Window and Door Replacement, Boiler / Temperature Controls Replacement and the Installation of Photovoltaic Panels (Solar Panels)	\$ 10,665,713	\$ 9,193,034	\$ 37,783	\$ 1,400,000	\$ 34,896
12/11/2012	High School Athletic Field Improvement Consisting of Turf Field Installation, Lights Installation and Track Refurfacing	<u>1,816,612</u>	<u>1,533,792</u>	<u>224,900</u>	<u>-</u>	<u>57,920</u>
		<u>\$ 12,482,325</u>	<u>\$ 10,726,826</u>	<u>\$ 262,683</u>	<u>\$ 1,400,000</u>	<u>\$ 92,816</u>
<u>Reconciliation to GAAP Basis</u>						
	Project Balance , June 30, 2015					92,816
	Less Unfunded Authorizations:					
	Bonds Authorized but Not Issued					<u>(713)</u>
	Fund Balance, June 30, 2015 - GAAP Basis					<u>\$ 92,103</u>
<u>Recapitulation of Fund Balance</u>						
	Restricted for Capital Projects					
	Year End Encumbrances					\$ 7,446
	Available for Capital Projects					<u>84,657</u>
	Total Fund Balance - Restricted for Capital Projects					<u>\$ 92,103</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, 2015**

Expenditures and Other Financing Uses	
Architectural / Engineering Services	\$ 2,500
Construction Services	<u>260,183</u>
 Total Expenditures and Other Financing Uses	 <u>262,683</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (262,683)
 Fund Balance- Beginning of Year	 <u>354,786</u>
 Fund Balance- End of Year	 <u>\$ 92,103</u>
 <u>Reconciliation to GAAP</u>	
 Fund Balance, End of Year - Budgetary Basis	 <u>\$ 92,103</u>
 Fund Balance, June 30, 2015 - GAAP	 <u>\$ 92,103</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, 2015**

	<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	7,988,146	\$ 37,783	8,025,929	9,372,293
Miscellaneous Expenditures	127,989	-	127,989	145,560
Transfer to Debt Service Fund	1,400,000	-	1,400,000	-
Total Expenditures	<u>10,593,034</u>	<u>37,783</u>	<u>10,630,817</u>	<u>10,665,713</u>
Excess of Revenue Over Expenditures	<u>\$ 71,966</u>	<u>\$ (37,783)</u>	<u>\$ 34,183</u>	<u>\$ -</u>

Additional Project Information:

Project Number	
Referendum Date	9/29/2002
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, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Permanently Funded Note Proceeds	\$ 1,400,000		1,400,000	\$ 1,400,000
Transfer from Capital Outlay	416,612	-	416,612	416,612
	<u>1,816,612</u>	<u>-</u>	<u>1,816,612</u>	<u>1,816,612</u>
Expenditures and Other Financing Uses				
Architectural / Engineering Services	208,396	\$ 2,500	\$ 210,896	198,479
Other Professional/Technical Services	4,646		4,646	4,646
Construction Services	1,313,573	222,400	1,535,973	1,606,310
Supplies and Materials	7,177	-	7,177	7,177
	<u>1,533,792</u>	<u>224,900</u>	<u>1,758,692</u>	<u>1,816,612</u>
Excess of Revenue Over Expenditures	<u>\$ 282,820</u>	<u>\$ (224,900)</u>	<u>\$ 57,920</u>	<u>\$ -</u>
Additional Project Information:				
Project Number				
Referendum Date		12/11/2012		
Debt Authorized	\$ 1,400,000			
Debt Issued	\$ 1,400,000			
Original Authorized Cost	\$ 1,400,000			
Additional Authorized Cost	\$ 416,612			
Revised Authorized Cost	\$ 1,816,612			
Percentage Increase Over Original Authorized Cost	\$ -	29.76%		
Percentage Completion		100.00%		

PROPRIETARY FUNDS

**PARK RIDGE BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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>
ASSETS						
Cash and Cash Equivalents	\$ 15,525	\$ 240	\$ 450	\$ 610	\$ 45,338	\$ 62,163
Total Assets	<u>15,525</u>	<u>240</u>	<u>450</u>	<u>610</u>	<u>45,338</u>	<u>62,163</u>
LIABILITIES						
Current Liabilities						
Unearned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,100</u>	<u>8,100</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,100</u>	<u>8,100</u>
NET POSITION						
Unrestricted	<u>15,525</u>	<u>240</u>	<u>450</u>	<u>610</u>	<u>37,238</u>	<u>54,063</u>
Total Net Position	<u>\$ 15,525</u>	<u>\$ 240</u>	<u>\$ 450</u>	<u>\$ 610</u>	<u>\$ 37,238</u>	<u>\$ 54,063</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, 2015**

	<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 Program Fees	\$ 12,950	\$ -	\$ 1,650	\$ 3,810	\$ 7,591	\$ 26,001
Total Operating Revenues	<u>12,950</u>	<u>-</u>	<u>1,650</u>	<u>3,810</u>	<u>7,591</u>	<u>26,001</u>
OPERATING EXPENSES						
Salaries and Wages	8,000		1,551	3,600	-	13,151
Supplies and Materials	<u>566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,218</u>	<u>6,784</u>
Total Operating Expenses	<u>8,566</u>	<u>-</u>	<u>1,551</u>	<u>3,600</u>	<u>6,218</u>	<u>19,935</u>
Operating Income	4,384	-	99	210	1,373	6,066
Total Net Position Beginning of Year	<u>11,141</u>	<u>240</u>	<u>351</u>	<u>400</u>	<u>35,865</u>	<u>47,997</u>
Total Net Position , End of Year	<u>\$ 15,525</u>	<u>\$ 240</u>	<u>\$ 450</u>	<u>\$ 610</u>	<u>\$ 37,238</u>	<u>\$ 54,063</u>

**PARK RIDGE BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 12,950	\$ -	\$ 1,650	\$ 3,810	\$ 15,691	\$ 34,101
Cash Payments for Employees Salaries & Benefits	(8,000)	-	(1,551)	(3,600)	(6,218)	(19,369)
Cash Payments to Suppliers for Goods and Services	(566)	-	-	-	-	(566)
Net Cash Provided by Operating Activities	<u>4,384</u>	<u>-</u>	<u>99</u>	<u>210</u>	<u>9,473</u>	<u>14,166</u>
Net Increase in Cash and Cash Equivalents	4,384	-	99	210	9,473	14,166
Cash and Cash Equivalents, Beginning of Year	<u>11,141</u>	<u>240</u>	<u>351</u>	<u>400</u>	<u>35,865</u>	<u>47,997</u>
Cash and Cash Equivalents, End of Year	<u>\$ 15,525</u>	<u>\$ 240</u>	<u>\$ 450</u>	<u>\$ 610</u>	<u>\$ 45,338</u>	<u>\$ 62,163</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income	\$ 4,384	\$ -	\$ 99	\$ 210	\$ 1,373	6,066
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Increase/(Decrease) in Unearned Revenue	-	-	-	-	8,100	8,100
	-	-	-	-	8,100	8,100
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,100</u>	<u>8,100</u>
Net Cash Provided by Operating Activities	<u>\$ 4,384</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 210</u>	<u>\$ 9,473</u>	<u>\$ 14,166</u>

FIDUCIARY FUNDS
AGENCY FUNDS

**PARK RIDGE BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 76,497	\$ 35,477	\$ 111,974
Total Assets	<u>\$ 76,497</u>	<u>\$ 35,477</u>	<u>\$ 111,974</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 28,775	\$ 28,775
Due to Student Groups	\$ 76,497		76,497
Due to Other Funds	<u>-</u>	<u>6,702</u>	<u>6,702</u>
Total Liabilities	<u>\$ 76,497</u>	<u>\$ 35,477</u>	<u>\$ 111,974</u>

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015**

	Balance, June 30, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
HIGH SCHOOL				
Extracurricular Fund	\$ 68,023	\$ 169,188	\$ 160,541	\$ 76,670
Athletic Fund	<u>1</u>	<u>68,424</u>	<u>68,598</u>	<u>(173)</u>
 Total	 <u>\$ 68,024</u>	 <u>\$ 237,612</u>	 <u>\$ 229,139</u>	 <u>\$ 76,497</u>

**PARK RIDGE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, June 30, <u>2014</u>	Cash <u>Receipt</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
Payroll Deductions and Withholdings	\$ 30,943	\$ 7,736,125	\$ 7,738,293	\$ 28,775
Accrued Salaries and Wages	-	9,887,419	9,887,419	-
Due to Other Funds	<u>6,388</u>	<u>6,702</u>	<u>6,388</u>	<u>6,702</u>
	<u>\$ 37,331</u>	<u>\$ 17,630,246</u>	<u>\$ 17,632,100</u>	<u>\$ 35,477</u>

LONG-TERM DEBT

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<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, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2015</u>				
			<u>Date</u>	<u>Amount</u>									
School Bonds	6/2/2010	\$ 7,524,000	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	3.63								
			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	\$ 6,974,000	\$ 295,000	\$ 6,679,000								
Refunding Bonds	7/1/2010	2,155,000	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					1,810,000	-	185,000	1,625,000

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<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, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	10/28/2010	\$ 3,141,000	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	\$ 2,586,000	-	\$ 200,000	\$ 2,386,000
						<u>\$ 11,370,000</u>	<u>\$ -</u>	<u>\$ 680,000</u>	<u>\$ 10,690,000</u>

**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, 2015**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
<u>CAPITAL LEASE</u>						
2012 Lease of 11 Copiers	3.81%	\$ 116,304	\$ 54,614	-	\$ 24,569	\$ 30,045
<u>LEASE PURCHASE AGREEMENT</u>						
2013 Lease of Computers	0.00%	632,196	210,732	-	210,732	-
2014 Lease of Computers	0.00%	116,159	116,159	-	116,159	-
2015 Lease of Computers	0.00%	1,016,305	-	\$ 1,016,305	254,076	762,229
			<u>\$ 381,505</u>	<u>\$ 1,016,305</u>	<u>\$ 605,536</u>	<u>\$ 792,274</u>

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 787,036		\$ 787,036	\$ 787,036	
State Sources					
State Aid Type II	<u>278,227</u>	<u>-</u>	<u>278,227</u>	<u>278,227</u>	<u>-</u>
Total Revenues	<u>1,065,263</u>	<u>-</u>	<u>1,065,263</u>	<u>1,065,263</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	385,263		385,263	385,263	\$ -
Principal - Bonds	<u>680,000</u>	<u>-</u>	<u>680,000</u>	<u>680,000</u>	<u>-</u>
Total Expenditures	<u>1,065,263</u>	<u>-</u>	<u>1,065,263</u>	<u>1,065,263</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 3,413,541	\$ 3,599,252	\$ 3,640,187	\$ 3,602,597	\$ 3,912,275	\$ 3,943,209	\$ 4,065,772	\$ 5,206,951	\$ 6,319,245	\$ 6,799,817
Restricted	2	2	123,919	700,002	1,414,614	2,067,838	3,326,144	3,920,669	4,083,327	4,793,492
Unrestricted	641,521	747,655	1,134,665	1,031,421	1,023,898	919,248	1,319,306	475,671	(5,443,076)	(5,643,391)
Total Governmental Activities Net Position	\$ 4,055,064	\$ 4,346,909	\$ 4,898,771	\$ 5,334,020	\$ 6,350,787	\$ 6,930,295	\$ 8,711,222	\$ 9,603,291	\$ 4,959,496	\$ 5,949,918
Business-Type Activities										
Net Investment in Capital Assets	\$ 37,705	\$ 33,340	\$ 35,960	\$ 33,572	\$ 30,491	\$ 26,533	\$ 23,674	\$ 20,385	\$ 17,526	\$ 21,183
Restricted										
Unrestricted	188,755	156,149	119,217	127,625	159,376	181,618	234,437	304,090	426,557	475,893
Total Business-Type Activities Net Position	\$ 226,460	\$ 189,489	\$ 155,177	\$ 161,197	\$ 189,867	\$ 208,151	\$ 258,111	\$ 324,475	\$ 444,083	\$ 497,076
District-Wide										
Net Investment in Capital Assets	\$ 3,451,246	\$ 3,632,592	\$ 3,676,147	\$ 3,636,169	\$ 3,942,766	\$ 3,969,742	\$ 4,089,446	\$ 5,227,336	\$ 6,336,771	\$ 6,821,000
Restricted	2	2	123,919	700,002	1,414,614	2,067,838	3,326,144	3,920,669	4,083,327	4,793,492
Unrestricted	830,276	903,804	1,253,882	1,159,046	1,183,274	1,100,866	1,553,743	779,761	(5,016,519)	(5,167,498)
Total District Net Position	\$ 4,281,524	\$ 4,536,398	\$ 5,053,948	\$ 5,495,217	\$ 6,540,654	\$ 7,138,446	\$ 8,969,333	\$ 9,927,766	\$ 5,403,579	\$ 6,446,994

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".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB No. 68 "Accounting and Financial Reporting for Pensions".

Source: District financial statements

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

Expenses	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Instruction										
Regular	\$ 8,904,856	\$ 9,525,175	\$ 9,238,547	\$ 8,889,448	\$ 9,757,081	\$ 9,794,997	\$ 10,327,794	\$ 11,838,555	\$ 11,480,847	\$ 14,279,696
Special Education	3,166,702	2,820,219	3,728,610	4,151,189	3,849,988	3,977,713	3,951,431	3,934,433	4,037,621	4,393,862
Other Instruction	821,548	933,996	856,358	564,147	660,610	627,102	720,873	887,332	631,304	684,296
School Sponsored Activities And Athletics	642,376	772,677	824,601	798,292	781,524	736,229	736,522	689,106	841,350	949,245
Support Services:										
Student & Instruction Related Services	3,242,551	3,825,084	3,914,494	3,742,340	4,068,419	4,268,710	4,544,753	4,852,101	5,086,264	5,537,667
General Administration	734,994	672,699	745,533	870,772	734,983	613,101	662,967	763,368	672,470	773,459
School Administrative Services	956,151	1,168,873	1,072,971	1,139,018	1,168,425	1,198,904	1,214,662	1,287,528	1,292,750	1,906,929
Central and Other Support Services	460,740	719,475	714,431	750,365	709,976	759,086	715,054	711,393	660,876	760,004
Plant Operations and Maintenance	1,839,465	1,787,286	1,934,116	2,009,898	1,994,742	2,021,531	1,994,117	2,059,681	2,127,481	2,221,454
Pupil Transportation	433,673	505,846	633,236	695,560	653,348	563,942	583,140	638,787	647,292	592,189
Interest On Long-Term Debt	162,752	167,729	122,126	99,934	103,050	386,611	432,690	419,703	403,744	383,236
Total Governmental Activities Expenses	21,365,808	22,899,059	23,785,023	23,710,963	24,482,146	24,947,926	25,884,003	28,081,987	27,881,999	32,482,037
Business-Type Activities:										
Food Service	197,789	202,509	201,051	199,728	199,984	214,148	210,923	226,544	246,871	224,669
Child Care	146,452	180,343	213,064	216,695	172,203	177,793	183,562	220,176	249,217	265,433
SAT Review	5,542	8,800	7,397	6,456	6,394	7,348	7,108	6,922	8,430	8,566
Summer Sports Program	-	-	-	-	-	7,196	-	-	-	-
Summer Basketball Program	-	-	-	-	-	-	1,650	2,832	5,168	-
Volleyball Clinic Program	-	-	-	-	-	-	1,445	2,305	4,367	1,551
Summer Music Program	-	-	-	-	-	-	-	3,710	3,590	3,600
Laptop Insurance Program	-	-	-	-	-	-	-	-	-	6,218
Total Business-Type Activities Expense	349,783	391,652	421,512	422,879	378,581	406,485	404,688	462,489	517,643	510,037
Total District Expenses	\$ 21,715,591	\$ 23,290,711	\$ 24,206,535	\$ 24,133,842	\$ 24,860,727	\$ 25,354,411	\$ 26,288,691	\$ 28,544,476	\$ 28,399,642	\$ 32,992,074
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Regular)	\$ 43,374	\$ 55,079	\$ 66,250	\$ 33,431	\$ 36,685	\$ 27,500	\$ 29,971	\$ 33,750	\$ -	\$ -
Special Education	308,090	203,770	194,696	143,344	149,052	147,296	33,884	74,634	73,533	90,416
Operating Grants And Contributions	2,960,572	3,428,458	3,614,470	2,813,643	3,385,316	2,363,591	3,305,634	3,885,838	3,461,172	6,454,886
Capital Grants And Contributions	-	-	55,945	-	-	13,740	103,735	195,301	9,317	76,049
Total Governmental Activities Program Revenues	3,312,036	3,687,307	3,931,361	2,990,418	3,571,053	2,552,127	3,473,224	4,189,523	3,544,022	6,621,351

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Charges For Services										
Food Service	\$ 185,122	\$ 192,120	\$ 181,472	\$ 174,459	\$ 176,185	\$ 182,332	\$ 187,237	\$ 189,925	\$ 205,627	\$ 171,351
Child Care	214,052	206,865	248,144	232,220	199,766	200,509	222,776	277,872	336,329	323,257
SAT Review	5,730	8,800	5,700	4,800	6,450	8,950	13,300	7,700	10,385	12,950
Summer Sports Programs						4,400				
Summer Basketball Program							1,650	2,940	5,300	
Volleyball Clinic Program							1,520	2,440	4,520	1,650
Summer Music Program								3,910	3,790	3,810
Laptop Insurance Program								4,700	31,165	7,591
Operating Grants And Contributions	8,671	9,396	10,797	17,420	24,850	25,658	28,165	39,366	40,135	42,421
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	413,575	417,181	446,113	428,899	407,251	421,849	454,648	528,853	637,251	563,030
Total District Program Revenues	\$ 3,725,611	\$ 4,104,488	\$ 4,377,474	\$ 3,419,317	\$ 3,978,304	\$ 2,973,976	\$ 3,927,872	\$ 4,718,376	\$ 4,181,273	\$ 7,184,381
Net (Expense)/Revenue										
Governmental Activities	\$ (18,053,772)	\$ (19,211,752)	\$ (19,853,662)	\$ (20,720,545)	\$ (20,911,093)	\$ (22,395,799)	\$ (22,410,779)	\$ (23,892,464)	\$ (24,337,977)	\$ (25,860,686)
Business-Type Activities	63,792	25,529	24,601	6,020	28,670	15,364	49,960	66,364	119,608	52,993
Total District-Wide Net Expense	\$ (17,989,980)	\$ (19,186,223)	\$ (19,829,061)	\$ (20,714,525)	\$ (20,882,423)	\$ (22,380,435)	\$ (22,360,819)	\$ (23,826,100)	\$ (24,218,369)	\$ (25,807,693)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 17,405,709	\$ 18,869,664	\$ 19,824,306	\$ 20,845,856	\$ 21,616,694	\$ 22,797,775	\$ 23,253,731	\$ 23,926,685	\$ 24,682,977	\$ 25,657,068
Property Taxes Levied For Debt Service	244,277	244,215	248,814	248,078	247,115	245,927	713,829	725,983	778,009	787,036
Unrestricted Grants And Contributions	135,481	102,117	124,311	1,227			82,803	166,495	171,905	202,471
Miscellaneous Income	142,019	225,101	145,593	60,633	64,051	86,829	141,343	180,101	114,717	204,533
Transfers	-	62,500	62,500	-	-	-	-	-	-	-
Total Governmental Activities	17,927,486	19,503,597	20,405,524	21,155,794	21,927,860	23,130,531	24,191,706	24,999,264	25,747,608	26,851,108
Business-Type Activities:										
Investment Earnings			138							
Miscellaneous Income			3,449							
Transfers	-	(62,500)	(62,500)	-	-	-	-	-	-	-
Total Business-Type Activities	-	(62,500)	(58,913)	-	-	-	-	-	-	-
Total District-Wide	\$ 17,927,486	\$ 19,441,097	\$ 20,346,611	\$ 21,155,794	\$ 21,927,860	\$ 23,130,531	\$ 24,191,706	\$ 24,999,264	\$ 25,747,608	\$ 26,851,108
Change in Net Position										
Governmental Activities	\$ (126,286)	\$ 291,845	\$ 551,862	\$ 435,249	\$ 1,016,767	\$ 734,732	\$ 1,780,927	\$ 1,106,800	\$ 1,409,631	\$ 990,422
Business-Type Activities	63,792	(36,971)	(34,312)	6,020	28,670	15,364	49,960	66,364	119,608	52,993
Total District	\$ (62,494)	\$ 254,874	\$ 517,550	\$ 441,269	\$ 1,045,437	\$ 750,096	\$ 1,830,887	\$ 1,173,164	\$ 1,529,239	\$ 1,043,415

Source: District financial statements

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

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014	2015
					2010	2011				
General Fund										
Reserved	\$ 436,400	\$ 970,875	\$ 628,049	\$ 1,329,723	\$ 2,218,848					
Unreserved	522,689	556,003	652,023	585,576	276,177					
Restricted						\$ 2,654,136	\$ 3,937,897	\$ 4,624,623	\$ 4,678,074	\$ 5,551,415
Assigned						361,583	744,789	349,964	413,099	609,367
Unassigned	-	-	-	-	-	256,333	244,564	281,954	282,672	300,908
Total General Fund	\$ 959,089	\$ 1,526,878	\$ 1,280,072	\$ 1,915,299	\$ 2,495,025	\$ 3,272,052	\$ 4,927,250	\$ 5,256,541	\$ 5,373,845	\$ 6,461,690
All Other Governmental Funds										
Reserved					\$ 7,141,417					
Unreserved	\$ 16,733	\$ 23,919	\$ 23,918	\$ (85,387)	(912,760)	-	-	-	-	-
Restricted	-	-	-	-	-	\$ 1,545,741	\$ 1,528,452	\$ 1,362,117	\$ 354,787	\$ 92,104
Total All Other Governmental Funds	\$ 16,733	\$ 23,919	\$ 23,918	\$ (85,387)	\$ 6,228,657	\$ 1,545,741	\$ 1,528,452	\$ 1,362,117	\$ 354,787	\$ 92,104

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)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Tax Levy	\$ 17,649,986	\$ 19,113,879	\$ 20,073,120	\$ 21,093,934	\$ 21,863,809	\$ 23,043,702	\$ 23,967,560	\$ 24,652,668	\$ 25,460,986	\$ 26,444,104
Tuition Charges	43,374	55,079	82,864	55,309	50,203	56,202	63,855	108,384	73,533	90,416
Miscellaneous	180,428	238,885	169,519	74,877	131,080	117,440	150,845	189,301	127,848	210,633
State Sources	2,701,418	3,168,884	3,352,721	2,436,508	2,690,277	1,932,081	2,944,895	3,659,345	3,260,737	3,792,301
Federal Sources	356,226	347,907	367,104	364,118	628,010	414,639	434,040	383,788	359,209	389,754
Total Revenue	20,931,432	22,924,634	24,045,328	24,024,746	25,363,379	25,564,064	27,561,195	28,993,486	29,282,313	30,927,208
Expenditures										
Instruction										
Regular Instruction	8,456,231	9,127,788	9,520,034	8,714,602	9,482,548	9,327,380	9,861,561	11,270,498	10,903,123	12,237,361
Special Education Instruction	2,745,016	2,591,541	3,735,695	3,937,508	3,767,272	3,843,877	3,906,011	3,889,013	3,990,586	4,046,856
Other Instruction	819,353	909,162	828,809	552,667	615,052	626,517	720,469	887,332	628,631	595,649
School Sponsored Activities and Athletics	603,896	726,152	773,147	745,404	781,524	736,229	736,522	689,106	841,350	930,811
Community Services										
Support Services:										
Student and Inst. Related Services	3,214,472	3,663,383	4,004,143	3,737,119	4,066,246	4,226,297	4,503,740	4,823,287	5,048,402	5,096,509
General Administration	731,590	669,245	748,741	868,214	734,517	600,023	662,922	751,666	660,286	719,271
School Administrative Services	963,317	1,111,345	1,116,443	1,134,361	1,143,832	1,176,557	1,167,758	1,261,888	1,287,362	1,732,226
Central and Other Support Services	409,075	701,233	699,331	732,345	709,545	741,485	700,973	711,393	659,561	720,674
Plant Operations And Maintenance	1,832,660	1,780,069	1,911,017	1,983,103	1,915,934	1,927,167	1,915,472	1,976,469	2,036,240	2,048,448
Pupil Transportation	428,061	502,294	588,841	649,928	655,437	544,965	565,229	618,714	638,926	570,464
Capital Outlay	282,504	403,508	242,119	195,496	1,832,391	8,606,270	527,718	1,189,941	2,189,873	747,393
Debt Service:										
Principal	427,940	115,000	125,000	130,000	135,000	140,000	331,045	1,093,877	2,397,269	1,285,536
Interest and Other Charges	178,759	173,959	123,815	118,077	112,115	52,703	653,700	425,049	406,889	387,153
Advance Refunding Escrow						135,274				
Cost of Issuance	-	-	-	-	62,196	110,146	-	-	-	-
Total Expenditures	21,092,874	22,474,659	24,417,135	23,498,824	25,993,609	32,794,890	26,253,120	29,588,233	31,688,498	31,118,351
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(161,442)	449,975	(371,807)	525,922	(630,230)	(7,230,826)	1,308,075	(594,747)	(2,406,185)	(191,143)

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

	2006	2007	2008	2009	Fiscal Year Ended June 30,		2012	2013	2014	2015
					2010	2011				
Other Financing Sources (Uses)										
Capital Lease / Lease Purchase Proceeds (Non-Budgeted)							\$ 329,834	\$ 757,703	\$ 116,159	\$ 1,016,305
Bond Proceeds					\$ 7,524,000	\$ 3,141,000				
Permanently Financed Project Note									1,400,000	
Refunding Bond Proceeds						2,155,000				
Premium on Refunding Bonds						93,937				
Payment to Refunded Escrow Agent						(2,065,000)				
Transfers In	\$ 1,051	\$ 125,000	\$ 125,000		85,388				1,816,612	
Transfers Out	(1,051)	-	-	-	(85,388)	-	-	-	(1,816,612)	-
Total Other Financing Sources (Uses)	-	125,000	125,000	-	7,524,000	3,324,937	329,834	757,703	1,516,159	1,016,305
Net Change in Fund Balances	\$ (161,442)	\$ 574,975	\$ (246,807)	\$ 525,922	\$ 6,893,770	\$ (3,905,889)	\$ 1,637,909	\$ 162,956	\$ (890,026)	\$ 825,162
Debt Service as a Percentage of										
Noncapital Expenditures	2.06%	0.52%	0.52%	0.56%	0.82%	1.81%	1.81%	5.35%	9.51%	5.51%

* 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>
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
2014	73,533	38,066	6,163	5,813	8,640	23,598	1,540	30,897	188,250
2015	90,416	13,833	14,622	29,833		89,339		56,906	294,949

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
2006	\$ 16,353,900	\$ 1,472,131,900	\$ 199,105,400	\$ 3,379,800	\$ 13,563,500	\$ 1,704,534,500	\$ 1,490,146	\$ 1,705,953,864	\$ 1,995,026,966	\$ 1.080
2007	15,747,200	1,487,211,600	197,809,300	3,379,800	13,563,500	1,717,710,400	1,294,588	1,719,004,988	2,015,553,185	1.140
2008	12,580,100	1,496,844,100	196,708,000	3,379,800	16,663,500	1,726,175,500	1,602,333	1,727,777,833	2,017,489,296	1.191
2009	8,762,400	1,505,283,019	196,192,600	3,379,800	16,663,500	1,730,281,319	1,733,987	1,732,015,306	1,998,385,364	1.240
2010	8,367,500	1,507,046,219	193,986,400	3,379,800	16,463,500	1,729,243,419	2,212,288	1,731,455,707	1,952,502,130	1.297
2011 (2)	6,899,500	1,386,676,000	208,692,400	3,815,600	18,504,000	1,624,587,500	2,020,339	1,626,607,809	1,764,641,919	1.445
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
2014	6,857,800	1,372,648,800	199,582,600	3,815,600	18,642,800	1,601,547,600	1,733,938	1,603,281,538	1,732,142,471	1.619
2015	8,932,600	1,373,047,900	199,796,000	3,815,600	18,542,900	1,604,135,200	1,457,369	1,605,592,569	1,773,035,249	1.672

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>	
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
2014	1.619	0.560	0.252	2.431
2015	1.672	0.565	0.263	2.500

(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	2015		2006	
	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%	\$ 28,500,000	1.67%
Sony Corp.	30,000,000	1.87%	29,900,000	1.75%
SA Park Ridge LLC	24,000,000	1.49%	26,167,200	1.53%
Sartak Holdings Inc.	20,850,000	1.30%	20,507,900	1.20%
JLM Park Ridge (Marriott)	12,000,000	0.75%	21,000,000	1.23%
Park Ridge Hye Partners	7,837,500	0.49%	6,564,300	0.38%
Ridge Manor Apts. LLC	4,730,000	0.29%	3,579,600	0.21%
Erich Uhlmann	3,271,700	0.20%	2,898,100	0.17%
Artdor Reality Co.	3,036,400	0.19%	2,689,600	0.16%
S/K Park Ridge Assoc	2,800,000	0.17%	2,547,800	0.15%
	<u>\$ 142,510,800</u>	<u>8.88%</u>	<u>\$ 144,354,500</u>	<u>8.46%</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	
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%	
2014	25,460,986	25,460,986	100%	
2015	26,444,104	26,444,104	100%	

Source: District records

**PARK RIDGE BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN 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	8,658	1,498
2012	12,655,000	\$ 100,259	\$ 213,530		12,968,789	8,716	1,488
2013	12,020,000	78,140	534,475		12,632,615	8,745	1,445
2014	11,370,000	54,614	326,891		11,751,505	8,821	1,332
2015	10,690,000	30,045	762,229		11,482,274	8,841	1,299

Source: District records

PARK RIDGE BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN 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%	1,498
2012	12,655,000		12,655,000	0.78%	1,452
2013	12,020,000		12,020,000	0.75%	1,374
2014	11,370,000		11,370,000	0.71%	1,289
2015	10,690,000		10,690,000	0.67%	1,209

Source: District records

**PARK RIDGE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2014
(Unaudited)**

MUNICIPAL DEBT (1)	
Park Ridge Board of Education (as of June 30, 2015)	\$ 10,690,000
Borough of Park Ridge (as of December 31, 2014)	<u>19,634,784</u>
Total Direct Debt	<u>30,324,784</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County: (2) and (3)	
County of Bergen (A)	9,961,859
Bergen County Utilities Authority-Waste Water (B)	<u>2,006,708</u>
Total Overlapping Debt	<u>11,968,567</u>
Total Direct and Overlapping Debt	<u>\$ 42,293,351</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Park Ridge 2014 Annual Debt Statement
- (2) BCUA 2014 Audit
- (3) Bergen County 2014 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis	
2012	\$ 1,767,685,171
2013	1,724,785,468
2014	<u>1,764,985,233</u>
	<u>\$ 5,257,455,872</u>
Average equalized valuation of taxable property	\$ 1,752,485,291
Debt limit (4 % of average equalization value)	70,099,412
Total Net Debt Applicable to Limit	<u>10,690,713</u>
Legal debt margin	<u>\$ 59,408,699</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 62,826,642	\$ 71,106,760	\$ 76,911,829	\$ 79,812,839	\$ 79,276,130	\$ 77,747,994	\$ 75,437,814	\$ 72,962,225	\$ 70,744,383	\$ 70,099,412
Total Net Debt Applicable to Limit	<u>4,193,488</u>	<u>2,745,000</u>	<u>2,620,000</u>	<u>2,490,000</u>	<u>13,020,713</u>	<u>12,970,713</u>	<u>12,655,713</u>	<u>13,420,713</u>	<u>11,370,713</u>	<u>10,690,713</u>
Legal Debt Margin	<u>\$ 58,633,154</u>	<u>\$ 68,361,760</u>	<u>\$ 74,291,829</u>	<u>\$ 77,322,839</u>	<u>\$ 66,255,417</u>	<u>\$ 64,777,281</u>	<u>\$ 62,782,101</u>	<u>\$ 59,541,512</u>	<u>\$ 59,373,670</u>	<u>\$ 59,408,699</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.67%	3.86%	3.41%	3.12%	16.42%	16.68%	16.78%	18.39%	16.07%	15.25%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

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

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis	
	2012	\$ 1,767,685,171
	2013	1,724,785,468
	2014	<u>1,764,985,233</u>
		\$ <u>5,257,455,872</u>
Average equalized valuation of taxable property		\$ 1,752,485,291
Debt limit (4 % of average equalization value)		70,099,412
Total Net Debt Applicable to Limit		<u>10,690,000</u>
Legal debt margin		<u>\$ 59,409,412</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 62,826,642	\$ 71,106,760	\$ 76,911,829	\$ 79,812,839	\$ 79,276,130	\$ 77,747,994	\$ 75,437,814	\$ 72,962,225	\$ 70,744,383	\$ 70,099,412
Total Net Debt Applicable to Limit	<u>4,193,488</u>	<u>2,745,000</u>	<u>2,620,000</u>	<u>2,490,000</u>	<u>13,020,713</u>	<u>12,970,713</u>	<u>12,655,713</u>	<u>13,420,713</u>	<u>11,370,000</u>	<u>10,690,000</u>
Legal Debt Margin	<u>\$ 58,633,154</u>	<u>\$ 68,361,760</u>	<u>\$ 74,291,829</u>	<u>\$ 77,322,839</u>	<u>\$ 66,255,417</u>	<u>\$ 64,777,281</u>	<u>\$ 62,782,101</u>	<u>\$ 59,541,512</u>	<u>\$ 59,374,383</u>	<u>\$ 59,409,412</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.67%	3.86%	3.41%	3.12%	16.42%	16.68%	16.78%	18.39%	16.07%	15.25%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
 Department of Treasury, Division of Taxation

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>County Per Capita Income</u>	<u>Population</u>
2006	1.60%	\$ 63,101	8,800
2007	1.40%	67,544	8,747
2008	1.90%	67,331	8,831
2009	3.40%	63,874	8,863
2010	3.50%	63,950	8,932
2011	3.40%	67,248	8,658
2012	3.50%	69,281	8,716
2013	8.80%	69,495	8,745
2014	4.90%	69,919 (E)	8,821
2015	4.90% (E)	69,919 (E)	8,841

(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>2015</u>		<u>2006</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 TEN FISCAL YEARS
 (Unaudited)**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	137	140	142	143	143	143	143	141	141	141
Special Education	40	40	40	40	40	38	45	46	48	49
Other Instruction	7	7	7	7	7	7	7	7	7	6
Support Services:										
Student and Instruction Related Services	11	11	11	11	12	12	13	13	13	11
General Administration	5	5	5	5	5	5	5	5	5	5
School Administrative Services	12	12	12	12	12	12	12	12	12	12
Other Administrative Services	6	6	6	6	6	6	6	6	6	6
Central Services	5	5	5	5	5	5	3	6	6	6
Administrative Information Technology										
Plant Operations And Maintenance	14	14	14	14	15	15	15	15	15	15
Child Care (EXTRA's)	6	8	8	8	8	8	8	8	8	8
Total	<u>243</u>	<u>248</u>	<u>250</u>	<u>251</u>	<u>253</u>	<u>251</u>	<u>257</u>	<u>259</u>	<u>261</u>	<u>259</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior/Senior High School				
2006	1,346	\$ 20,203,671	\$ 15,010	7.74%	130	1:13	1:9.6	1,354	1,315	1.88%	97.12%
2007	1,360	21,782,212	16,016	6.70%	131	1:12	1:10	1,343	1,288	-0.81%	95.90%
2008	1,372	23,926,201	17,439	8.88%	135	1:11	1:10	1,348	1,326	0.37%	98.37%
2009	1,349	23,055,251	17,091	-2.00%	137	1:10	1:10	1,319	1,257	-2.15%	95.30%
2010	1,346	23,851,907	17,721	3.69%	137	1:10	1:10	1,309	1,255	-0.76%	95.87%
2011	1,319	23,750,497	18,006	1.61%	137	1:10	1:10	1,300	1,249	-0.69%	96.08%
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	14.30%	141	1:10	1:9	1,297	1,243	-0.23%	95.84%
2014	1,307	26,694,467	20,424	5.92%	141	1:10	1:9	1,294	1,243	1.81%	96.06%
2015	1,279	28,698,269	22,438	9.02%	141	1:10	1:9	1,286	1,235	-0.85%	96.03%

Sources: District records

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
District Building										
<u>Elementary</u>										
East Brook										
Square Feet	31,675	31,675	31,675	31,675	31,675	31,675	31,675	31,675	31,675	31,675
Capacity (students)	388	388	388	388	388	388	388	388	388	388
Enrollment	395	388	378	372	360	368	360	360	360	360
West Ridge										
Square Feet	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment	405	407	424	384	365	356	365	365	365	365
<u>Junior / Senior High School</u>										
Square Feet	93,253	93,253	93,253	93,253	93,253	93,253	93,253	93,253	93,253	93,253
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	562	565	570	571	590	595	590	590	590	590
<u>Other</u>										
<u>Board Office - Square Feet</u>										
Trailers - Square Feet							1,850	1,850	1,850	1,850
Square Feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Number of Schools at June 30, 2015										
Elementary =	2	2	2	2	2	2	2	2	2	2
Junior / Senior High School =	1	1	1	1	1	1	1	1	1	1
Other =	1	1	1	1	1	1	2	2	2	2

Source: District Records

**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**

	<u>Project # (s)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
*School Facilities											
East Brook Elementary School	201530	\$ 57,738	\$ 60,350	\$ 58,334	\$ 66,079	\$ 65,514	\$ 75,220	\$ 79,017	\$ 69,371	\$ 69,061	\$ 70,375
West Ridge Elementary School	201529	71,326	43,720	68,013	58,350	57,852	66,423	69,775	77,153	76,809	66,248
High School	201531	278,822	186,323	181,050	186,157	184,567	211,909	222,605	217,775	216,802	226,572
District-Wide		10,529	-	-	-	-	-	-	-	-	-
Total School Facilities		\$ 418,415	\$ 290,393	\$ 307,397	\$ 310,586	\$ 307,933	\$ 353,552	\$ 371,397	\$ 364,299	\$ 362,672	\$ 363,195

*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, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Blanket Building & Contents	\$ 38,505,248	\$ 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



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

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

**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, 2015 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 21, 2015.

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.

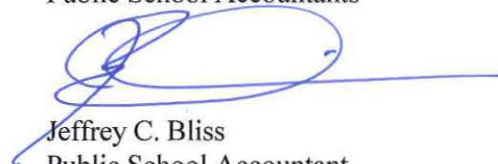
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Park Ridge Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 21, 2015

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 21, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
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DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

**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 15-08**

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 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Park Ridge Board of Education's major state programs for the fiscal year ended June 30, 2015. 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 15-08, 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, 2015.

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 15-08, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

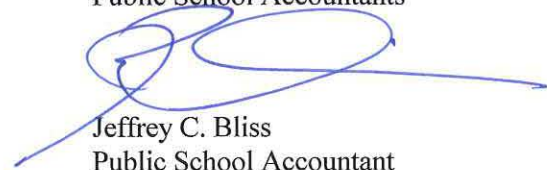
Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

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, 2015 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 21, 2015, which contained unmodified opinions. 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 15-08 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 21, 2015

PARK RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2014				Cash Received	Budgetary Expenditures	Refund of Prior Year's Balance	Balance, June 30, 2015			Memo GAAP Receivable
					(Account Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount				(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed-through State Department of Education															
National School Lunch Program	10.555	N/A													
Cash Assistance			7/1/14-6/30/15	\$ 17,450				\$ 16,496	\$ 17,450		\$ (954)			\$ (954)	
Cash Assistance			7/1/13-6/30/14	19,696	\$ (1,181)			1,181			-			-	
Non-Cash Assistance (Food Distribution)			7/1/14-6/30/15	12,945				12,945	12,448			\$ 497			
Non-Cash Assistance (Food Distribution)			7/1/13-6/30/14	10,317		\$ 952			952						
Special Milk Program	10.556	N/A	7/1/14-6/30/15	10,454				9,667	10,454		(787)			(787)	
Special Milk Program	10.556	N/A	7/1/13-6/30/14	9,855	(714)			714							
Total U.S. Department of Agriculture					(1,895)	952	-	-	41,003	41,304	-	(1,741)	497	-	(1,741)
U.S. Department of Education Passed-through State Department of Education															
Title II - Part A	84.281A	NCLB394015	7/1/14-6/30/15	21,912				21,912	21,912						
Title III	84.365A	NCLB394015	7/1/14-6/30/15	12,535				12,535	12,535						
Title III Immigrant	84.365A	NCLB394015	7/1/14-6/30/15	5,179				5,179	5,179						
I.D.E.A. Part B, Basic	84.027	IDEA394015	7/1/14-6/30/15	329,691				329,691	329,691						
I.D.E.A. Part B, Preschool	84.173	IDEA394015	7/1/14-6/30/15	20,437				20,437	20,437						
Total U.S. Department of Education - Special Revenue Fund					-	-	-	-	389,754	389,754	-	-	-	-	
Total Federal Financial Assistance					\$ (1,895)	\$ 952	\$ -	\$ -	\$ 430,757	\$ 431,058	\$ -	\$ (1,741)	\$ 497	\$ -	\$ (1,741)

Note: The District is not subject to Federal Single Audit in accordance with U.S. OMB Circular A-133.

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

PARK RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2015			Memo	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund													
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 512,439			\$ 491,245	\$ 512,439		\$ (21,194)				\$ 512,439
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	512,439	(31,684)		31,684			-				
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	19,269			18,472	19,269		(797)				19,269
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	19,269	(1,191)		1,191			-				
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	19,950			19,125	19,950		(825)				19,950
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	19,950	(1,234)		1,234			-				
FARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	12,970			12,434	12,970		(536)				12,970
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	12,970			12,434	12,970		(536)				12,970
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	367,724			367,724			(367,724)				367,724
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	296,885	(296,885)		3,999			-				3,999
On-Behalf TPAF Pension Benefits	15-495-034-5094-006	7/1/14-6/30/15	592,877			592,877	592,877		-				592,877
On-Behalf TPAF - Pension - NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	42,655			42,655	42,655		-				42,655
On-Behalf TPAF - Post Retirement Medical Contributions	15-495-034-5094-001	7/1/14-6/30/15	1,008,908			1,008,908	1,008,908		-				1,008,908
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	832,625			832,625	832,625		-				832,625
Total General Fund State Aid				(330,994)	-	3,365,768	3,426,386	-	(391,612)	-	-	-	3,426,386
Special Revenue Fund													
N.J. Nonpublic Aid													
Nonpublic Auxiliary Services													
Comp Education	15-100-034-5120-067	7/1/14-6/30/15	\$ 46,582			\$ 46,582	\$ 32,070				\$ 14,512		\$ 32,070
Comp Education	14-100-034-5120-067	7/1/13-6/30/14	45,795	1,027				\$ 1,027			-		-
Nonpublic Handicapped Services													
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	47,550			47,550	43,225				4,325		43,225
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	42,200	2,866					2,866		-		-
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	12,369			12,369	3,269				9,100		3,269
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	12,499	5,859					5,859		-		-
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	17,262			17,262	14,046				3,216		14,046
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	17,346	1,249					1,249		-		-
Nonpublic Textbooks	15-100-034-5120-064	7/1/14-6/30/15	11,737			11,737	11,737				-		11,737
Nonpublic Nursing	15-100-034-5120-070	7/1/14-6/30/15	37,655			37,655	37,655				-		37,655
Nonpublic Technology	15-100-034-5120-373	7/1/14-6/30/15	6,304			6,304	6,304				-		6,304
Total Special Revenue Fund				11,001	-	179,459	148,306	11,001	-	-	31,153	-	148,306
Special Revenue Fund													
Type II Debt Service Aid	15-495-034-5120-125	7/1/14-6/30/15	278,227			278,227	278,227						278,227
Total Debt Service Fund				-	-	278,227	278,227	-	-	-	-	-	278,227
State Department of Agriculture													
National School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	1,049			990	1,049		(59)			\$ (59)	1,049
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	1,219	(63)		131	68		-		-		68
				(63)		1,121	1,117		(59)			(59)	1,117
Total State Financial Assistance				(320,056)	-	3,824,575	3,854,036	11,001	(391,671)	-	31,153	(59)	3,854,036
State Financial Assistance													
Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefits	14-495-034-5094-006	7/1/14-6/30/15	592,877			(592,877)	(592,877)						(592,877)
On-Behalf TPAF - Pension - NCGI Premium	14-495-034-5094-007	7/1/14-6/30/15	42,655			(42,655)	(42,655)						(42,655)
On-Behalf TPAF - Post Retirement Medical Contributions	14-495-034-5094-001	7/1/14-6/30/15	1,008,908			(1,008,908)	(1,008,908)						(1,008,908)
Total State Financial Assistance Subject to Single Audit				\$ (320,056)	\$ -	\$ 2,180,135	\$ 2,209,596	\$ 11,001	\$ (391,671)	\$ -	\$ 31,153	\$ (59)	\$ 2,209,596

**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, 2015**

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 basis 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 15-08, "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 a decrease of \$60,618 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,365,768	\$ 3,365,768
Special Revenue Fund	\$ 389,754	148,306	538,060
Debt Service Fund		278,227	278,227
Food Service Fund	<u>41,304</u>	<u>1,117</u>	<u>42,421</u>
 Total Financial Assistance	 <u>\$ 431,058</u>	 <u>\$ 3,793,418</u>	 <u>\$ 4,224,476</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, 2015**

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 \$832,625 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$635,532 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,008,908 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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, 2015**

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, 2015**

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? _____ yes X 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 15-08? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
<u>15-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5094-003</u>	<u>TPAF Social Security Contributions</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-100-034-5120-473</u>	<u>Extraordinary Aid</u>

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, 2015**

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, 2015**

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 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none.

**PARK RIDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 2014-001

Condition

Certain certificated staff salaries were not classified and charged to the proper budget account lines in accordance with the Uniform Minimum Chart of Accounts.

Current Status

Corrective action was taken.