

**PARK RIDGE BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

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



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

December 5, 2017

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, 2017, 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 and the U.S. Uniform Guidance and the State Treasury Circular OMB 15-08. 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 2016-2017 fiscal year with an enrollment of 1,230 students, which is ten (10) students higher than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	1,230	.82%
2015-16	1,220	-2.10%
2014-15	1,279	-2.10%
2013-14	1,307	0.00%
2012-13	1,306	1.80%
2011-12	1,283	-2.73%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Park Ridge is a residential suburb of 2.6 square miles, located approximately 25 miles from midtown Manhattan. In 2003, the Borough underwent a revaluation that increased ratables by \$437,000,000. 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 35th 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 2016 issue of *NJ Monthly Magazine* ranked Park Ridge High School as #20 in the State. The percentage of students taking Advanced Placement exams is 26% and currently 26% of the juniors and seniors are enrolled in two or more courses.

Technology is an issue of critical importance at every grade level. The entire school district is serviced by high speed fiber cables and each school has its own wireless network. Park Ridge maintains a web site for the District with links to teacher web pages. All 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 2016-17 school year resounded with triumph on every level with 1 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 95% 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 All Bergen County Band.

Park Ridge High School had many highlights in the 2016-17 school year. This past year, the Wrestling, Girls Cross Country, Girls Soccer and the Bowling teams all won NJIC championships. In addition, the boys and girls were both NJILL Division champions in Lacrosse. 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, 2017.

6. ACCOUNTING SYSTEM AND REPORTS: The district's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements".

7. FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION: At June 30, 2017, the District has outstanding bonded debt of \$9,751,000.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

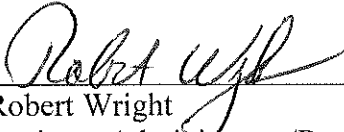
10. RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance, property and contents, and fidelity bonds. In addition, the Park Ridge Board of Education is a member of NESBIG, serving the interest of 30 school districts in Bergen and Passaic Counties.

11. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP also was designed to meet the requirements of the Single Audit Act, and the related U.S. Uniform Guidance and State Treasury Circular Letter OMB 15-08. 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,

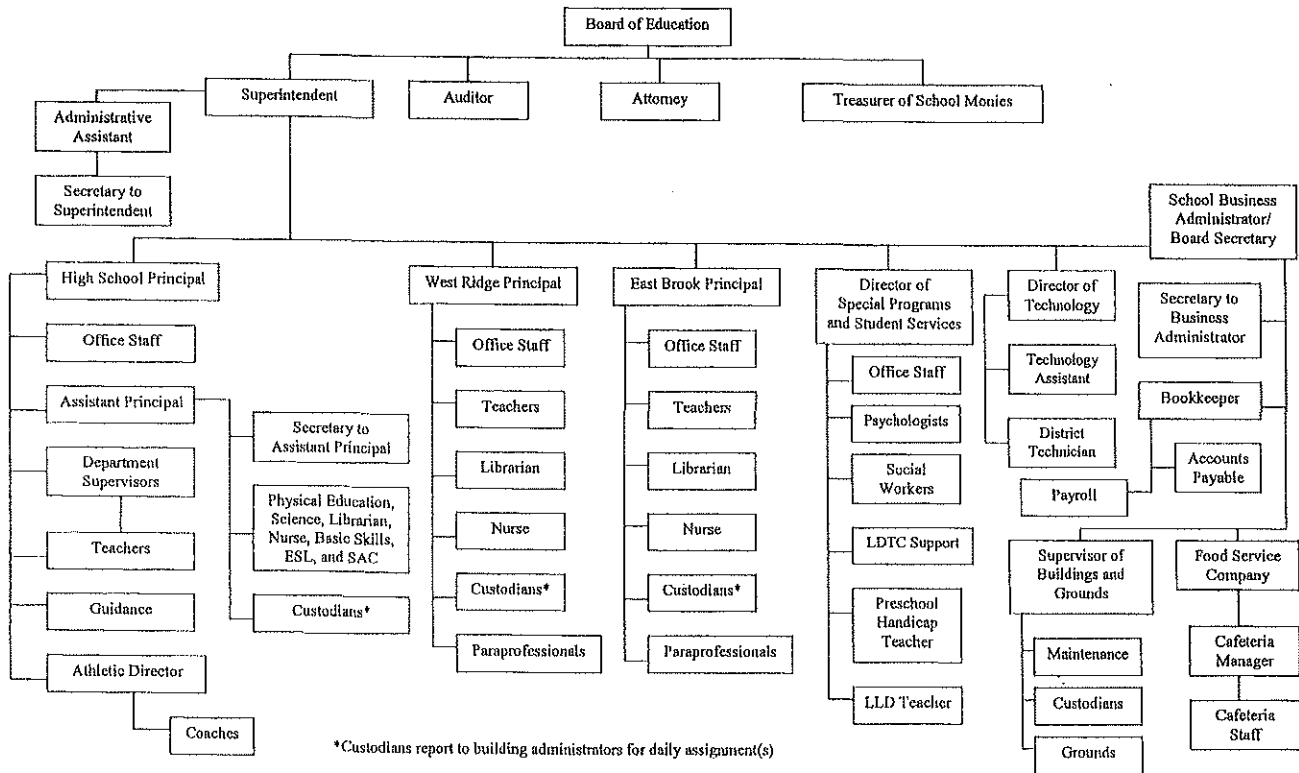
  
\_\_\_\_\_  
Robert Wright  
Business Administrator/Board Secretary

# POLICY

# PARK RIDGE BOARD OF EDUCATION

ADMINISTRATION  
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Organizational Chart

## 1110 ORGANIZATIONAL CHART



Adopted: 8 June 2009



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

**ROSTER OF OFFICIALS  
June 30, 2017**

<u><i>Members of the Board of Education</i></u>	<u><i>Term Expires</i></u>
President: Joseph Bruno	2019
Vice President: Daniel Browne	2018
Members of the Board: Frank Church	2017
Barbara von Bradsky	2017
Robert Sileo	2017
Peter Montalbano	2019
Patrick Moran	2018
<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  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA, 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, 2017 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 from material misstatement.

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park Ridge Board of Education as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

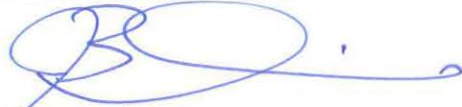
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2017 on our consideration of the Park Ridge Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park Ridge Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Park Ridge Board of Education's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
December 5, 2017

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# PARK RIDGE BOARD OF EDUCATION

## Management Discussion and Analysis Fiscal Year Ended June 30, 2017

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, 2017. 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 2016-2017 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 \$9,990,784 (net position).
- The District's total net position increased \$736,496 or 8%.
- Overall District revenues were \$39,346,230. General revenues accounted for \$28,271,412 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,074,818 or 28% of total revenues.
- The school district had \$37,885,610 in expenses for governmental activities; only \$10,355,085 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$28,271,412 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 \$9,343,410. Of this amount, \$324,690 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 \$772,071 which represented an increase of \$101,099 from the previous fiscal year.
- The District's total outstanding long-term liabilities increased \$2,175,324 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.

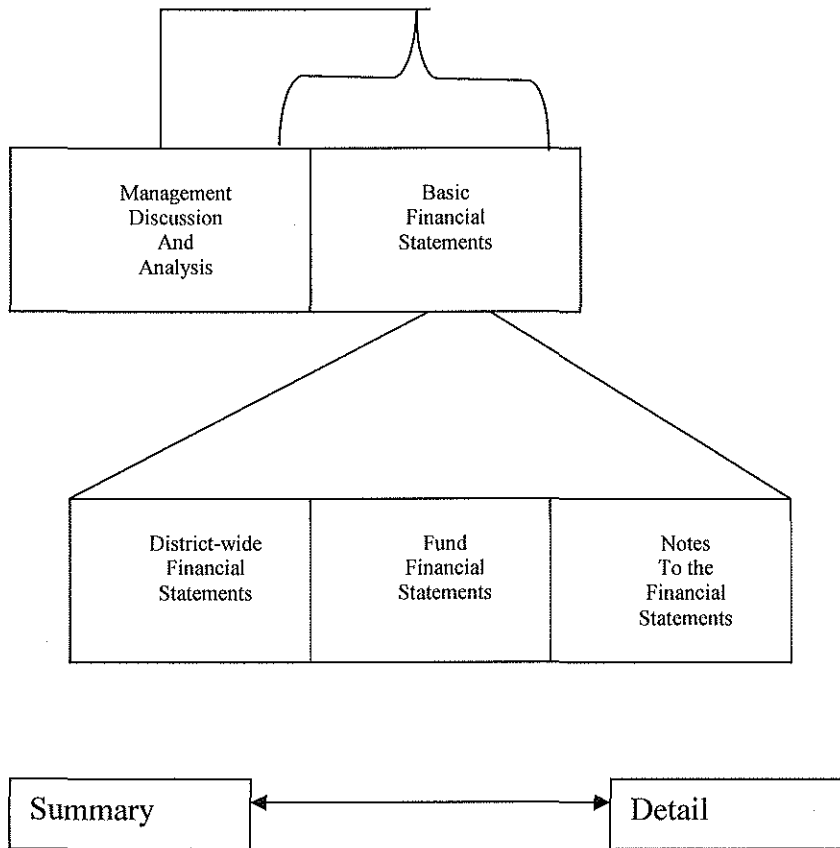
# PARK RIDGE BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

### 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, 2017

**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-term, 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, 2017

### 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, Owl house program, SAT review program, summer sports programs, 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, Owl house program, volleyball clinic program, SAT review program, summer basketball program, summer music program, summer lacrosse program, summer football program, summer baseball, softball & soccer program and laptop insurance program.

# PARK RIDGE BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

- *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, 2017

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** The District's *combined* net position was \$9,990,784 at June 30, 2017 and \$9,254,288 at June 30, 2016 as follows:

	Net Position					
	As of June 30, 2017 and 2016					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current Assets	\$ 10,176,968	\$ 8,960,385	\$ 789,972	\$ 644,848	\$ 10,966,940	\$ 9,605,233
Capital Assets	17,492,396	17,446,209	14,319	17,604	17,506,715	17,463,813
<b>Total Assets</b>	<u>27,669,364</u>	<u>26,406,594</u>	<u>804,291</u>	<u>662,452</u>	<u>28,473,655</u>	<u>27,069,046</u>
<b>Deferred Outflows of Resources</b>	<u>3,268,748</u>	<u>1,135,889</u>	<u>-</u>	<u>-</u>	<u>3,268,748</u>	<u>1,135,889</u>
Total Assets and Deferred Outflows of Resources	<u>30,938,112</u>	<u>27,542,483</u>	<u>804,291</u>	<u>662,452</u>	<u>31,742,403</u>	<u>28,204,935</u>
<b>Liabilities</b>						
Long-Term Liabilities	20,613,274	18,437,950			20,613,274	18,437,950
Other Liabilities	933,036	288,213	193,473	91,873	1,126,509	380,086
<b>Total Liabilities</b>	<u>21,546,310</u>	<u>18,726,163</u>	<u>193,473</u>	<u>91,873</u>	<u>21,739,783</u>	<u>18,818,036</u>
<b>Deferred Inflows of Resources</b>	<u>11,836</u>	<u>132,611</u>	<u>-</u>	<u>-</u>	<u>11,836</u>	<u>132,611</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,558,146</u>	<u>18,858,774</u>	<u>193,473</u>	<u>91,873</u>	<u>21,751,619</u>	<u>18,950,647</u>
<b>Net Position</b>						
Net Investment in Capital Assets	8,084,286	7,363,362	14,319	17,604	8,098,605	7,380,966
Restricted	7,184,879	6,491,403			7,184,879	6,491,403
Unrestricted	(5,889,199)	(5,171,056)	596,499	552,975	(5,292,700)	(4,618,081)
<b>Total Net Position</b>	<u>\$ 9,379,966</u>	<u>\$ 8,683,709</u>	<u>\$ 610,818</u>	<u>\$ 570,579</u>	<u>\$ 9,990,784</u>	<u>\$ 9,254,288</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, 2017

Change in Net Position  
For The Fiscal Years Ended June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 72,774	\$ 91,604	\$ 678,745	\$ 545,673	\$ 751,519	\$ 637,277
Operating Grants and Contributions	10,282,311	8,106,105	40,988	42,240	10,323,299	8,148,345
Capital Grants and Contributions	-	10,000			-	10,000
General Revenues						
Property Taxes	27,940,481	27,260,816			27,940,481	27,260,816
Unrestricted State Aid	237,825	207,230			237,825	207,230
Other	93,106	464,024	-	-	93,106	464,024
<b>Total Revenues</b>	<b>38,626,497</b>	<b>36,139,779</b>	<b>719,733</b>	<b>587,913</b>	<b>39,346,230</b>	<b>36,727,692</b>
<b>Expenses</b>						
Instruction						
Regular	16,522,589	14,394,352			16,522,589	14,394,352
Special Education	4,989,645	4,479,826			4,989,645	4,479,826
Other Instruction	965,770	766,748			965,770	766,748
School Sponsored Activities and Athletics	1,132,243	984,177			1,132,243	984,177
Support Services						
Student and Instruction Related Services	6,953,733	6,345,060			6,953,733	6,345,060
General Administrative Services	1,089,002	750,946			1,089,002	750,946
School Administrative Services	1,720,877	1,747,378			1,720,877	1,747,378
Central and Other Support Services	823,432	721,620			823,432	721,620
Plant Operations and Maintenance	2,797,096	2,290,641			2,797,096	2,290,641
Student Transportation	589,310	560,717			589,310	560,717
Interest and Other Charges on Debt	301,913	364,523			301,913	364,523
Food Services			217,127	225,896	217,127	225,896
Child Care Program			288,533	258,970	288,533	258,970
OWL House Program			184,930		184,930	-
Other Programs	-	-	33,534	29,544	33,534	29,544
<b>Total Expenses</b>	<b>37,885,610</b>	<b>33,405,988</b>	<b>724,124</b>	<b>514,410</b>	<b>38,609,734</b>	<b>33,920,398</b>
<b>Increase (Decrease) in Net Position Before Transfers</b>	<b>740,887</b>	<b>2,733,791</b>	<b>(4,391)</b>	<b>73,503</b>	<b>736,496</b>	<b>2,807,294</b>
<b>Transfers In (Out)</b>	<b>(44,630)</b>	<b>-</b>	<b>44,630</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>696,257</b>	<b>2,733,791</b>	<b>40,239</b>	<b>73,503</b>	<b>736,496</b>	<b>2,807,294</b>
<b>Net Position, Beginning of Year</b>	<b>8,683,709</b>	<b>5,949,918</b>	<b>570,579</b>	<b>497,076</b>	<b>9,254,288</b>	<b>6,446,994</b>
<b>Net Position, End of Year</b>	<b>\$ 9,379,966</b>	<b>\$ 8,683,709</b>	<b>\$ 610,818</b>	<b>\$ 570,579</b>	<b>\$ 9,990,784</b>	<b>\$ 9,254,288</b>

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$38,626,497 for the year ended June 30, 2017. Property taxes of \$27,940,481 represented 72% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local aid and contributions of \$10,520,136 represented 27% of revenues. In addition, tuition and miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

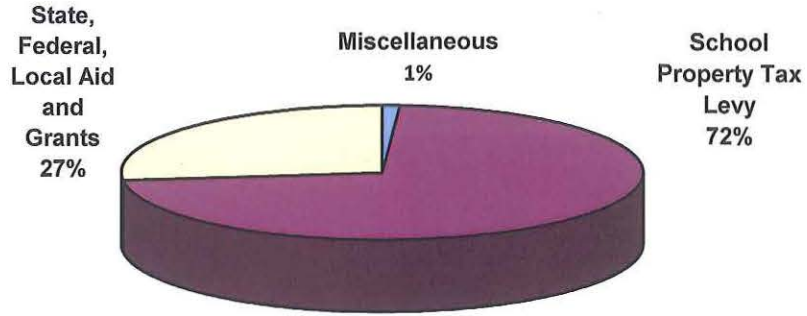
The total cost of all governmental activities programs and services was \$37,885,610. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$23,610,247 (62%) of total expenses. Support services, total \$13,973,450 (37%) of total expenses and interest and other charges on debt totaled \$301,913 (1%) of total expenses.

Total governmental activities revenues exceeded expenses and transfers out, increasing net position by \$696,257 over the previous year.

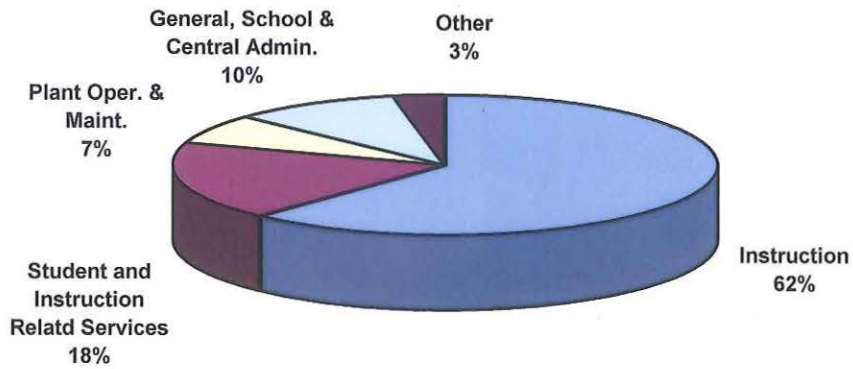
PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017

Revenues by Sources – Governmental Activities  
For Fiscal Year 2017



Expenses by Type-Governmental Activities  
For Fiscal Year 2017



PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$37,885,610. After applying program revenues, derived from charges for services of \$72,774 and operating and capital grants and contributions of \$10,282,311, the net cost of services of the District is \$27,530,525 for the fiscal year ended June 30, 2017.

**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2017 and 2016**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 16,522,589	\$ 14,394,352	\$ 11,188,019	\$ 10,428,121
Special Education	4,989,645	4,479,826	2,753,687	2,484,126
Other Instruction	965,770	766,748	627,820	540,007
School Sponsored Activities and Athletics	1,132,243	984,177	1,110,026	958,049
Support Services				
Student and Instruction Related Services	6,953,733	6,345,060	5,263,592	4,999,348
General Administrative Services	1,089,002	750,946	992,009	676,774
School Administrative Services	1,720,877	1,747,378	1,324,490	1,398,718
Central and Other Support Services	823,432	721,620	702,702	631,570
Plant Operations and Maintenance	2,797,096	2,290,641	2,774,740	2,270,864
Student Transportation	589,310	560,717	567,908	541,615
Interest on Debt	301,913	364,523	225,532	269,087
<b>Total</b>	<b>\$ 37,885,610</b>	<b>\$ 33,405,988</b>	<b>\$ 27,530,525</b>	<b>\$ 25,198,279</b>

**Business-Type Activities** – The District's total business-type activities revenues were \$719,733 for the year ended June 30, 2017. Charges for services accounted for 94% of total revenues. Operating grants and contributions accounted for 6% of total revenue for the year.

Total cost of all business-type activities programs and services was \$724,124. The District's expenses are related to Food Service (30%), Child Care (40%), Owl House (26%) and other programs (4%) offered to District students.

Total business-type activities expenses exceeded revenues, decreasing net position by \$4,391, over the previous year before a transfer from General Fund of \$44,630, for a total increase in net position of \$40,239. Food service operations decreased net position by \$6,841, child care operations increased net position by \$37,009, and the remaining increase in net position was from the other program operations which increased a combined \$10,071 from the previous year.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017

**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 \$9,343,410 which was an increase of \$716,958 over last year's fund balance of \$8,626,452. This increase was largely attributable to general fund revenues exceeding expenditures for the current fiscal year.

Revenues for the District's governmental funds were \$33,223,768, while total expenditures were \$32,693,035 for the fiscal year ended June 30, 2017. The District also had other financing sources of \$186,225 from refunding bond activity and transfers.

**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, 2017 and 2016:

	<u>Fiscal</u> <u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2017</u>	<u>2016</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Change</u>
Local Sources				
Property Taxes	\$ 27,153,268	\$ 26,475,355	\$ 677,913	3%
Tuition	72,774	91,604	(18,830)	-21%
Other	93,106	464,024	(370,918)	-80%
State Sources	<u>4,217,321</u>	<u>3,774,885</u>	<u>442,436</u>	12%
Total General Fund Revenues	<u>\$ 31,536,469</u>	<u>\$ 30,805,868</u>	<u>\$ 730,601</u>	2%

Total General Fund revenues increased \$730,601 or 2% from the previous year. Local property taxes increased by \$677,913 or 3% to finance increases in budgeted operating costs. There was a significant increase in State Aid revenue of \$442,436 or 12% mainly attributable to the increase in on-behalf aid for teacher pension contributions made by the State for the District's teaching professionals. There also was a significant decrease in other local revenues of \$370,916 which was due to revenues realized from a one time sale of District computers in the previous year.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2017 and 2016:

	<u>Year Ended June 30,</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2017</u>	<u>2016</u>		
Instruction	\$ 18,320,636	\$ 16,915,139	\$ 1,405,497	8%
Support Services	11,513,572	10,883,546	630,026	6%
Debt Service	285,864	285,895	(31)	0%
Capital Outlay	<u>893,541</u>	<u>740,411</u>	<u>153,130</u>	21%
Total Expenditures	<u>\$ 31,013,613</u>	<u>\$ 28,824,991</u>	<u>\$ 2,188,622</u>	8%

Total General Fund expenditures increased \$2,188,622 or (8%) from the previous year. Increases during the year were attributed to an increase in regular and special education instructional costs, student and instruction related support service costs, plant operations and maintenance costs as well as an increase in capital outlay activities.

For 2016-2017 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$659,309. Therefore, total fund balance increased to \$9,242,323 at June 30, 2017. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$293,847 at June 30, 2016 to \$324,690 at June 30, 2017. In addition, fund balances restricted for capital reserve increased \$122,794 to a balance of \$6,612,196 at year end and maintenance reserve increased \$500,000.

**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 and other financing uses increasing budgetary fund balance by \$729,565. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$101,099 from \$670,972 at June 30, 2016 to \$772,071 at June 30, 2017. 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 \$297,199 at June 30, 2017. These excess funds will be appropriated in the 2018/2019 budget in accordance with State budget regulations.



PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2017

**CAPITAL ASSETS**

At the end of the fiscal year 2017 the District had \$17,506,715 (net of accumulated depreciation) invested in land, buildings, furniture, equipment and vehicles. Depreciation expenses for fiscal year 2017 amounted to \$860,387 for governmental activities and \$3,285 for business-type activities. The following is a comparison of the June 30, 2017 and 2016 balances:

<b>Capital Assets</b>						
at June 30, 2017 and 2016						
	<u>Governmental Activities</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,054,125	\$ 1,054,125			\$ 1,054,125	\$ 1,054,125
Construction in Progress	630,914				630,914	
Land Improvements	3,762,552	3,745,044			3,762,552	3,745,044
Buildings and Building Improvements	19,660,465	19,507,454			19,660,465	19,507,454
Machinery and Equipment	<u>3,492,203</u>	<u>3,387,062</u>	\$ 109,612	\$ 109,612	<u>3,601,815</u>	<u>3,496,674</u>
	28,600,259	27,693,685	109,612	109,612	28,709,871	27,803,297
Less Accumulated Depreciation	<u>(11,107,863)</u>	<u>(10,247,476)</u>	<u>(95,293)</u>	<u>(92,008)</u>	<u>(11,203,156)</u>	<u>(10,339,484)</u>
<b>Total</b>	<u>\$ 17,492,396</u>	<u>\$ 17,446,209</u>	<u>\$ 14,319</u>	<u>\$ 17,604</u>	<u>\$ 17,506,715</u>	<u>\$ 17,463,813</u>

**LONG TERM LIABILITIES**

At June 30, 2017 the District had long-term liabilities outstanding in the amount of \$20,613,274 consisting of bonds payable, capital leases, lease-purchase agreements, compensated absences and net pension liability. The following is a comparison of the June 30, 2017 and 2016 balances.

<b>Outstanding Long-Term Liabilities</b>		
At June 30, 2017 and 2016		
	<u>2017</u>	<u>2016</u>
Bonds Payable (Including Unamortized Premium)	\$ 9,775,147	\$ 10,025,467
Capital Leases and Lease Purchase Agreements Payable	369,770	650,786
Compensated Absences	615,035	447,764
Net Pension Liability	<u>9,853,322</u>	<u>7,313,933</u>
<b>Total</b>	<u>\$ 20,613,274</u>	<u>\$ 18,437,950</u>

# PARK RIDGE BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2017

### **FACTORS BEARING THE DISTRICT'S FUTURE**

While many factors influence the district's future, the availability of State funding, student enrollment, 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 2017-2018 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 2017-2018. Budgeted expenditures in the General Fund increased approximately 9% to \$32,465,130 in fiscal year 2017-2018. A significant portion of this increase related to capital outlay activities funded by capital reserve as well as increases in contractual payroll and related employee health benefits are the primary reasons for the overall 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, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,048,640	\$ 771,155	\$ 10,819,795
Receivables, net	128,328	5,952	134,280
Inventories		3,510	3,510
Prepaid Items		9,355	9,355
Capital Assets, Not Being Depreciated	1,685,039		1,685,039
Capital Assets, Being Depreciated, Net	<u>15,807,357</u>	<u>14,319</u>	<u>15,821,676</u>
Total Assets	<u>27,669,364</u>	<u>804,291</u>	<u>28,473,655</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	454,326	-	454,326
Deferred Amounts on Net Pension Liability	<u>2,814,422</u>	<u>-</u>	<u>2,814,422</u>
Total Deferred Outflows of Resources	<u>3,268,748</u>	<u>-</u>	<u>3,268,748</u>
Total Assets and Deferred Outflows of Resources	<u>30,938,112</u>	<u>804,291</u>	<u>31,742,403</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	811,676	9,900	821,576
Payable to Other Governments	10,156		10,156
Accrued Interest Payable	99,478		99,478
Unearned Revenue	11,726	183,573	195,299
Noncurrent Liabilities			
Due within one year	1,148,336		1,148,336
Due beyond one year	<u>19,464,938</u>	<u>-</u>	<u>19,464,938</u>
Total Liabilities	<u>21,546,310</u>	<u>193,473</u>	<u>21,739,783</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>11,836</u>	<u>-</u>	<u>11,836</u>
Total Deferred Inflows of Resources	<u>11,836</u>	<u>-</u>	<u>11,836</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,558,146</u>	<u>193,473</u>	<u>21,751,619</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,084,286	14,319	8,098,605
Restricted for			
Capital Projects	6,612,196		6,612,196
Plant Maintenance	500,000		500,000
Debt Service	72,683		72,683
Unrestricted	<u>(5,889,199)</u>	<u>596,499</u>	<u>(5,292,700)</u>
Total Net Position	<u>\$ 9,379,966</u>	<u>\$ 610,818</u>	<u>\$ 9,990,784</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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 16,522,589	\$ 39,000	\$ 5,295,570		\$ (11,188,019)		\$ (11,188,019)
Special Education	4,989,645	33,774	2,202,184		(2,753,687)		(2,753,687)
Other Instruction	965,770		337,950		(627,820)		(627,820)
School Sponsored Activities and Athletics	1,132,243		22,217		(1,110,026)		(1,110,026)
Support Services							
Student and Instruction Related Services	6,953,733		1,690,141		(5,263,592)		(5,263,592)
General Administrative Services	1,089,002		96,993		(992,009)		(992,009)
School Administrative Services	1,720,877		396,387		(1,324,490)		(1,324,490)
Central and Other Support Services	823,432		120,730		(702,702)		(702,702)
Plant Operations and Maintenance	2,797,096		22,356		(2,774,740)		(2,774,740)
Student Transportation	589,310		21,402		(567,908)		(567,908)
Interest and Other Charges on Debt	301,913	-	76,381	-	(225,532)	-	(225,532)
<b>Total Governmental Activities</b>	<b>37,885,610</b>	<b>72,774</b>	<b>10,282,311</b>	<b>-</b>	<b>(27,530,525)</b>	<b>-</b>	<b>(27,530,525)</b>
<b>Business-Type Activities</b>							
Food Service	217,127	169,298	40,988			\$ (6,841)	(6,841)
Child Care Program	288,533	325,542				37,009	37,009
OWL House	184,930	140,300				(44,630)	(44,630)
SAT Review Program	11,023	13,740			-	2,717	2,717
Summer Basketball Program	9,737	9,920				183	183
Volleyball Clinic Program	3,578	2,110				(1,468)	(1,468)
Summer Music Program	4,900	5,180				280	280
Summer Football Program	2,700	2,840				140	140
Laptop Insurance Program	1,596	9,815	-	-	-	8,219	8,219
<b>Total Business-Type Activities</b>	<b>724,124</b>	<b>678,745</b>	<b>40,988</b>	<b>-</b>	<b>-</b>	<b>(4,391)</b>	<b>(4,391)</b>
<b>Total Primary Government</b>	<b>\$ 38,609,734</b>	<b>\$ 751,519</b>	<b>\$ 10,323,299</b>	<b>\$ -</b>	<b>(27,530,525)</b>	<b>(4,391)</b>	<b>(27,534,916)</b>

PARK RIDGE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>General Revenues</b>			
Property Taxes			
Levied for General Purposes	\$ 27,153,268		\$ 27,153,268
Levied for Debt Service	787,213		787,213
Unrestricted State Aid	36,956	-	36,956
State Aid for Debt Principal	200,869		200,869
Miscellaneous Income	93,106		93,106
Transfers	(44,630)	\$ 44,630	-
	28,226,782	44,630	28,271,412
Change in Net Position	696,257	40,239	736,496
Net Position Beginning of Year	8,683,709	570,579	9,254,288
Net Position End of Year	\$ 9,379,966	\$ 610,818	\$ 9,990,784

**FUND FINANCIAL STATEMENTS**

**PARK RIDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 9,947,553		\$ 28,404	\$ 72,683	\$ 10,048,640
Receivables, Net					
Receivables from Other Governments	82,383	\$ 45,870			128,253
Accounts	75				75
Due from Other Funds	13,392	-	-	-	13,392
	<u>13,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,392</u>
Total Assets	<u>\$ 10,043,403</u>	<u>\$ 45,870</u>	<u>\$ 28,404</u>	<u>\$ 72,683</u>	<u>\$ 10,190,360</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 745,742	\$ 21,096			\$ 766,838
Accrued Salary and Wages	44,838				44,838
Payable to Other Governments-State		10,156			10,156
Due to Other Funds	-	13,392			13,392
Unearned Revenue	10,500	1,226	-	-	11,726
	<u>10,500</u>	<u>1,226</u>	<u>-</u>	<u>-</u>	<u>11,726</u>
Total Liabilities	<u>801,080</u>	<u>45,870</u>	<u>-</u>	<u>-</u>	<u>846,950</u>
Fund Balances					
Restricted					
Capital Reserve	3,812,196				3,812,196
Capital Reserve - Designated for Subsequent Year's Expenditures	2,800,000				2,800,000
Maintenance Reserve	500,000				500,000
Emergency Reserve	241,040				241,040
Excess Surplus	297,199				297,199
Excess Surplus - Designated for Subsequent Year's Expenditures	711,037				711,037
Capital Projects			\$ 28,404		28,404
Debt Service				\$ 72,683	72,683
Assigned					
Year End Encumbrances	556,161				556,161
Unassigned	324,690	-	-	-	324,690
	<u>324,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,690</u>
Total Fund Balances	<u>9,242,323</u>	<u>-</u>	<u>28,404</u>	<u>72,683</u>	<u>9,343,410</u>
Total Liabilities and Fund Balances	<u>\$ 10,043,403</u>	<u>\$ 45,870</u>	<u>\$ 28,404</u>	<u>\$ 72,683</u>	<u>\$ 10,190,360</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, 2017**

<b>Total Fund Balances - Governmental Funds (Carried Forward)</b>		<b>\$ 9,343,410</b>
 Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$28,600,259 and the accumulated depreciation is \$11,107,863.		17,492,396
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.		454,326
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 amortized over future years.		
	Deferred Outflows of Resources	\$ 2,814,422
	Deferred Inflows of Resources	<u>(11,836)</u>
		2,802,586
The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is:		(99,478)
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.		
	Bonds Payable, Net	\$ 9,775,147
	Capital Leases	115,693
	Lease-Purchase Agreements	254,077
	Compensated Absences	615,035
	Net Pension Liability	<u>9,853,322</u>
		<u>(20,613,274)</u>
<b>Net Position of Governmental Activities (Exhibit A-1)</b>		<b>\$ <u>9,379,966</u></b>

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

**PARK RIDGE BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 27,153,268			\$ 787,213	\$ 27,940,481
Tuition	72,774				72,774
Miscellaneous	93,106	\$ 4,068	-	-	97,174
Total - Local Sources	27,319,148	4,068	-	787,213	28,110,429
State Sources	4,217,321	153,683	-	277,250	4,648,254
Federal Sources	-	465,085	-	-	465,085
Total Revenues	31,536,469	622,836	-	1,064,463	33,223,768
<b>EXPENDITURES</b>					
Instruction					
Regular	12,562,556	104,725			12,667,281
Special Education	3,989,412	313,804			4,303,216
Other Instruction	765,180	1,068			766,248
School-Sponsored Activities and Athletics	1,003,488				1,003,488
Support Services					
Student and Instruction Related Services	5,664,290	203,239			5,867,529
General Administrative Services	819,134				819,134
School Administrative Services	1,436,618				1,436,618
Central and Other Support Service	683,129				683,129
Plant Operations and Maintenance	2,356,120				2,356,120
Student Transportation	554,281				554,281
Debt Service					
Principal	281,016			720,000	1,001,016
Interest	4,848			273,781	278,629
Cost of Issuance				49,772	49,772
Capital Outlay	893,541	-	\$ 13,033	-	906,574
Total Expenditures	31,013,613	622,836	13,033	1,043,553	32,693,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	522,856	-	(13,033)	20,910	530,733
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bonds Proceeds				5,135,000	5,135,000
Payment to Refunding Bond Escrow Agent				(5,085,228)	(5,085,228)
Transfers In	181,083				181,083
Transfers Out	(44,630)	-	-	-	(44,630)
Total Other Financing Sources and Uses	136,453	-	-	49,772	186,225
Net Change in Fund Balance	659,309	-	(13,033)	70,682	716,958
Fund Balance, Beginning of Year	8,583,014	-	41,437	2,001	8,626,452
Fund Balance End of Year	\$ 9,242,323	\$ -	\$ 28,404	\$ 72,683	\$ 9,343,410

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, 2017**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 716,958

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

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

Capital Outlay	\$ 906,574	
Depreciation Expense	<u>(860,387)</u>	46,187

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	720,000	
Payment of Capital Leases	26,940	
Payment of Lease Purchase Agreements	<u>254,076</u>	1,001,016

The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs 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.

Refunding Bond Proceeds	(5,135,000)	
Payments to Escrow Agent for Refunding	5,085,228	
Deferred Amount on Refunding	(15,718)	
Original Issue Premium	<u>6,320</u>	(59,170)

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	(167,271)	
Increase in Pension Expense	<u>(696,265)</u>	(863,536)

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		35,885
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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 are already included in governmental activities in the statement of net position

Eliminate Internal Service Fund Transfer In		<u>(181,083)</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 696,257**

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

**PARK RIDGE BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2017**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Totals</u>	<u>Governmental Activities- Internal Service Fund- LLD Program</u>
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>OWL House Program</u>	<u>Non-Major Enterprise Funds</u>		
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	\$ 1,192	\$ 644,236	\$ 4,431	\$ 121,296	\$ 771,155	
Intergovernmental Receivable	1,485				1,485	
Accounts Receivable- Other	983	3,484		-	4,467	
Inventories	3,510				3,510	
Prepaid Items	-	9,355	-	-	9,355	-
Total Current Assets	<u>7,170</u>	<u>657,075</u>	<u>4,431</u>	<u>121,296</u>	<u>789,972</u>	<u>-</u>
Capital Assets						
Equipment	94,033	15,579			109,612	
Less: Accumulated Depreciation	(81,786)	(13,507)	-	-	(95,293)	-
Total Capital Assets, Net	<u>12,247</u>	<u>2,072</u>	<u>-</u>	<u>-</u>	<u>14,319</u>	<u>-</u>
Total Assets	<u>19,417</u>	<u>659,147</u>	<u>4,431</u>	<u>121,296</u>	<u>804,291</u>	<u>-</u>
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable		5,469	4,431	-	9,900	
Unearned Revenue	3,159	145,144	-	35,270	183,573	-
Total Current Liabilities	<u>3,159</u>	<u>150,613</u>	<u>4,431</u>	<u>35,270</u>	<u>193,473</u>	<u>-</u>
<b>NET POSITION</b>						
Investment in Capital Assets	12,247	2,072	-		14,319	
Unrestricted	4,011	506,462	-	86,026	596,499	-
Total Net Position	<u>\$ 16,258</u>	<u>\$ 508,534</u>	<u>\$ -</u>	<u>\$ 86,026</u>	<u>\$ 610,818</u>	<u>\$ -</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, 2017**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Totals</u>	<u>Governmental Activities- Internal Service Fund- LLD Program</u>
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>OWL House Program</u>	<u>Non-Major Enterprise Funds</u>		
<b>OPERATING REVENUES</b>						
Charges for Services						
Daily Sales - Reimbursable Programs	\$ 88,850				\$ 88,850	
Daily Sales - Non -Reimbursable Programs	75,709				75,709	
Special Functions - Non-Reimbursable Programs	4,739				4,739	
Program Fees	-	\$ 325,542	\$ 140,300	\$ 43,605	509,447	\$ -
Total Operating Revenues	<u>169,298</u>	<u>325,542</u>	<u>140,300</u>	<u>43,605</u>	<u>678,745</u>	<u>-</u>
<b>OPERATING EXPENSES</b>						
Salaries and Employee Benefits	93,880	208,435	116,959	30,915	450,189	
Cost of Sales - Reimbursable Programs	51,002				51,002	
Cost of Sales - Non-Reimbursable Programs	35,481					
Purchased Management Services	17,540				17,540	
Other Purchased Services	872		9,800		10,672	
Supplies and Materials	5,832	19,600	17,633	1,023	44,088	
Rental			33,740		33,740	
Miscellaneous	10,274	59,459			69,733	
Other Objects			6,798	1,596	8,394	
Depreciation	2,246	1,039	-	-	3,285	-
Total Operating Expenses	<u>217,127</u>	<u>288,533</u>	<u>184,930</u>	<u>33,534</u>	<u>724,124</u>	<u>-</u>
Operating Income (Loss)	<u>(47,829)</u>	<u>37,009</u>	<u>(44,630)</u>	<u>10,071</u>	<u>(45,379)</u>	<u>-</u>
<b>NONOPERATING REVENUES</b>						
Federal Sources						
National School Lunch Program	24,821				24,821	
Special Milk Program	5,991				5,991	
Food Distribution Program	8,828				8,828	
State Sources						
State School Lunch Program	1,348	-	-	-	1,348	-
Total Nonoperating Revenues	<u>40,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,988</u>	<u>-</u>
Change in Net Position Before Transfers	(6,841)	37,009	(44,630)	10,071	(4,391)	-
Transfers in			44,630		44,630	
Transfers Out	-	-	-	-	-	\$ (181,083)
Change in Net Position	(6,841)	37,009	-	10,071	40,239	(181,083)
Total Net Position, Beginning of Year	<u>23,099</u>	<u>471,525</u>	<u>-</u>	<u>75,955</u>	<u>570,579</u>	<u>181,083</u>
Total Net Position, End of Year	<u>\$ 16,258</u>	<u>\$ 508,534</u>	<u>\$ -</u>	<u>\$ 86,026</u>	<u>\$ 610,818</u>	<u>\$ -</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, 2017**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Totals</u>	<u>Governmental Activities- Internal Service Fund- LLD Program</u>
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>OWL House Program</u>	<u>Non-Major Enterprise Funds</u>		
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers	\$ 171,474	\$ 390,693	\$ 140,300	\$ 73,325	\$ 775,792	-
Cash Payments for Employees' Salaries and Benefits	(93,880)	(208,435)	(116,959)	(33,317)	(452,591)	-
Cash Payments to Suppliers for Goods and Services	(114,017)	(73,405)	(63,540)	(4,775)	(255,737)	-
Net Cash Provided by (Used for) Operating Activities	(36,423)	108,853	(40,199)	35,233	67,464	-
<b>Cash Flows from Noncapital Financing Activities</b>						
Cash Received (Paid) to Other Funds			44,630		44,630	\$ (181,083)
Cash Received from State and Federal Subsidy Reimbursements	32,734	-	-	-	32,734	-
Net Cash Provided by Noncapital Financing Activities	32,734	-	44,630	-	77,364	(181,083)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,689)	108,853	4,431	35,233	144,828	(181,083)
Cash and Cash Equivalents, Beginning of Year	4,881	535,383	-	86,063	626,327	181,083
Cash and Cash Equivalents, End of Year	\$ 1,192	\$ 644,236	\$ 4,431	\$ 121,296	\$ 771,155	\$ -
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>						
Operating Income (Loss)	\$ (47,829)	\$ 37,009	\$ (44,630)	\$ 10,071	\$ (45,379)	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Depreciation	2,246	1,039	-		3,285	
Non-Cash Assistance - Food Distribution Program	8,828				8,828	
Change in Assets and Liabilities						
(Increase)/Decrease in Accounts Receivable	(983)	(1,240)		2,450	227	-
(Increase)/Decrease in Inventories	(1,282)				(1,282)	
(Increase)/Decrease in Prepaid Items		185			185	
Increase/(Decrease) in Accrued Salaries and Wages				(2,402)	(2,402)	-
Increase/(Decrease) in Accounts Payable	(562)	5,469	4,431	(2,156)	7,182	-
Increase/(Decrease) in Unearned Revenues	3,159	66,391	-	27,270	96,820	-
Total Adjustments	11,406	71,844	4,431	25,162	112,843	-
Net Cash Provided by (Used for) Operating Activities	\$ (36,423)	\$ 108,853	\$ (40,199)	\$ 35,233	\$ 67,464	\$ -
<b>Non-Cash Investing, Capital and Financing Activities:</b>						
Value Received - Food Distribution Program	\$ 8,828					

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

**PARK RIDGE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2017**

	Unemployment Compensation Trust Fund	Private Purpose Trust Funds			Agency Fund
		Scholarship Trust Fund	Folkens Trust Fund	Varsity Club Trust Fund	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 240,178	\$ 81,572	\$ 20,189	\$ 13,724	\$ 214,549
Investments	-	42,909	-	-	-
Due From Other Funds	7,104	-	-	-	-
Total Assets	<u>\$ 247,282</u>	<u>\$ 124,481</u>	<u>\$ 20,189</u>	<u>\$ 13,724</u>	<u>\$ 214,549</u>
<b>LIABILITIES</b>					
Payroll Deductions and Withholdings					\$ 142,403
Intergovernmental Payable-State	\$ 621				
Due to Student Groups					65,042
Due to Other Funds	-	-	-	-	7,104
Total Liabilities	<u>621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 214,549</u>
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 246,661</u>	<u>\$ 124,481</u>	<u>\$ 20,189</u>	<u>\$ 13,724</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 NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Unemployment Compensation Trust Fund	Private Purpose Trust Funds		
		Scholarship Trust Fund	Folkens Trust Fund	Varsity Club Trust Fund
<b>ADDITIONS</b>				
Contributions				
Employees	\$ 25,280			
Private	-	\$ 5,000	-	\$ 9,939
Total Contributions	25,280	5,000	-	9,939
Investment Earnings				
Interest	69	287	\$ 7	3
Dividends	-	1,106	-	-
Total Investment Earnings	69	1,393	7	3
Add: Net Increase in the Fair Value of Investments	-	3,856	-	-
Net Investment Earnings	69	5,249	7	3
Total Additions	25,349	10,249	7	9,942
<b>DEDUCTIONS</b>				
Scholarship Awards		6,000		
Unemployment Claims and Contributions	9,894			
School Sponsored Activities and Athletics				4,445
Donated Services	-	-	3,280	-
Total Deductions	9,894	6,000	3,280	4,445
Change in Net Position	15,455	4,249	(3,273)	5,497
Net Position, Beginning of the Year	231,206	120,232	23,462	8,227
Net Position, End of the Year	\$ 246,661	\$ 124,481	\$ 20,189	\$ 13,724

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, 2017**

**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, owl house program 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 2017, the District adopted the following GASB statements as required:

- GASB No. 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*. 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 No. 77, *Tax Abatement Disclosures*. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. New Accounting Standards (Continued)**

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

- GASB No. 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 No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**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, 2017**

**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, before and after school and Owl House 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, 2017**

**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 *Owl house program fund* accounts for the activities for students (18-21 year old) who have met all of their high school graduation requirements yet still have Individualized Education Program (IEP) goals and objectives in the area of transition to adult life.

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 *summer football program fund* accounts for the activities of the summer football program provided to District students for the football clinics and cheerleading mini-camps during the summer recess.

The *summer lacrosse program fund* accounts for the activities of the summer lacrosse program providing 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.

The *baseball, softball and soccer program fund* accounts for the summer activities of the summer baseball, softball and soccer programs providing to District students during summer recess.

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. This Fund has been discontinued as of June 30, 2016. The remaining balance in net position as of June 30, 2016 was anticipated as a budget revenue in the District's 2016/2017 original budget certified for taxes.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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.

**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.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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 Board'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.

***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.

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***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 acquisition 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
Computer Equipment	5

***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 refunding of debt 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 only 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.



**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***7. Compensated Absences***

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

***8. 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 with the unamortized 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.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

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

*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 2017/2018 District budget certified for taxes.

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education (See Note 2C).

*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 (See Note 2D).

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes (See Note 2E).

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 (Continued)**

**Restricted Fund Balance (Continued)**

*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.

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

**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 1<sup>st</sup> 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.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses**

**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 2015-2016 and 2016-2017 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 Nonoperating 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, before and aftercare enterprise fund, Owl House program enterprise fund and the other 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 fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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. 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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$758,211. The increase was funded by additional appropriation of unassigned fund balance, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$153,972 from the general fund on May 22, 2017.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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

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

**B. Capital Reserve**

A capital reserve account was established by the District. 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, 2017 is as follows:

Balance, July 1, 2016	\$ 6,489,402
Increases	
Deposits Approved by Board Resolution	\$ 1,200,000
Unexpended Balance of Budgeted Withdrawals Returned	<u>122,794</u>
	<u>1,322,794</u>
	7,812,196
Withdrawals	
Approved in District Budget	<u>1,200,000</u>
Balance, June 30, 2017	<u>\$ 6,612,196</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. Of the capital reserve balance at June 30, 2017, the District designated and appropriated for use \$2,800,000 in the 2017/2018 original budget certified for taxes.

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve (Continued)**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Increases	
Deposits Approved by Board Resolution	\$ <u>500,000</u>
Balance, June 30, 2017	\$ <u>500,000</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$706,237.

**D. 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 or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. 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.

The activity of the emergency reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ <u>241,040</u>
Balance, June 30, 2017	\$ <u>241,040</u>

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. 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 restrict 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, 2017 is \$1,008,236. Of this amount, \$711,037 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$297,199 will be appropriated in the 2018/2019 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), National Credit Union Share Insurance Fund (NCUSIF), 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. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$11,390,007 and bank and brokerage firm balances of the Board's deposits amounted to \$11,905,763. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ 11,855,218
Uninsured and Collateralized	<u>50,545</u>
	<u>\$ 11,905,763</u>

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017 the Board’s bank balance of \$50,545 was exposed to custodial credit risk as follows:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department but not in the Board's name	\$ <u>50,545</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, 2017, the Board had the following investments:

<b><u>Investment:</u></b>	<b><u>Fair Value</u></b>
U.S. Government Securities	
Vanguard Wellington Fund	\$ <u>42,909</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, 2017, \$42,909 of the Board’s investments was exposed to custodial credit risk as follows:

<b><u>Uninsured and Collateralized</u></b>	<b><u>Fair Value</u></b>
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>42,909</u>

As of June 30, 2017, the Board had no outstanding investments.

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.



**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

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

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

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

**B. Receivables**

Receivables as of June 30, 2017 for the district’s individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 3,780				\$ 3,780
State	78,603		\$ 57		78,660
Federal		\$ 45,870	1,428		47,298
Accounts	<u>75</u>	<u>-</u>	<u>983</u>	<u>\$ 3,484</u>	<u>4,542</u>
Gross Receivables	82,458	45,870	2,468	3,484	134,280
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 82,458</u>	<u>\$ 45,870</u>	<u>\$ 2,468</u>	<u>\$ 3,484</u>	<u>\$ 134,280</u>

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund		
Prepaid Tuition Fees	\$	10,500
Special Revenue Fund		
Unencumbered Grant Draw Downs		<u>1,226</u>
 Total Unearned Revenue for Governmental Funds	 \$	 <u>11,726</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance,</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30, 2017</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,054,125			\$ 1,054,125
Construction in Progress	<u>-</u>	\$ 630,914	-	<u>630,914</u>
Total Capital Assets, Not Being Depreciated	<u>1,054,125</u>	<u>630,914</u>	<u>-</u>	<u>1,685,039</u>
Capital Assets, Being Depreciated:				
Land Improvements	3,745,044	17,508		3,762,552
Buildings and Building Improvements	19,507,454	153,011	-	19,660,465
Machinery and Equipment	<u>3,387,062</u>	<u>105,141</u>	-	<u>3,492,203</u>
Total Capital Assets Being Depreciated	<u>26,639,560</u>	<u>275,660</u>	<u>-</u>	<u>26,915,220</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,184,161)	(237,379)		(1,421,540)
Buildings and Building Improvements	(6,265,878)	(539,185)		(6,805,063)
Machinery and Equipment	<u>(2,797,437)</u>	<u>(83,823)</u>	-	<u>(2,881,260)</u>
Total Accumulated Depreciation	<u>(10,247,476)</u>	<u>(860,387)</u>	<u>-</u>	<u>(11,107,863)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,392,084</u>	<u>(584,727)</u>	<u>-</u>	<u>15,807,357</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,446,209</u>	<u>\$ 46,187</u>	<u>\$ -</u>	<u>\$ 17,492,396</u>

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 109,612	-	-	\$ 109,612
Total Capital Assets Being Depreciated	<u>109,612</u>	<u>-</u>	<u>-</u>	<u>109,612</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(92,008)	\$ (3,285)	-	(95,293)
Total Accumulated Depreciation	<u>(92,008)</u>	<u>(3,285)</u>	<u>-</u>	<u>(95,293)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,604</u>	<u>(3,285)</u>	<u>-</u>	<u>14,319</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,604</u>	<u>\$ (3,285)</u>	<u>\$ -</u>	<u>\$ 14,319</u>

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

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 563,234
Total Instruction	<u>563,234</u>
Support Services	
Students and Instruction Related Services	12,490
General Administrative Services	539
School Administrative Services	1,553
Plant Operations and Maintenance	251,362
Student Transportation	<u>31,209</u>
Total Support Services	<u>297,153</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 860,387</u>
<b>Business-Type Activities:</b>	
Food Service Fund	\$ 2,246
Before and After School Program Fund	<u>1,039</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,285</u>

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2017, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 13,392
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>7,104</u>
Total		<u>\$ 20,496</u>

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

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

**Interfund Transfers**

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>OWL House Program</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 44,630	\$ 44,630
Internal Service Fund	<u>\$ 181,083</u>	<u>-</u>	<u>181,083</u>
Total	<u>\$ 181,083</u>	<u>\$ 44,630</u>	<u>\$ 225,713</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund or residual balances of discontinued funds transferred to another fund.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases**

**Operating Leases**

The District leases property for the Owl house program under a noncancelable operating lease. Lease payments for the fiscal year ended June 30, 2017 were \$33,600. The future minimum lease payments for this operating lease is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2018	\$ 34,272
2019	34,957
2020	35,657
2021	<u>36,370</u>
Total	<u>\$ 141,256</u>

**Capital Leases**

The District is leasing copiers totaling \$144,833 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>\$ 144,833</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

Fiscal <u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Capital Leases</u>	<u>Lease Purchase Agreements</u>	
2018	\$ 31,788	\$ 254,077	\$ 285,865
2019	31,788		31,788
2020	31,788		31,788
2021	<u>29,139</u>	<u>-</u>	<u>29,139</u>
Total minimum lease payments	124,503	254,077	378,580
Less: amount representing interest	<u>(8,810)</u>	<u>-</u>	<u>(8,810)</u>
Present value of minimum lease payments	<u>\$ 115,693</u>	<u>\$ 254,077</u>	<u>\$ 369,770</u>

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. 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, 2017 are comprised of the following issues:

\$7,524,000, 2010 Bonds, due in annual installments of \$330,000 to \$370,000 through August 15, 2020, interest at 3.25%	\$ 1,400,000
\$2,155,000, 2010 Refunding Bonds, due in annual installments of \$200,000 to \$210,000 through August 1, 2022, interest at 3.13% to 4.25%	1,235,000
\$3,141,000, 2010 Bonds, due in annual installments of \$210,000 to \$231,000 through August 15, 2025, interest at 2.25% to 4.00%	1,981,000
\$5,135,000, 2016 Refunding Bonds, due in annual installments of \$50,000 to \$535,000 through August 15, 2030, interest at 1.98%	<u>5,135,000</u>
Total	<u>\$ 9,751,000</u>

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 860,000	\$ 247,762	\$ 1,107,762
2019	805,000	222,060	1,027,060
2020	825,000	195,220	1,020,220
2021	850,000	167,387	1,017,387
2022	865,000	141,979	1,006,979
2023-2027	3,471,000	400,748	3,871,748
2028-2031	<u>2,075,000</u>	<u>83,310</u>	<u>2,158,310</u>
	<u>\$ 9,751,000</u>	<u>\$ 1,458,466</u>	<u>\$ 11,209,466</u>

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. 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, 2017 was as follows:

4 % of Equalized Valuation Basis (Municipal)	\$ 72,958,750
Less: Net Debt (Including Authorized But Not Issued Debt)	<u>9,751,713</u>
Remaining Borrowing Power	<u>\$ 63,207,037</u>

**Advance and Current Refundings of Debt**

On December 15, 2016, the District issued \$5,135,000 in School District Refunding Bonds having an interest rate of 1.98%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2010 School District Bonds of the District. The total bond principal defeased was \$4,659,000 and the total interest payments defeased to the call date was \$701,015. The net proceeds of \$5,085,228 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$426,228. This amount has been reported as Deferred Outflows of Resources on the financial statements and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$364,090 and resulted in an economic gain of \$318,121.

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance, July 1, 2016	Additions	Deletions	Balance, June 30, 2017	Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 9,995,000	\$ 5,135,000	\$ 5,379,000	\$ 9,751,000	\$ 860,000
Add:					
Unamortized Premium on Refunding	<u>30,467</u>	<u>-</u>	<u>6,320</u>	<u>24,147</u>	<u>-</u>
Bonds Payable, Net	10,025,467	5,135,000	5,385,320	9,775,147	860,000
Capital Leases	142,633		26,940	115,693	27,959
Lease Purchase Agreements	508,153		254,076	254,077	254,077
Compensated Absences	447,764	217,100	49,829	615,035	6,300
Net Pension Liability	<u>7,313,933</u>	<u>2,834,946</u>	<u>295,557</u>	<u>9,853,322</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 18,437,950</u>	<u>\$ 8,187,046</u>	<u>\$ 6,011,722</u>	<u>\$ 20,613,274</u>	<u>\$ 1,148,336</u>

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities (Continued)**

**Changes in Long-Term Liabilities (Continued)**

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

The relationship between the Board and the insurance funds 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

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

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

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>
2017	None	\$ 25,280	\$ 9,894	\$ 246,661
2016	None	23,594	30,484	231,206
2015	None	24,019	19,722	237,288



**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, 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, 2017, 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, 2017**

**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](http://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](http://www.state.nj.us/treasury/doinvest).

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience 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 7.06% for PERS, 7.06% 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, 2017 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, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Annual Pension Costs (APC) (Continued)**

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 295,557	\$ 1,293,620	\$ 14,224
2016	280,115	907,062	11,609
2015	269,378	635,532	-

In addition for fiscal year 2016/2017 the District contributed \$1,195 for PERS and the State contributed \$2,432 for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$910,207 during the fiscal year ended June 30, 2017 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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$9,853,322 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District’s proportionate share was .03327 percent, which was an increase of .00069 percent from its proportionate share measured as of June 30, 2015 of .03258 percent.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$991,822 for PERS. At June 30, 2017, 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>
Difference Between Expected and Actual Experience	\$ 183,242	
Changes of Assumptions	2,041,082	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	375,716	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>214,382</u>	<u>\$ 11,836</u>
Total	<u>\$ 2,814,422</u>	<u>\$ 11,836</u>

At June 30, 2017, the 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>
2018	\$ 636,291
2019	636,291
2020	727,439
2021	605,265
2022	<u>197,300</u>
	<u>\$ 2,802,586</u>

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%





**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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% of the net pension liability attributable to the District 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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,696,350 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$89,122,953. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .11329 percent, which was a decrease of .00426 percent from its proportionate share measured as of June 30, 2015 of .11755 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**PARK RIDGE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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)**

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 3.22%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	<b>1% Decrease <u>(2.22%)</u></b>	<b>Current Discount Rate <u>(3.22%)</u></b>	<b>1% Increase <u>(4.22%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 106,432,723</u>	<u>\$ 89,122,953</u>	<u>\$ 74,987,292</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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](http://www.state.nj.us/treasury/pensions).

**PARK RIDGE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

**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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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, 2017, 2016 and 2015 were \$1,077,880, \$1,080,062 and \$1,008,908, 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.

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For Park Ridge Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**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, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 27,153,268		\$ 27,153,268	\$ 27,153,268	
Tuition from Other LEA's	33,945		33,945	33,774	\$ (171)
Tuition from Individuals				39,000	39,000
Miscellaneous	169,001	-	169,001	93,106	(75,895)
<b>Total Local Sources</b>	<b>27,356,214</b>	<b>-</b>	<b>27,356,214</b>	<b>27,319,148</b>	<b>(37,066)</b>
State Sources					
Special Education Aid	510,046		510,046	510,046	
Security Aid	22,761		22,761	22,761	
Transportation Aid	21,781		21,781	21,781	
PARCC Readiness Aid	12,970		12,970	12,970	
Per Pupil Growth Aid	12,970		12,970	12,970	
Professional Learning Community	12,060		12,060	12,060	
Extraordinary Aid	194,261		194,261	410,850	216,589
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)				1,248,388	1,248,388
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				45,232	45,232
On-behalf TPAF Post Retirement Medical					
Contribution (Nonbudgeted)				1,077,880	1,077,880
On-behalf TPAF Long Term Disability Insurance				2,432	2,432
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	910,207	910,207
<b>Total State Sources</b>	<b>786,849</b>	<b>-</b>	<b>786,849</b>	<b>4,287,577</b>	<b>3,500,728</b>
<b>Total Revenues</b>	<b>28,143,063</b>	<b>-</b>	<b>28,143,063</b>	<b>31,606,725</b>	<b>3,463,662</b>
<b>CURRENT EXPENDITURES</b>					
Regular Programs-Instruction					
Salaries of Teachers					
Kindergarten	331,152	\$ 13,512	344,664	344,664	
Grades 1-5	3,010,889	(193,101)	2,817,788	2,817,788	
Grades 6-8	1,235,356	(70,103)	1,165,253	1,165,253	
Grades 9-12	3,361,755	107,493	3,469,248	3,469,248	
Regular Programs-Home Instruction					
Salaries of Teachers	18,000	(11,103)	6,897	6,897	
Regular Programs-Undistributed Instruction					
Purchased Technical Services	29,750	(3,554)	26,196	20,455	5,741
Other Purchased Services	153,800	(27,902)	125,898	123,744	2,154
General Supplies	570,220	177,393	747,613	690,715	56,898
General Supplies - Acquired Under Lease Purchase (Nonbudget)					-
Textbooks	54,087	10,002	64,089	42,218	21,871
Other Objects	16,159	(240)	15,919	3,404	12,515
<b>Total Regular Programs</b>	<b>8,781,168</b>	<b>2,397</b>	<b>8,783,565</b>	<b>8,684,386</b>	<b>99,179</b>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	434,098	(45,292)	388,806	388,806	-
Other Salaries for Instruction	38,800	-	38,800	35,478	3,322
General Supplies	2,400	2,161	4,561	3,696	865
<b>Total Learning and/or Language Disabilities</b>	<b>475,298</b>	<b>(43,131)</b>	<b>432,167</b>	<b>427,980</b>	<b>4,187</b>



**PARK RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 964,892	\$ 47,820	\$ 1,012,712	\$ 1,012,712	-
General Supplies	5,060	(682)	4,378	3,055	\$ 1,323
Total Resource Room/Resource Center	969,952	47,138	1,017,090	1,015,767	1,323
Preschool Disabilities - Part-Time					
Salaries of Teachers	173,820	-	173,820	173,820	-
Other Salaries for Instruction	38,264	(18,056)	20,208	17,627	2,581
General Supplies	2,000	1,459	3,459	2,863	596
Total Preschool Disabilities - Part-Time	214,084	(16,597)	197,487	194,310	3,177
Total Special Education	1,659,334	(12,590)	1,646,744	1,638,057	8,687
Basic Skills/Remedial					
Salaries of Teachers	278,341	60,732	339,073	339,073	-
General Supplies	2,400	(125)	2,275	2,207	68
Total Basic Skills/Remedial	280,741	60,607	341,348	341,280	68
Bilingual Education					
Salaries of Teachers	158,436	14,796	173,232	173,232	-
General Supplies	700	(190)	510	507	3
Total Bilingual Education	159,136	14,606	173,742	173,739	3
School Sponsored Cocurricular Activities					
Salaries	219,248	175	219,423	216,250	3,173
Other Objects	32,700	328	33,028	25,747	7,281
Total School Sponsored Cocurricular Activities	251,948	503	252,451	241,997	10,454
School Sponsored Athletics					
Salaries	368,068	(4,588)	363,480	334,618	28,862
Purchased Services	71,165	1,428	72,593	72,206	387
Supplies and Materials	52,141	5,790	57,931	55,894	2,037
Other Objects	27,220	(3,637)	23,583	11,577	12,006
Total School Sponsored Athletics	518,594	(1,007)	517,587	474,295	43,292
Other Instructional Programs					
Salaries	35,700	-	35,700	33,786	1,914
Total Other Instructional Programs	35,700	-	35,700	33,786	1,914
Total Instruction	11,686,621	64,516	11,751,137	11,587,540	163,597

**PARK RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Regular	\$ 45,000	\$ 10,541	\$ 55,541	\$ 55,541	-
Tuition to Other LEA's Within the State-Special	249,941	6,002	255,943	255,943	-
Tuition to County Vocational Schools-Regular	320,705	-	320,705	222,099	\$ 98,606
Tuition to County Vocational Schools-Special	33,714	1,500	35,214	29,277	5,937
Tuition to CSSD and Regional Day Schools	509,596	(11,450)	498,146	398,404	99,742
Tuition to Priv. Sch. for the Disabled-Within State	1,245,359	(240,972)	1,004,387	835,297	169,090
Tuition to Priv. Sch For the Disabled-O/S State	-	40,400	40,400	40,350	50
<b>Total Undistributed Expenditures- Instruction</b>	<b>2,404,315</b>	<b>(193,979)</b>	<b>2,210,336</b>	<b>1,836,911</b>	<b>373,425</b>
Health Services					
Salaries	245,000	2,774	247,774	247,774	-
Purchased Professional/Technical Services	5,000	-	5,000	5,000	-
Other Purchased Services	2,700	109	2,809	2,790	19
Supplies and Materials	7,445	3,849	11,294	10,604	690
<b>Total Health Services</b>	<b>260,145</b>	<b>6,732</b>	<b>266,877</b>	<b>266,168</b>	<b>709</b>
Other Support Services-Students-Speech, OT, PT & Related Services					
Salaries	250,105	443	250,548	250,548	-
Supplies and Materials	2,292	1,000	3,292	3,231	61
<b>Total Other Support Services-Students-Speech, OT, PT &amp; Related Serv</b>	<b>252,397</b>	<b>1,443</b>	<b>253,840</b>	<b>253,779</b>	<b>61</b>
Other Support Services-Students-Extra Serv					
Salaries	741,262	55,194	796,456	796,456	-
Other Objects	73,574	(251)	73,323	68,529	4,794
<b>Total Other Support Services-Students-Extra Serv</b>	<b>814,836</b>	<b>54,943</b>	<b>869,779</b>	<b>864,985</b>	<b>4,794</b>
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	346,597	9,741	356,338	356,338	-
Salaries of Secretarial and Clerical Assistants	51,945	-	51,945	51,945	-
Other Purchased Services	300	-	300	-	300
Supplies and Materials	9,237	195	9,432	2,927	6,505
Other Objects	8,260	(1,200)	7,060	5,828	1,232
<b>Total Other Support Services-Students-Guidance</b>	<b>416,339</b>	<b>8,736</b>	<b>425,075</b>	<b>417,038</b>	<b>8,037</b>
Other Support Services-Students-Child Study Teams					
Salaries of Other Professional Staff	890,860	(65,436)	825,424	783,728	41,696
Salaries of Secretarial and Clerical Assistants	77,918	-	77,918	77,918	-
Purchased Professional/Educational Services	746,350	(9,286)	737,064	682,586	54,478
Other Purchased Services	1,200	-	1,200	188	1,012
Supplies and Materials	21,567	26,666	48,233	38,930	9,303
Other Objects	2,700	9,950	12,650	12,575	75
<b>Total Other Support Services-Students-Child Study Teams</b>	<b>1,740,595</b>	<b>(38,106)</b>	<b>1,702,489</b>	<b>1,595,925</b>	<b>106,564</b>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	180,714	(33,418)	147,296	112,857	34,439
Supplies and Materials	1,248	3,811	5,059	2,403	2,656
Other Objects	10,557	6,006	16,563	10,927	5,636
<b>Total Improvement of Instructional Services</b>	<b>192,519</b>	<b>(23,601)</b>	<b>168,918</b>	<b>126,187</b>	<b>42,731</b>
Educational Media/School Library					
Salaries	440,964	-	440,964	377,595	63,369
Other Purchased Services	22,198	880	23,078	23,078	-
Supplies and Materials	43,670	404	44,074	37,891	6,183
<b>Total Educational Media/School Library</b>	<b>506,832</b>	<b>1,284</b>	<b>508,116</b>	<b>438,564</b>	<b>69,552</b>

**PARK RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	\$ 139,825	\$ (2,342)	\$ 137,483	\$ 132,330	\$ 5,153
Salaries of Other Professional Staff		-			-
Salaries of Secretarial/Clerical Assistants	25,973	2,342	28,315	28,314	1
Other Purchased Services	44,865	(4,578)	40,287	22,520	17,767
Other Objects	2,500	(2,121)	379	328	51
<b>Total Instructional Staff Training Services</b>	<b>213,163</b>	<b>(6,699)</b>	<b>206,464</b>	<b>183,492</b>	<b>22,972</b>
Support Services- General Administration					
Salaries	334,379	(23,118)	311,261	311,261	-
Legal Services	75,000	(15,044)	59,956	59,956	-
Audit Fees	28,500	31,643	60,143	23,130	37,013
Architectural / Engineering Services	30,000	46,993	76,993	21,254	55,739
Other Purchased Professional Services	26,300	12,702	39,002	39,002	-
Communications/Telephone	52,700	(6,835)	45,865	39,688	6,177
Misc Purchased Services	9,000	1,379	10,379	9,277	1,102
General Supplies	5,450	(756)	4,694	1,365	3,329
Judgements Against the School	-	130,000	130,000	130,000	-
Miscellaneous Expenditures	19,491	(3,012)	16,479	13,094	3,385
BOE Membership Dues and Fees	17,521	743	18,264	18,002	262
<b>Total Support Services- General Administration</b>	<b>598,341</b>	<b>174,695</b>	<b>773,036</b>	<b>666,029</b>	<b>107,007</b>
Support Services- School Administration					
Salaries of Principals/Assistant Principals/Program Directors	496,350	106,446	602,796	602,796	-
Salaries of Secretarial and Clerical Assistants	364,425	(11,700)	352,725	351,933	792
Other Purchased Services	12,050	(603)	11,447	10,545	902
Supplies and Materials	19,300	(1,237)	18,063	16,301	1,762
Other Objects	12,985	(3,066)	9,919	9,339	580
<b>Total Support Services- School Administration</b>	<b>905,110</b>	<b>89,840</b>	<b>994,950</b>	<b>990,914</b>	<b>4,036</b>
Central Services					
Salaries	430,736	7,653	438,389	438,389	-
Purchased Technical Services	32,600	(7,543)	25,057	25,057	-
Misc. Purchased Services	2,650	(110)	2,540	800	1,740
Supplies and Materials	9,175	48,446	57,621	12,495	45,126
Miscellaneous Expenditures	1,925	-	1,925	1,664	261
<b>Total Central Services</b>	<b>477,086</b>	<b>48,446</b>	<b>525,532</b>	<b>478,405</b>	<b>47,127</b>
Admin. Info. Technology					
Other Purchased Services	2,500	-	2,500		2,500
Supplies and Materials		-			-
Other Objects	5,500	-	5,500	5,494	6
<b>Total Admin. Info. Technology</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>	<b>5,494</b>	<b>2,506</b>
Required Maintenance for School Facilities					
Salaries	228,019	3,524	231,543	231,543	-
Cleaning, Repair and Maintenance Services	69,000	61,626	130,626	114,565	16,061
General Supplies	50,500	63,015	113,515	106,559	6,956
<b>Total Required Maintenance for School Facilities</b>	<b>347,519</b>	<b>128,165</b>	<b>475,684</b>	<b>452,667</b>	<b>23,017</b>

**PARK RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Custodial Services					
Salaries	\$ 588,703	\$ 47,905	\$ 636,608	\$ 636,194	\$ 414
Salaries of Non-Instructional Aides	73,900	(12,200)	61,700	57,776	3,924
Purchased Professional/Technical Services	24,080	-	24,080	23,071	1,009
Cleaning, Repair and Maintenance Services	55,319	16,379	71,698	66,769	4,929
Rental of Land & Bldg. Other than Lease Purchase Agreement	11,592	-	11,592	11,592	-
Other Purchased Property Services	51,200	21,219	72,419	69,975	2,444
Insurance	201,219	(16,484)	184,735	184,723	12
Miscellaneous Purchased Services	23,874	(4,841)	19,033	19,033	-
General Supplies	66,420	80,608	147,028	138,445	8,583
Energy (Electricity)	175,650	57,552	233,202	181,287	51,915
Energy (Natural Gas)	257,105	(146,625)	110,480	88,571	21,909
<b>Total Custodial Services</b>	<u>1,529,062</u>	<u>43,513</u>	<u>1,572,575</u>	<u>1,477,436</u>	<u>95,139</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	74,885	(7,872)	67,013	67,013	-
<b>Total Care and Upkeep of Grounds</b>	<u>74,885</u>	<u>(7,872)</u>	<u>67,013</u>	<u>67,013</u>	<u>-</u>
Salaries for Pupil Transportation (Other Than Between Home and School)	62,377	12,045	74,422	74,422	-
Contracted Services (Other Than Between Home and School)-Vendors	64,200	(23,545)	40,655	17,944	22,711
Contracted Services (Spec. Ed Students)-Vendors	72,241	126	72,367	40,277	32,090
Contracted Services (Spec. Ed Students)- Joint Agreements	639,000	-	639,000	389,631	249,369
<b>Total Student Transportation Services</b>	<u>837,818</u>	<u>(11,374)</u>	<u>826,444</u>	<u>522,274</u>	<u>304,170</u>
Unallocated Employee Benefits					
Social Security Contributions	387,183	(24,860)	362,323	324,295	38,028
Other Retirement Contributions - PERS	315,124	(12,387)	302,737	296,752	5,985
Other Retirement Contributions - DCRP	-	14,387	14,387	14,224	163
Workers Compensation	181,604	6,176	187,780	187,780	-
Health Benefits	4,503,367	(108,412)	4,394,955	3,660,861	734,094
Tuition Reimbursement	22,000	2,300	24,300	14,784	9,516
Other Employee Benefits	14,884	88,178	103,062	103,008	54
<b>Total Unallocated Employee Benefits</b>	<u>5,424,162</u>	<u>(34,618)</u>	<u>5,389,544</u>	<u>4,601,704</u>	<u>787,840</u>
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)				1,248,388	(1,248,388)
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				45,232	(45,232)
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)				1,077,880	(1,077,880)
On-behalf TPAF Long Term Disability Insurance				2,432	(2,432)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	910,207	(910,207)
<b>Total On-Behalf</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,284,139</u>	<u>(3,284,139)</u>
<b>Total Undistributed Expenditures</b>	<u>17,003,124</u>	<u>241,548</u>	<u>17,244,672</u>	<u>18,529,124</u>	<u>(1,284,452)</u>
<b>Total Current Expenditures</b>	<u>28,689,745</u>	<u>306,064</u>	<u>28,995,809</u>	<u>30,116,664</u>	<u>(1,120,855)</u>

**PARK RIDGE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CAPITAL OUTLAY</b>					
Equipment					
Grades 9-12	-	\$ 14,518	\$ 14,518	-	\$ 14,518
Undistributed Expenditures					
Custodial Services	-	21,953	21,953	-	21,953
School Buses - Regular	-	66,729	66,729	-	66,729
<b>Total Equipment</b>	<b>-</b>	<b>103,200</b>	<b>103,200</b>	<b>-</b>	<b>103,200</b>
Facilities Acquisition and Construction Services					
Construction Services	\$ 1,200,000	148,537	1,348,537	\$ 863,902	484,635
Infrastructure		22,396	22,396	22,396	-
Other Objects	10,651	-	10,651	10,651	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,210,651</b>	<b>170,933</b>	<b>1,381,584</b>	<b>896,949</b>	<b>484,635</b>
Interest Deposit to Capital Reserve	500	-	500	-	500
<b>Total Capital Outlay</b>	<b>1,211,151</b>	<b>274,133</b>	<b>1,485,284</b>	<b>896,949</b>	<b>588,335</b>
<b>Total Expenditures</b>	<b>29,900,896</b>	<b>580,197</b>	<b>30,481,093</b>	<b>31,013,613</b>	<b>(532,520)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,757,833)	(580,197)	(2,338,030)	593,112	2,931,142
Other Financing Sources / (Uses)					
Transfers In	181,000		181,000	181,083	83
Transfers Out	-	(44,630)	(44,630)	(44,630)	-
<b>Total Other Financing Sources / (Uses)</b>	<b>181,000</b>	<b>(44,630)</b>	<b>136,370</b>	<b>136,453</b>	<b>83</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,576,833)	(624,827)	(2,201,660)	729,565	2,931,225
Fund Balances, Beginning of Year	8,960,139	-	8,960,139	8,960,139	-
Fund Balances, End of Year	\$ 7,383,306	\$ (624,827)	\$ 6,758,479	\$ 9,689,704	\$ 2,931,225
<b>Recapitulation of Fund Balance</b>					
Restricted Fund Balance					
Capital Reserve				\$ 3,812,196	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,800,000	
Maintenance Reserve				500,000	
Emergency Reserve				241,040	
Excess Surplus				297,199	
Excess Surplus - Designated for Subsequent Year's Expenditures				711,037	
Assigned Fund Balance					
Year End Encumbrances				556,161	
Unassigned Fund Balance				772,071	
Fund Balance - Budgetary Basis				9,689,704	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2016/2017 State Aid Not Recognized on a GAAP Basis				(447,381)	
Fund Balance per Governmental Funds (GAAP)				\$ 9,242,323	

**PARK RIDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 94,283	\$ 59,400	\$ 153,683	\$ 153,683	\$ -
Federal	395,169	69,916	465,085	465,085	-
Local	-	4,068	4,068	4,068	-
	<u>489,452</u>	<u>133,384</u>	<u>622,836</u>	<u>622,836</u>	<u>-</u>
<b>Total Revenues</b>	<b>489,452</b>	<b>133,384</b>	<b>622,836</b>	<b>622,836</b>	<b>-</b>
<b>EXPENDITURES</b>					
Instruction					
Salaries for Instruction	95,526	(5,526)	90,000	90,000	-
Purchased Professional and Technical Services	279,143	(244,143)	35,000	35,000	-
Tuition		278,804	278,804	278,804	-
General Supplies		6,225	6,225	6,225	-
Textbooks	18,000	(8,432)	9,568	9,568	-
	<u>392,669</u>	<u>26,928</u>	<u>419,597</u>	<u>419,597</u>	<u>-</u>
<b>Total Instruction</b>	<b>392,669</b>	<b>26,928</b>	<b>419,597</b>	<b>419,597</b>	<b>-</b>
Support Services					
Other Salaries		8,026	8,026	8,026	-
Purchased Professional/Educational Services	52,000	(8,268)	43,732	43,732	-
Purchased Professional and Technical Service	20,500	25,423	45,923	45,923	-
Other Purchased Professional Services	24,283	21,244	45,527	45,527	-
Other Purchased Services		35,608	35,608	35,608	-
Supplies and Materials	-	23,789	23,789	23,789	-
	<u>96,783</u>	<u>105,822</u>	<u>202,605</u>	<u>202,605</u>	<u>-</u>
<b>Total Support Services</b>	<b>96,783</b>	<b>105,822</b>	<b>202,605</b>	<b>202,605</b>	<b>-</b>
Unallocated Employee Benefits	-	634	634	634	-
	<u>-</u>	<u>634</u>	<u>634</u>	<u>634</u>	<u>-</u>
<b>Total Unallocated Employee Benefits</b>	<b>-</b>	<b>634</b>	<b>634</b>	<b>634</b>	<b>-</b>
	<u>489,452</u>	<u>133,384</u>	<u>622,836</u>	<u>622,836</u>	<u>-</u>
<b>Total Expenditures</b>	<b>489,452</b>	<b>133,384</b>	<b>622,836</b>	<b>622,836</b>	<b>-</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	-	\$ -

**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, 2017**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1, C-2).	\$ 31,606,725	\$ 622,836
Difference - Budget to GAAP:		
State aid payments recognized for GAAP purposes, not recognized for budgetary purposes - June 30, 2016	377,125	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes - June 30, 2017	<u>(447,381)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 31,536,469</u>	<u>\$ 622,836</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (Exhibit C-1, C-2)	<u>\$ 31,013,613</u>	<u>\$ 622,836</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 31,013,613</u>	<u>\$ 622,836</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 Four Fiscal Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	.03327	.03258	.03268	.03167
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,853,322	\$ 7,313,933	\$ 6,117,881	\$ 6,053,426
District's Covered-Employee Payroll	\$ 2,302,288	\$ 2,260,483	\$ 2,219,849	\$ 2,221,409
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	427.98%	323.56%	275.60%	272.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	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 Four Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 295,557	\$ 280,115	\$ 269,378	\$ 238,653
Contributions in Relation to the Contractually Required Contribution	<u>295,557</u>	<u>280,115</u>	<u>269,378</u>	<u>238,653</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,302,288	\$ 2,260,483	\$ 2,219,849	\$ 2,221,409
Contributions as a Percentage of Covered-Employee Payroll	12.84%	12.39%	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 Four Fiscal Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 89,122,953</u>	<u>\$ 74,298,218</u>	<u>\$ 57,698,736</u>	<u>\$ 55,389,935</u>
Total	<u>\$ 89,122,953</u>	<u>\$ 74,298,218</u>	<u>\$ 57,698,736</u>	<u>\$ 55,389,935</u>
District's Covered-Employee Payroll	\$ 11,785,992	\$ 11,518,945	\$ 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%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	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, 2017**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**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, 2017

	<u>Local Grants</u>	<u>IDEA Part B Basic</u>	<u>Preschool Program</u>	<u>Nonpublic Security</u>	<u>Chapter 192 Compensatory Education</u>	<u>Examination/ Classification</u>	<u>Chapter 193 Corrective Speech</u>	<u>Supplemental Instruction</u>	<u>Total Exhibit E-1A</u>
REVENUES									
State				\$ 18,050	\$ 28,666	\$ 38,547	\$ 6,980	\$ 15,066	\$ 107,309
Federal		\$ 322,817	\$ 20,811						343,628
Local	\$ 4,068	-	-	-	-	-	-	-	4,068
<b>Total Revenues</b>	<u>\$ 4,068</u>	<u>\$ 322,817</u>	<u>\$ 20,811</u>	<u>\$ 18,050</u>	<u>\$ 28,666</u>	<u>\$ 38,547</u>	<u>\$ 6,980</u>	<u>\$ 15,066</u>	<u>\$ 455,005</u>
EXPENDITURES									
Instruction									
Purchased Professional and Technical Services		\$ 35,000							\$ 35,000
Tuition		257,993	\$ 20,811						278,804
General Supplies	\$ 1,068	-	-	-	-	-	-	-	1,068
<b>Total Instruction</b>	<u>1,068</u>	<u>292,993</u>	<u>20,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,872</u>
Support Services									
Purchased Professional Education Services					\$ 28,666			\$ 15,066	43,732
Purchased Professional and Technical Services		27,085							27,085
Other Purchased Professional Services						\$ 38,547	\$ 6,980		45,527
Supplies and Materials	3,000	2,739	-	\$ 18,050	-	-	-	-	23,789
<b>Total Support Services</b>	<u>3,000</u>	<u>29,824</u>	<u>-</u>	<u>18,050</u>	<u>28,666</u>	<u>38,547</u>	<u>6,980</u>	<u>15,066</u>	<u>140,133</u>
<b>Total Expenditures</b>	<u>\$ 4,068</u>	<u>\$ 322,817</u>	<u>\$ 20,811</u>	<u>\$ 18,050</u>	<u>\$ 28,666</u>	<u>\$ 38,547</u>	<u>\$ 6,980</u>	<u>\$ 15,066</u>	<u>\$ 455,005</u>



PARK RIDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NCLB Consolidated Grant

	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title III</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>
<b>REVENUES</b>								
State				\$ 9,568	\$ 32,490	\$ 4,316	\$ 107,309	\$ 153,683
Federal	\$ 94,841	\$ 17,810	\$ 8,806				343,628	465,085
Local	-	-	-	-	-	-	4,068	4,068
<b>Total Revenues</b>	<u>\$ 94,841</u>	<u>\$ 17,810</u>	<u>\$ 8,806</u>	<u>\$ 9,568</u>	<u>\$ 32,490</u>	<u>\$ 4,316</u>	<u>455,005</u>	<u>\$ 622,836</u>
<b>EXPENDITURES</b>								
<b>Instruction</b>								
Salaries for Instruction	\$ 90,000						-	\$ 90,000
Purchased Professional and Technical Services							\$ 35,000	35,000
Tuition							278,804	278,804
General Supplies	841					\$ 4,316	1,068	6,225
Textbooks	-	-	-	\$ 9,568	-	-	-	9,568
<b>Total Instruction</b>	<u>90,841</u>	<u>-</u>	<u>-</u>	<u>9,568</u>	<u>-</u>	<u>4,316</u>	<u>314,872</u>	<u>419,597</u>
<b>Support Services</b>								
Other Salaries			\$ 8,026				-	8,026
Personal Services - Employee Benefits			634				-	634
Purchased Professional Education Services							43,732	43,732
Purchased Professional and Technical Services	4,000	\$ 14,838					27,085	45,923
Other Purchased Professional Services							45,527	45,527
Other Purchased Services		2,972	146		\$ 32,490		-	35,608
Supplies and Materials	-	-	-	-	-	-	23,789	23,789
<b>Total Support Services</b>	<u>4,000</u>	<u>17,810</u>	<u>8,806</u>	<u>-</u>	<u>32,490</u>	<u>-</u>	<u>140,133</u>	<u>203,239</u>
<b>Total Expenditures</b>	<u>\$ 94,841</u>	<u>\$ 17,810</u>	<u>\$ 8,806</u>	<u>\$ 9,568</u>	<u>\$ 32,490</u>	<u>\$ 4,316</u>	<u>\$ 455,005</u>	<u>\$ 622,836</u>

**PARK RIDGE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

<u>Number</u>	<u>Issue/Project Title</u>	<u>Modified</u> <u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer to</u> <u>Debt Service</u> <u>Fund</u> <u>Prior Years</u>	<u>Unexpended</u> <u>Project</u> <u>Balance,</u> <u>June 30, 2017</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	\$ 9,242,083		\$ 1,400,000	\$ 23,630
12/11/2012	High School Athletic Field Improvement Consisting of Turf Field Installation, Lights Installation and Track Resurfacing	<u>1,816,612</u>	<u>1,798,092</u>	<u>\$ 13,033</u>	<u>-</u>	<u>5,487</u>
		<u>\$ 12,482,325</u>	<u>\$ 11,040,175</u>	<u>\$ 13,033</u>	<u>\$ 1,400,000</u>	<u>\$ 29,117</u>
<b><u>Reconciliation to GAAP Basis</u></b>						
	Project Balance , June 30, 2017					29,117
	Less Unfunded Authorizations:					
	Bonds Authorized but Not Issued					<u>(713)</u>
	Fund Balance, June 30, 2017 - GAAP Basis					<u>\$ 28,404</u>
<b><u>Recapitulation of Fund Balance</u></b>						
	Restricted for Capital Projects					
	Available for Capital Projects					<u>28,404</u>
	Total Fund Balance - Restricted for Capital Projects					<u>\$ 28,404</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, 2017**

**Expenditures and Other Financing Uses**

Architectural / Engineering Services	\$ 13,033
Construction Services	
Supplies and Materials	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>13,033</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	  (13,033)
 Fund Balance- Beginning of Year	 <u>41,437</u>
 Fund Balance- End of Year	 <u>\$ 28,404</u>

**Reconciliation to GAAP**

Fund Balance, End of Year - Budgetary Basis	<u>\$ 28,404</u>
Fund Balance, June 30, 2017 - GAAP	<u>\$ 28,404</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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>
<b>Expenditures and Other Financing Uses</b>				
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	8,037,195		8,037,195	9,372,293
Miscellaneous Expenditures	127,989		127,989	145,560
Transfer to Debt Service Fund	<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>	<u>-</u>
Total Expenditures	<u>10,642,083</u>	<u>-</u>	<u>10,642,083</u>	<u>10,665,713</u>
Excess of Revenue Over Expenditures	<u>\$ 22,917</u>	<u>\$ -</u>	<u>\$ 22,917</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Permanently Funded Note Proceeds	\$ 1,400,000		\$ 1,400,000	\$ 1,400,000
Transfer from Capital Outlay	<u>416,612</u>	<u>-</u>	<u>416,612</u>	<u>416,612</u>
 Total Revenues	 <u>1,816,612</u>	 <u>-</u>	 <u>1,816,612</u>	 <u>1,816,612</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural / Engineering Services	214,396	\$ 13,033	\$ 227,429	227,429
Other Professional/Technical Services	4,646		4,646	4,646
Construction Services	1,535,973		1,535,973	1,540,537
Supplies and Materials	<u>43,077</u>	<u>-</u>	<u>43,077</u>	<u>44,000</u>
 Total Expenditures	 <u>1,798,092</u>	 <u>13,033</u>	 <u>1,811,125</u>	 <u>1,816,612</u>
 Excess of Revenue Over Expenditures	 <u>\$ 18,520</u>	 <u>\$ (13,033)</u>	 <u>\$ 5,487</u>	 <u>\$ -</u>
<b>Additional Project Information:</b>				
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**

**NON-MAJOR ENTERPRISE FUNDS**



PARK RIDGE BOARD OF EDUCATION  
 ENTERPRISE FUNDS - NON-MAJOR  
 STATEMENT OF NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	SAT Review Program	Summer Basketball Program	Volleyball Clinic Program	Summer Music Program	Summer Lacrosse Program	Summer Football Program	Summer Baseball Softball Soccer Program	Laptop Insurance Program	Total Non-Major Enterprise Funds
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 20,680	\$ 14,813	\$ 7,542	\$ 5,960	\$ 1,873	\$ 6,419	\$ 1,250	\$ 62,759	121,296
Accounts Receivable	-	-	-	-	-	-	-	-	-
Total Assets	20,680	14,813	7,542	5,960	1,873	6,419	1,250	62,759	121,296
<b>LIABILITIES</b>									
Current Liabilities									
Accounts Payable	-	-	-	-	-	-	-	-	-
Accrued Salaries and Wages	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	14,390	6,855	4,840	1,685	6,250	1,250	-	35,270
Total Liabilities	-	14,390	6,855	4,840	1,685	6,250	1,250	-	35,270
<b>NET POSITION</b>									
Unrestricted	20,680	423	687	1,120	188	169	-	62,759	86,026
Total Net Position	\$ 20,680	\$ 423	\$ 687	\$ 1,120	\$ 188	\$ 169	\$ -	\$ 62,759	\$ 86,026

**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, 2017**

	<u>SAT Review Program</u>	<u>Summer Basketball Program</u>	<u>Volleyball Clinic Program</u>	<u>Summer Music Program</u>	<u>Summer Lacrosse Program</u>	<u>Summer Football Program</u>	<u>Summer Baseball Softball Soccer Program</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
<b>OPERATING REVENUES</b>									
Charges for Services									
Program Fees	\$ 13,740	\$ 9,920	\$ 2,110	\$ 5,180	\$ -	\$ 2,840	\$ -	\$ 9,815	\$ 43,605
Total Operating Revenues	<u>13,740</u>	<u>9,920</u>	<u>2,110</u>	<u>5,180</u>	<u>-</u>	<u>2,840</u>	<u>-</u>	<u>9,815</u>	<u>43,605</u>
<b>OPERATING EXPENSES</b>									
Salaries and Wages	10,000	9,737	3,578	4,900		2,700			30,915
Supplies and Materials	1,023								1,023
Other Objects	-	-	-	-	-	-	-	1,596	1,596
Total Operating Expenses	<u>11,023</u>	<u>9,737</u>	<u>3,578</u>	<u>4,900</u>	<u>-</u>	<u>2,700</u>	<u>-</u>	<u>1,596</u>	<u>33,534</u>
Operating Income (Loss)	2,717	183	(1,468)	280	-	140	-	8,219	10,071
Total Net Position Beginning of Year	<u>17,963</u>	<u>240</u>	<u>2,155</u>	<u>840</u>	<u>188</u>	<u>29</u>	<u>-</u>	<u>54,540</u>	<u>75,955</u>
Total Net Position , End of Year	<u>\$ 20,680</u>	<u>\$ 423</u>	<u>\$ 687</u>	<u>\$ 1,120</u>	<u>\$ 188</u>	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ 62,759</u>	<u>\$ 86,026</u>

**PARK RIDGE BOARD OF EDUCATION  
ENTERPRISE FUND - NON-MAJOR  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>SAT Review Program</u>	<u>Summer Basketball Program</u>	<u>Volleyball Clinic Program</u>	<u>Summer Music Program</u>	<u>Summer Lacrosse Program</u>	<u>Summer Football Program</u>	<u>Summer Baseball Softball Soccer Program</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
<b>Cash Flows from Operating Activities</b>									
Cash Received from Customers	\$ 13,740	\$ 16,310	\$ 8,965	\$ 10,020	\$ 4,135	\$ 9,090	\$ 1,250	\$ 9,815	\$ 73,325
Cash Payments for Employees Salaries & Benefits	(10,000)	(9,737)	(3,578)	(4,900)	(2,402)	(2,700)			(33,317)
Cash Payments to Suppliers for Goods and Services	(1,023)	-	-	-	-	(2,156)	-	(1,596)	(4,775)
Net Cash Provided by Operating Activities	<u>2,717</u>	<u>6,573</u>	<u>5,387</u>	<u>5,120</u>	<u>1,733</u>	<u>4,234</u>	<u>1,250</u>	<u>8,219</u>	<u>35,233</u>
Net Increase in Cash and Cash Equivalents	2,717	6,573	5,387	5,120	1,733	4,234	1,250	8,219	35,233
Cash and Cash Equivalents, Beginning of Year	<u>17,963</u>	<u>8,240</u>	<u>2,155</u>	<u>840</u>	<u>140</u>	<u>2,185</u>	<u>-</u>	<u>54,540</u>	<u>86,063</u>
Cash and Cash Equivalents, End of Year	<u>\$ 20,680</u>	<u>\$ 14,813</u>	<u>\$ 7,542</u>	<u>\$ 5,960</u>	<u>\$ 1,873</u>	<u>\$ 6,419</u>	<u>\$ 1,250</u>	<u>\$ 62,759</u>	<u>\$ 121,296</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>									
Operating Income (Loss)	\$ 2,717	\$ 183	\$ (1,468)	\$ 280	\$ -	\$ 140	\$ -	\$ 8,219	10,071
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities									
Changes in Assets and Liabilities									
(Increase)/Decrease in Accounts Receivable						2,450			2,450
Increase/(Decrease) in Accrued Salaries & Wages						(2,402)			(2,402)
Increase/(Decrease) in Accounts Payable							(2,156)		(2,156)
Increase/(Decrease) in Unearned Revenue	-	6,390	6,855	4,840	1,685	6,250	1,250	-	27,270
	<u>-</u>	<u>6,390</u>	<u>6,855</u>	<u>4,840</u>	<u>1,733</u>	<u>4,094</u>	<u>1,250</u>	<u>-</u>	<u>25,162</u>
Total Adjustments	<u>-</u>	<u>6,390</u>	<u>6,855</u>	<u>4,840</u>	<u>1,733</u>	<u>4,094</u>	<u>1,250</u>	<u>-</u>	<u>25,162</u>
Net Cash Provided by Operating Activities	<u>\$ 2,717</u>	<u>\$ 6,573</u>	<u>\$ 5,387</u>	<u>\$ 5,120</u>	<u>\$ 1,733</u>	<u>\$ 4,234</u>	<u>\$ 1,250</u>	<u>\$ 8,219</u>	<u>\$ 35,233</u>

**FIDUCIARY FUNDS**  
**AGENCY FUNDS**

**PARK RIDGE BOARD OF EDUCATION  
AGENCY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 65,042	\$ 149,507	\$ 214,549
Total Assets	<u>\$ 65,042</u>	<u>\$ 149,507</u>	<u>\$ 214,549</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 142,403	\$ 142,403
Due to Student Groups	\$ 65,042		65,042
Due to Other Funds	<u>-</u>	<u>7,104</u>	<u>7,104</u>
Total Liabilities	<u>\$ 65,042</u>	<u>\$ 149,507</u>	<u>\$ 214,549</u>

**PARK RIDGE BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<b>Balance, June 30, <u>2016</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2017</u></b>
<b>HIGH SCHOOL</b>				
Extracurricular Fund	\$ 77,779	\$ 171,083	\$ 186,572	\$ 62,290
Athletic Fund	3	65,418	65,086	335
<b>EAST BROOK ELEMENTARY SCHOOL</b>				
Student Activities	<u>-</u>	<u>32,120</u>	<u>29,703</u>	<u>2,417</u>
 Total	 <u>\$ 77,782</u>	 <u>\$ 268,621</u>	 <u>\$ 281,361</u>	 <u>\$ 65,042</u>

**PARK RIDGE BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Balance, June 30, <u>2016</u></b>	<b>Cash <u>Receipt</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2017</u></b>
Payroll Deductions and Withholdings	\$ 25,862	\$ 8,415,624	\$ 8,299,083	\$ 142,403
Accrued Salaries and Wages		10,247,795	10,247,795	
Flex Spending Deposits		19,225	19,225	
Due to Other Funds	<u>6,477</u>	<u>25,309</u>	<u>24,682</u>	<u>7,104</u>
	<u>\$ 32,339</u>	<u>\$ 18,707,953</u>	<u>\$ 18,590,785</u>	<u>\$ 149,507</u>



**LONG-TERM DEBT**

**PARK RIDGE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	6/2/2010	\$ 7,524,000	8/15/2017	\$ 330,000	3.25 %	\$ 6,374,000		\$ 4,974,000	\$ 1,400,000
			8/15/2018	345,000	3.25				
			8/15/2019	355,000	3.25				
			8/15/2020	370,000	3.25				
Refunding Bonds	7/1/2010	2,155,000	8/1/2017	205,000	3.50 %	1,435,000		200,000	1,235,000
			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				
School Bonds	10/28/2010	3,141,000	8/15/2017	210,000	2.25 %	2,186,000	-	205,000	1,981,000
			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				

**PARK RIDGE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	12/15/2016	\$ 5,135,000	8/15/2017	115,000	1.98 %				
			8/15/2018	50,000	1.98				
			8/15/2019	50,000	1.98				
			8/15/2020	55,000	1.98				
			8/15/2021	435,000	1.98				
			8/15/2022	450,000	1.98				
			8/15/2023	460,000	1.98				
			8/15/2024	470,000	1.98				
			8/15/2025	485,000	1.98				
			8/15/2026	490,000	1.98				
			8/15/2027	500,000	1.98				
			8/15/2028	515,000	1.98				
			8/15/2029	525,000	1.98				
			8/15/2030	535,000	1.98				
						-	\$ 5,135,000	-	\$ 5,135,000
						<u>\$ 9,995,000</u>	<u>\$ 5,135,000</u>	<u>\$ 5,379,000</u>	<u>\$ 9,751,000</u>

Paid by Budget Appropriation	\$ 720,000
Paid by Refunding Bond Proceeds	<u>4,659,000</u>
	<u>\$ 5,379,000</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, 2017**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
<u>CAPITAL LEASE</u>						
2016 Lease of 13 Copiers	3.72%	\$ 144,833	\$ 142,633		\$ 26,940	\$ 115,693
<u>LEASE PURCHASE AGREEMENT</u>						
2015 Lease of Computers	0.00%	1,016,305	<u>508,153</u>	-	<u>254,076</u>	<u>254,077</u>
			<u>\$ 650,786</u>	<u>\$ -</u>	<u>\$ 281,016</u>	<u>\$ 369,770</u>

**PARK RIDGE BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 787,213		\$ 787,213	\$ 787,213	-
State Sources					
State Aid Type II	277,250	-	277,250	277,250	-
<b>Total Revenues</b>	<u>1,064,463</u>	<u>-</u>	<u>1,064,463</u>	<u>1,064,463</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	720,000	-	720,000	720,000	-
Interest	344,463	-	344,463	273,781	\$ 70,682
Cost of Issuance	-	-	-	49,772	(49,772)
<b>Total Expenditures</b>	<u>1,064,463</u>	<u>-</u>	<u>1,064,463</u>	<u>1,043,553</u>	<u>20,910</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,910</u>	<u>20,910</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bond Proceeds				5,135,000	5,135,000
Payment to Refund Bond Escrow	-	-	-	(5,085,228)	(5,085,228)
<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,772</u>	<u>49,772</u>
Net Change in Fund Balance	-	-	-	70,682	70,682
Fund Balance, Beginning of Year	2,001	-	2,001	2,001	-
Fund Balance, End of Year	<u>\$ 2,001</u>	<u>\$ -</u>	<u>\$ 2,001</u>	<u>\$ 72,683</u>	<u>\$ 70,682</u>

Recapitulation of Fund Balance

Restricted for Debt Service:	
Designated for Subsequent Year's Budget	\$ 2,001
Available for Future Debt Service Expenditures	<u>70,682</u>
<b>Total Fund Balance - Restricted for Debt Service</b>	<u>\$ 72,683</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 3,640,187	\$ 3,602,597	\$ 3,912,275	\$ 3,943,209	\$ 4,065,772	\$ 5,206,951	\$ 6,319,245	\$ 6,799,817	\$ 7,363,362	\$ 8,084,286
Restricted	123,919	700,002	1,414,614	2,067,838	3,326,144	3,920,669	4,083,327	4,793,492	6,491,403	7,184,879
Unrestricted	<u>1,134,665</u>	<u>1,031,421</u>	<u>1,023,898</u>	<u>919,248</u>	<u>1,319,306</u>	<u>475,671</u>	<u>(5,443,076)</u>	<u>(5,643,391)</u>	<u>(5,171,056)</u>	<u>(5,889,199)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 4,898,771</u>	<u>\$ 5,334,020</u>	<u>\$ 6,350,787</u>	<u>\$ 6,930,295</u>	<u>\$ 8,711,222</u>	<u>\$ 9,603,291</u>	<u>\$ 4,959,496</u>	<u>\$ 5,949,918</u>	<u>\$ 8,683,709</u>	<u>\$ 9,379,966</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 35,960	\$ 33,572	\$ 30,491	\$ 26,533	\$ 23,674	\$ 20,385	\$ 17,526	\$ 21,183	\$ 17,604	\$ 14,319
Restricted										
Unrestricted	<u>119,217</u>	<u>127,625</u>	<u>159,376</u>	<u>181,618</u>	<u>234,437</u>	<u>304,090</u>	<u>426,557</u>	<u>475,893</u>	<u>552,975</u>	<u>596,499</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 155,177</u>	<u>\$ 161,197</u>	<u>\$ 189,867</u>	<u>\$ 208,151</u>	<u>\$ 258,111</u>	<u>\$ 324,475</u>	<u>\$ 444,083</u>	<u>\$ 497,076</u>	<u>\$ 570,579</u>	<u>\$ 610,818</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 3,676,147	\$ 3,636,169	\$ 3,942,766	\$ 3,969,742	\$ 4,089,446	\$ 5,227,336	\$ 6,336,771	\$ 6,821,000	\$ 7,380,966	\$ 8,098,605
Restricted	123,919	700,002	1,414,614	2,067,838	3,326,144	3,920,669	4,083,327	4,793,492	6,491,403	7,184,879
Unrestricted	<u>1,253,882</u>	<u>1,159,046</u>	<u>1,183,274</u>	<u>1,100,866</u>	<u>1,553,743</u>	<u>779,761</u>	<u>(5,016,519)</u>	<u>(5,167,498)</u>	<u>(4,618,081)</u>	<u>(5,292,700)</u>
<b>Total District Net Position</b>	<u>\$ 5,053,948</u>	<u>\$ 5,495,217</u>	<u>\$ 6,540,654</u>	<u>\$ 7,138,446</u>	<u>\$ 8,969,333</u>	<u>\$ 9,927,766</u>	<u>\$ 5,403,579</u>	<u>\$ 6,446,994</u>	<u>\$ 9,254,288</u>	<u>\$ 9,990,784</u>

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)**

Fiscal Year Ended June 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 9,238,547	\$ 8,889,448	\$ 9,757,081	\$ 9,794,997	\$ 10,327,794	\$ 11,838,555	\$ 11,480,847	\$ 14,279,696	\$ 14,394,352	\$ 16,522,589
Special Education	3,728,610	4,151,189	3,849,988	3,977,713	3,951,431	3,934,433	4,037,621	4,393,862	4,479,826	4,989,645
Other Instruction	856,358	564,147	660,610	627,102	720,873	887,332	631,304	684,296	766,748	965,770
School Sponsored Activities And Athletics	824,601	798,292	781,524	736,229	736,522	689,106	841,350	949,245	984,177	1,132,243
<b>Support Services:</b>										
Student & Instruction Related Services	3,914,494	3,742,340	4,068,419	4,268,710	4,544,753	4,852,101	5,086,264	5,537,667	6,345,060	6,953,733
General Administration	745,533	870,772	734,983	613,101	662,967	763,368	672,470	773,459	750,946	1,089,002
School Administrative Services	1,072,971	1,139,018	1,168,425	1,198,904	1,214,662	1,287,528	1,292,750	1,906,929	1,747,378	1,720,877
Central and Other Support Services	714,431	750,365	709,976	759,086	715,054	711,393	660,876	760,004	721,620	823,432
Plant Operations and Maintenance	1,934,116	2,009,898	1,994,742	2,021,531	1,994,117	2,059,681	2,127,481	2,221,454	2,290,641	2,797,096
Student Transportation	633,236	695,560	653,348	563,942	583,140	638,787	647,292	592,189	560,717	589,310
Interest and Other Charges On Long-Term Debt	122,126	99,934	103,050	386,611	432,690	419,703	403,744	383,236	364,523	301,913
<b>Total Governmental Activities Expenses</b>	<b>23,785,023</b>	<b>23,710,963</b>	<b>24,482,146</b>	<b>24,947,926</b>	<b>25,884,003</b>	<b>28,081,987</b>	<b>27,881,999</b>	<b>32,482,037</b>	<b>33,405,988</b>	<b>37,885,610</b>
<b>Business-Type Activities:</b>										
Food Service	201,051	199,728	199,984	214,148	210,923	226,544	246,871	224,669	225,896	217,127
Child Care	213,064	216,695	172,203	177,793	183,562	220,176	249,217	265,433	258,970	288,533
OWL House Program										184,930
SAT Review	7,397	6,456	6,394	7,348	7,108	6,922	8,430	8,566	11,432	11,023
Summer Sports Program				7,196						
Summer Basketball Program					1,650	2,832	5,168		1,600	9,737
Volleyball Clinic Program					1,445	2,305	4,367	1,551	2,510	3,578
Summer Music Program						3,710	3,590	3,600	3,740	4,900
Summer Lacrosse Program									5,887	
Summer Football Program									3,746	2,700
Laptop Insurance Program	-	-	-	-	-	-	-	6,218	629	1,596
<b>Total Business-Type Activities Expense</b>	<b>421,512</b>	<b>422,879</b>	<b>378,581</b>	<b>406,485</b>	<b>404,688</b>	<b>462,489</b>	<b>517,643</b>	<b>510,037</b>	<b>514,410</b>	<b>724,124</b>
<b>Total District Expenses</b>	<b>\$ 24,206,535</b>	<b>\$ 24,133,842</b>	<b>\$ 24,860,727</b>	<b>\$ 25,354,411</b>	<b>\$ 26,288,691</b>	<b>\$ 28,544,476</b>	<b>\$ 28,399,642</b>	<b>\$ 32,992,074</b>	<b>\$ 33,920,398</b>	<b>\$ 38,609,734</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Instruction (Regular)	\$ 66,250	\$ 33,431	\$ 36,685	\$ 27,500	\$ 29,971	\$ 33,750	\$ -	\$ -	\$ 43,849	\$ 39,000
Special Education	194,696	143,344	149,052	147,296	33,884	74,634	73,533	90,416	47,755	33,774
Operating Grants And Contributions	3,614,470	2,813,643	3,385,316	2,363,591	3,305,634	3,885,838	3,461,172	6,454,886	8,106,105	10,282,311
Capital Grants And Contributions	55,945	-	-	13,740	103,735	195,301	9,317	76,049	10,000	-
<b>Total Governmental Activities Program Revenues</b>	<b>3,931,361</b>	<b>2,990,418</b>	<b>3,571,053</b>	<b>2,552,127</b>	<b>3,473,224</b>	<b>4,189,523</b>	<b>3,544,022</b>	<b>6,621,351</b>	<b>8,207,709</b>	<b>10,355,085</b>



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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 181,472	\$ 174,459	\$ 176,185	\$ 182,332	\$ 187,237	\$ 189,925	\$ 205,627	\$ 171,351	\$ 176,259	\$ 169,298
Child Care	248,144	232,220	199,766	200,509	222,776	277,872	336,329	323,257	317,978	325,542
OWL House Program										140,300
SAT Review	5,700	4,800	6,450	8,950	13,300	7,700	10,385	12,950	13,870	13,740
Summer Sports Programs				4,400						
Summer Basketball Program					1,650	2,940	5,300		1,600	9,920
Volleyball Clinic Program					1,520	2,440	4,520	1,650	4,215	2,110
Summer Music Program						3,910	3,790	3,810	3,970	5,180
Summer Lacrosse Program									6,075	
Summer Football Program									3,775	2,840
Laptop Insurance Program						4,700	31,165	7,591	17,931	9,815
Operating Grants And Contributions	10,797	17,420	24,850	25,658	28,165	39,366	40,135	42,421	42,240	40,988
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>446,113</b>	<b>428,899</b>	<b>407,251</b>	<b>421,849</b>	<b>454,648</b>	<b>528,853</b>	<b>637,251</b>	<b>563,030</b>	<b>587,913</b>	<b>719,733</b>
<b>Total District Program Revenues</b>	<b>\$ 4,377,474</b>	<b>\$ 3,419,317</b>	<b>\$ 3,978,304</b>	<b>\$ 2,973,976</b>	<b>\$ 3,927,872</b>	<b>\$ 4,718,376</b>	<b>\$ 4,181,273</b>	<b>\$ 7,184,381</b>	<b>\$ 8,795,622</b>	<b>\$ 11,074,818</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (19,853,662)	\$ (20,720,545)	\$ (20,911,093)	\$ (22,395,799)	\$ (22,410,779)	\$ (23,892,464)	\$ (24,337,977)	\$ (25,860,686)	\$ (25,198,279)	\$ (27,530,525)
Business-Type Activities	24,601	6,020	28,670	15,364	49,960	66,364	119,608	52,993	73,503	(4,391)
<b>Total District-Wide Net Expense</b>	<b>\$ (19,829,061)</b>	<b>\$ (20,714,525)</b>	<b>\$ (20,882,423)</b>	<b>\$ (22,380,435)</b>	<b>\$ (22,360,819)</b>	<b>\$ (23,826,100)</b>	<b>\$ (24,218,369)</b>	<b>\$ (25,807,693)</b>	<b>\$ (25,124,776)</b>	<b>\$ (27,534,916)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 19,824,306	\$ 20,845,856	\$ 21,616,694	\$ 22,797,775	\$ 23,253,731	\$ 23,926,685	\$ 24,682,977	\$ 25,657,068	\$ 26,475,355	\$ 27,153,268
Property Taxes Levied For Debt Service	248,814	248,078	247,115	245,927	713,829	725,983	778,009	787,036	785,461	787,213
Unrestricted Grants And Contributions	124,311	1,227			82,803	166,495	171,905	202,471	207,230	237,825
Miscellaneous Income	145,593	60,633	64,051	86,829	141,343	180,101	114,717	204,533	464,024	93,106
Transfers	62,500	-	-	-	-	-	-	-	-	(44,630)
<b>Total Governmental Activities</b>	<b>20,405,524</b>	<b>21,155,794</b>	<b>21,927,860</b>	<b>23,130,531</b>	<b>24,191,706</b>	<b>24,999,264</b>	<b>25,747,608</b>	<b>26,851,108</b>	<b>27,932,070</b>	<b>28,226,782</b>
Business-Type Activities:										
Investment Earnings	138									
Miscellaneous Income	3,449									
Transfers	(62,500)	-	-	-	-	-	-	-	-	44,630
<b>Total Business-Type Activities</b>	<b>(58,913)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,630</b>
<b>Total District-Wide</b>	<b>\$ 20,346,611</b>	<b>\$ 21,155,794</b>	<b>\$ 21,927,860</b>	<b>\$ 23,130,531</b>	<b>\$ 24,191,706</b>	<b>\$ 24,999,264</b>	<b>\$ 25,747,608</b>	<b>\$ 26,851,108</b>	<b>\$ 27,932,070</b>	<b>\$ 28,271,412</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 551,862	\$ 435,249	\$ 1,016,767	\$ 734,732	\$ 1,780,927	\$ 1,106,800	\$ 1,409,631	\$ 990,422	\$ 2,733,791	\$ 696,257
Business-Type Activities	(34,312)	6,020	28,670	15,364	49,960	66,364	119,608	52,993	73,503	40,239
<b>Total District</b>	<b>\$ 517,550</b>	<b>\$ 441,269</b>	<b>\$ 1,045,437</b>	<b>\$ 750,096</b>	<b>\$ 1,830,887</b>	<b>\$ 1,173,164</b>	<b>\$ 1,529,239</b>	<b>\$ 1,043,415</b>	<b>\$ 2,807,294</b>	<b>\$ 736,496</b>

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 628,049	\$ 1,329,723	\$ 2,218,848							
Unreserved	652,023	585,576	276,177							
Restricted				\$ 2,654,136	\$ 3,937,897	\$ 4,624,623	\$ 4,678,074	\$ 5,551,415	\$ 7,818,312	\$ 8,361,472
Assigned				361,583	744,789	349,964	413,099	609,367	470,855	556,161
Unassigned	-	-	-	256,333	244,564	281,954	282,672	300,908	293,847	324,690
Total General Fund	<u>\$ 1,280,072</u>	<u>\$ 1,915,299</u>	<u>\$ 2,495,025</u>	<u>\$ 3,272,052</u>	<u>\$ 4,927,250</u>	<u>\$ 5,256,541</u>	<u>\$ 5,373,845</u>	<u>\$ 6,461,690</u>	<u>\$ 8,583,014</u>	<u>\$ 9,242,323</u>
All Other Governmental Funds										
Reserved			\$ 7,141,417							
Unreserved	\$ 23,918	\$ (85,387)	(912,760)							
Restricted	-	-	-	\$ 1,545,741	\$ 1,528,452	\$ 1,362,117	\$ 354,787	\$ 92,104	\$ 43,438	\$ 101,087
Total All Other Governmental Funds	<u>\$ 23,918</u>	<u>\$ (85,387)</u>	<u>\$ 6,228,657</u>	<u>\$ 1,545,741</u>	<u>\$ 1,528,452</u>	<u>\$ 1,362,117</u>	<u>\$ 354,787</u>	<u>\$ 92,104</u>	<u>\$ 43,438</u>	<u>\$ 101,087</u>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Property Tax Levy	\$ 20,073,120	\$ 21,093,934	\$ 21,863,809	\$ 23,043,702	\$ 23,967,560	\$ 24,652,668	\$ 25,460,986	\$ 26,444,104	\$ 27,260,816	\$ 27,940,481
Tuition Charges	82,864	55,309	50,203	56,202	63,855	108,384	73,533	90,416	91,604	72,774
Miscellaneous	169,519	74,877	131,080	117,440	150,845	189,301	127,848	210,633	469,694	97,174
State Sources	3,352,721	2,436,508	2,690,277	1,932,081	2,944,895	3,659,345	3,260,737	3,792,301	4,198,098	4,648,254
Federal Sources	367,104	364,118	628,010	414,639	434,040	383,788	359,209	389,754	480,054	465,085
<b>Total Revenue</b>	<b>24,045,328</b>	<b>24,024,746</b>	<b>25,363,379</b>	<b>25,564,064</b>	<b>27,561,195</b>	<b>28,993,486</b>	<b>29,282,313</b>	<b>30,927,208</b>	<b>32,500,266</b>	<b>33,223,768</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	9,520,034	8,714,602	9,482,548	9,327,380	9,861,561	11,270,498	10,903,123	12,237,361	11,750,046	12,667,281
Special Education Instruction	3,735,695	3,937,508	3,767,272	3,843,877	3,906,011	3,889,013	3,990,586	4,046,856	4,004,274	4,303,216
Other Instruction	828,809	552,667	615,052	626,517	720,469	887,332	628,631	595,649	641,859	766,248
School Sponsored Activities and Athletics	773,147	745,404	781,524	736,229	736,522	689,106	841,350	930,811	938,573	1,003,488
Community Services										
<b>Support Services:</b>										
Student and Inst. Related Services	4,004,143	3,737,119	4,066,246	4,226,297	4,503,740	4,823,287	5,048,402	5,096,509	5,623,822	5,867,529
General Administration	748,741	868,214	734,517	600,023	662,922	751,666	660,286	719,271	686,758	819,134
School Administrative Services	1,116,443	1,134,361	1,143,832	1,176,557	1,167,758	1,261,888	1,287,362	1,732,226	1,522,189	1,436,618
Central and Other Support Services	699,331	732,345	709,545	741,485	700,973	711,395	659,561	720,674	653,942	683,129
Plant Operations And Maintenance	1,911,017	1,983,103	1,915,934	1,927,167	1,915,472	1,976,469	2,036,240	2,048,448	2,083,979	2,356,120
Student Transportation	588,841	649,928	635,437	544,965	565,229	618,714	638,926	570,464	525,229	554,281
Capital Outlay	242,119	195,496	1,832,391	8,606,270	527,718	1,189,941	2,189,873	747,393	791,077	906,574
<b>Debt Service:</b>										
Principal	125,000	130,000	135,000	140,000	331,045	1,093,877	2,397,269	1,285,536	976,935	1,001,016
Interest and Other Charges	123,815	118,077	112,115	52,703	653,700	425,049	406,889	387,153	369,372	278,629
Advance Refunding Escrow				135,274						49,772
Cost of Issuance	-	-	62,196	110,146	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>24,417,135</b>	<b>23,498,824</b>	<b>25,993,609</b>	<b>32,794,890</b>	<b>26,253,120</b>	<b>29,588,233</b>	<b>31,688,498</b>	<b>31,118,351</b>	<b>30,568,055</b>	<b>32,693,035</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(371,807)	525,922	(630,230)	(7,230,826)	1,308,075	(594,747)	(2,406,185)	(191,143)	1,932,211	530,733

**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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Other Financing Sources (Uses)</b>										
Capital Lease / Lease Purchase Proceeds (Non-Budgeted)					\$ 329,834	\$ 757,703	\$ 116,159	\$ 1,016,305	\$ 140,447	
Bond Proceeds			\$ 7,524,000	\$ 3,141,000						
Permanently Financed Project Note							1,400,000			
Refunding Bond Proceeds				2,155,000						5,135,000
Premium on Refunding Bonds				95,937						
Payment to Refunded Escrow Agent				(2,065,000)						(5,085,228)
Transfers In	\$ 125,000		85,388				1,816,612			181,083
Transfers Out	-	-	(85,388)	-	-	-	(1,816,612)	-	-	(44,630)
<b>Total Other Financing Sources (Uses)</b>	<u>125,000</u>	<u>-</u>	<u>7,524,000</u>	<u>3,324,937</u>	<u>329,834</u>	<u>757,703</u>	<u>1,516,159</u>	<u>1,016,305</u>	<u>140,447</u>	<u>186,225</u>
<b>Net Change in Fund Balances</b>	<u>\$ (246,807)</u>	<u>\$ 525,922</u>	<u>\$ 6,893,770</u>	<u>\$ (3,905,889)</u>	<u>\$ 1,637,909</u>	<u>\$ 162,956</u>	<u>\$ (890,026)</u>	<u>\$ 825,162</u>	<u>\$ 2,072,658</u>	<u>\$ 716,958</u>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	0.52%	0.56%	0.82%	1.81%	1.81%	5.35%	9.51%	5.51%	4.52%	4.03%

\* 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>Sale of Computers</u>	<u>Transportation Fees</u>	<u>Other</u>	<u>Total</u>
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
2016	91,604	28,535	7,681	17,510	6,720		\$ 359,460		44,118	555,628
2017	72,774	32,365	31,213	6,569	9,961				12,998	165,880

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 <sup>a</sup>
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
2016	11,305,200	1,377,256,100	173,999,500	3,815,600	18,542,900	1,584,919,300	1,457,369	1,586,376,669	1,842,799,975	1.740
2017	9,497,200	1,383,177,700	175,007,200	3,815,600	18,728,200	1,590,225,900	1,371,359	1,591,597,259	1,852,729,013	1.783

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>	
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
2016	1.740	0.581	0.287	2.608
2017	1.783	0.619	0.300	2.702

- (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	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hornrock Properties	\$ 30,000,000	1.89%		
Sony Corp.			\$ 29,900,000	1.74%
Hertz Corp.			27,500,000	1.60%
Park Ridge Health Care	24,000,000	1.51%	26,167,200	1.52%
Sartak Holdings Inc	16,500,000	1.04%	20,507,900	1.19%
Brae Holdings LLC	16,410,000	1.03%		
JLM Park Ridge (Marriot)	12,000,000	0.76%	21,000,000	1.22%
Park Ridge Hye Partners	7,837,500	0.49%	6,564,300	0.38%
Ridge Manor Apts. LLC	4,730,000	0.30%	3,579,600	0.21%
Erich Uhlmann	3,271,700	0.21%	2,898,100	0.17%
Park Ridge Plaza LLC	2,876,300	0.18%	2,547,800	0.15%
Artdor Realty Co.			2,689,600	0.16%
Setlev LLC	1,326,100	0.08%	-	\$ -
	<u>\$ 118,951,600</u>	<u>7.50%</u>	<u>\$ 143,354,500</u>	<u>8.34%</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	
2008	\$ 20,073,120	\$ 20,073,120	100%	
2009	21,093,934	21,093,934	100%	
2010	21,863,809	81,863,809	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%	
2016	27,260,816	27,260,816	100%	
2017	27,940,481	27,940,481	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			
2008	\$ 2,620,000			\$ 1,200,000	\$ 3,820,000	8,863	\$ 431
2009	2,490,000			1,200,000	3,690,000	8,932	413
2010	9,879,000				9,879,000	8,661	1,141
2011	12,970,000				12,970,000	8,724	1,487
2012	12,655,000	\$ 100,259	\$ 213,530		12,968,789	8,772	1,478
2013	12,020,000	78,140	534,475		12,632,615	8,819	1,432
2014	11,370,000	54,614	326,891		11,751,505	8,877	1,324
2015	10,690,000	30,045	762,229		11,482,274	8,919	1,287
2016	9,995,000	142,633	508,153		10,645,786	8,900	1,196
2017	9,751,000	115,693	254,077		10,120,770	8,900 *	1,137

Source: District records

\* Estimated

**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			
2008	\$ 2,620,000		\$ 2,620,000	0.15%	\$ 296
2009	2,490,000		2,490,000	0.14%	279
2010	9,879,000		9,879,000	0.57%	1,141
2011	12,970,000		12,970,000	0.80%	1,487
2012	12,655,000		12,655,000	0.78%	1,443
2013	12,020,000		12,020,000	0.75%	1,363
2014	11,370,000		11,370,000	0.71%	1,281
2015	10,690,000		10,690,000	0.67%	1,199
2016	9,995,000	\$ 2,001	9,992,999	0.63%	1,123
2017	9,751,000	72,683	9,678,317	0.61%	1,087

Source: District records

**PARK RIDGE BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2016  
(Unaudited)**

MUNICIPAL DEBT (1)	
Park Ridge Board of Education (as of June 30, 2017)	\$ 9,751,713
Borough of Park Ridge	<u>19,536,475</u>
Total Direct Debt	<u>29,288,188</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County: (2) and (3)	
County of Bergen (A)	13,259,822
Bergen County Utilities Authority-Waste Water (B)	<u>1,705,133</u>
Total Overlapping Debt	<u>14,964,955</u>
Total Direct and Overlapping Debt	<u>\$ 44,253,143</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2016 equalized value by the total 2016 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

## Sources:

- (1) Borough of Park Ridge 2016 Annual Debt Statement
- (2) BCUA 2016 Audit
- (3) Bergen County 2016 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis	
	2014	\$ 1,764,985,233
	2015	1,865,490,406
	2016	<u>1,841,430,580</u>
		\$ 5,471,906,219
Average equalized valuation of taxable property		\$ 1,823,968,740
Debt limit (4 % of average equalization value)		72,958,750
Total Net Debt Applicable to Limit		<u>9,751,713</u>
Legal debt margin		<u>\$ 63,207,037</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 76,911,829	\$ 79,812,839	\$ 79,276,130	\$ 77,747,994	\$ 75,437,814	\$ 72,962,225	\$ 70,744,383	\$ 70,099,412	\$ 71,403,481	\$ 72,958,750
Total Net Debt Applicable to Limit	<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>	<u>9,995,713</u>	<u>9,751,713</u>
Legal Debt Margin	<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>	<u>\$ 61,407,768</u>	<u>\$ 63,207,037</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.41%	3.12%	16.42%	16.68%	16.78%	18.39%	16.07%	15.25%	14.00%	13.37%

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>
2008	1.90%	\$ 68,147	8,863
2009	3.40%	68,548	8,932
2010	3.50%	64,571	8,661
2011	3.40%	65,275	8,724
2012	3.50%	68,244	8,772
2013	8.80%	71,380	8819
2014	4.90%	70,498	8877
2015	4.00%	73,536	8,919
2016	3.80%	75,849	8,900
2017	3.80% (E)	75,849 (E)	8,900 (E)

(E) - Estimate

N/A - Information is not available.

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

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

<u>Employer</u>	<u>2017</u>		<u>2008</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	142	143	143	143	143	141	141	141	138	139
Special Education	40	40	40	38	45	46	48	49	53	51
Other Instruction	7	7	7	7	7	7	7	6	5	7
Support Services:										
Student and Instruction Related Services	11	11	12	12	13	13	13	11	11	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	7	7
Central Services	5	5	5	5	3	6	6	6	9	9
Plant Operations And Maintenance	14	14	15	15	15	15	15	15	15	15
Child Care (EXTRA's)	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Total	<u>250</u>	<u>251</u>	<u>253</u>	<u>251</u>	<u>257</u>	<u>259</u>	<u>261</u>	<u>259</u>	<u>263</u>	<u>264</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				
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%
2016	1,333	28,430,671	21,328	4.43%	138	1:9	1:8	1,211	1,173	-6.41%	96.85%
2017	1,245	30,457,044	24,463	9.03%	139	1:8	1:7	1,228	1,179	-4.51%	96.01%

Sources: District records

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Building</b>										
<u>Elementary</u>										
<b>East Brook</b>										
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	378	372	360	368	360	360	360	360	360	360
<b>West Ridge</b>										
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	424	384	365	356	365	365	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	570	571	590	595	590	590	590	590	590	590
<u>Other</u>										
<u>Board Office - Square Feet</u>										
Trailers - Square Feet					1,850	1,850	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, 2017										
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	2	2	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

	Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
*School Facilities											
East Brook Elementary School	201530	\$ 58,334	\$ 66,079	\$ 65,514	\$ 75,220	\$ 79,017	\$ 69,371	\$ 69,061	\$ 70,375	\$ 65,553	\$ 73,181
West Ridge Elementary School	201529	68,013	58,350	57,852	66,423	69,775	77,153	76,809	66,248	61,709	90,684
High School	201531	181,050	186,157	184,567	211,909	222,605	217,775	216,802	226,572	212,076	288,802
District-Wide		-	-	-	-	-	-	-	-	-	-
Total School Facilities		\$ 307,397	\$ 310,586	\$ 307,933	\$ 353,552	\$ 371,397	\$ 364,299	\$ 362,672	\$ 363,195	\$ 339,338	\$ 452,667

911

\*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, 2017  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Blanket Building & Contents	\$ 38,705,248	\$ 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	
School Board Legal Liability		
Darwin National Insurance	1,000,000	
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	5,000 100,000
Public Official Bonds -		
Western Surety Company		
Business Administrator/Board Secretary/Treasurer	225,000	
Environmental Liability - ACE	4,000,000	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  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA, 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 Education  
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, 2017 and the related notes to the financial statements, which collectively comprise the Park Ridge Board of Education's basic financial statements and have issued our report thereon dated December 5, 2017.

**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 5, 2017.

### Purpose of this Report

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

*Lerch, Vinci & Higgins, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
December 5, 2017





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA, 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 Education  
Park Ridge Board of Education  
Park Ridge, New Jersey

**Report on Compliance for Each Major Federal and 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, 2017. 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 state statutes, regulations, and the terms and conditions of its state financial assistance 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 New Jersey Circular 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, 2017.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major state program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

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

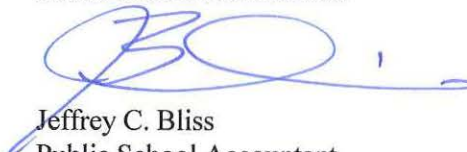
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**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, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 5, 2017, 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 is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & HIGGINS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
December 5, 2017

PARK RIDGE BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016					Balance, June 30, 2017					Memo GAAP Receivable	
						(Account Receivable)	Unearned Revenue	Due to Grantor	Accounts Rec Carryover Amount	Unearn Rev Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balance	(Account Receivable)	Unearned Revenue		Due to Grantor
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
National School Lunch Program																	
Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	\$ 24,821						\$ 23,744	\$ 24,821		\$ (1,077)			\$ (1,077)
Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	23,687	\$ (1,349)					1,349			-			-
Non-Cash Assistance (Food Distribution)	10.555	171NJ304N1099	N/A	7/1/15-6/30/16	8,828						8,828	8,828					
Special Milk Program	10.556	171NJ304N1099	N/A	7/1/16-6/30/17	5,991						5,640	5,991		(351)			(351)
Special Milk Program	10.556	16161NJ304N1099	N/A	7/1/15-6/30/16	8,217	(632)					632			-			-
Total U.S. Department of Agriculture						(1,981)	-	-	-	-	40,193	39,640	-	(1,428)	-	-	(1,428)
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
L.D.E.A. Part B, Basic	84.027	H027A160100	IDEA394016	7/1/16-6/30/17	316,732				\$ (13,725)	\$ 13,725	300,252	322,817		(30,205)	\$ 7,640		(22,565)
L.D.E.A. Part B, Basic	84.027	H027A150100	IDEA394016	7/1/15-6/30/16	337,706	(16,117)	\$ 13,725		13,725	(13,725)	2,392			-	-	-	-
L.D.E.A. Part B, Preschool	84.173	H173A160114	IDEA394016	7/1/15-6/30/17	20,811						20,811	20,811		-	-	-	-
Total Special Education Cluster IDEA						(16,117)	13,725	-	-	-	323,455	343,628	-	(30,205)	7,640	-	(22,565)
Title III	84.365	S365A160030	NCLB031345-17	7/1/16-6/30/17	9,911						5,452	8,806		(4,459)	1,105		(3,354)
Title III Immigrant	84.365	S365A150030	NCLB031345-16	7/1/15-6/30/16	4,226	(2,901)					2,901			-	-		-
Total Title III						(2,901)	-	-	-	-	8,353	8,806	-	(4,459)	1,105	-	(3,354)
Title I	84.01	S010A160030	NCLB031345-17	7/1/16-6/30/17	94,841						90,000	94,841		(4,841)			(4,841)
Title I	84.01	S010A150030	NCLB031345-16	7/1/15-6/30/16	100,296	(41,777)					41,777						
Title II - Part A	84.367A	S367A160029	NCLB031345-17	7/1/16-6/30/17	19,628						2,700	17,810		(16,928)	1,818		(15,110)
Title II - Part A	84.367A	S367A150029	NCLB031345-16	7/1/15-6/30/16	21,614	(7,706)					7,706						
Total U.S. Department of Education - Special Revenue Fund						(68,501)	13,725	-	-	-	473,991	465,085	-	(56,433)	10,563	-	(45,870)
Total Federal Financial Assistance						\$ (70,482)	\$ 13,725	\$ -	\$ -	\$ -	\$ 514,184	\$ 504,725	\$ -	\$ (57,861)	\$ 10,563	\$ -	\$ (47,298)

Note: The District is not subject to Federal Single Audit in accordance with the Uniform Guidance

**PARK RIDGE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			Memo	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>General Fund</b>												
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 510,046		\$ 478,603	\$ 510,046		\$ (31,443)				\$ 510,046
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	512,439	(25,632)	25,632							
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	22,761		21,358	22,761		(1,403)				22,761
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	19,950	(998)	998							
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	12,970		12,170	12,970		(800)				12,970
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	12,970	(649)	649							
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	12,970		12,171	12,970		(799)				12,970
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	12,970	(649)	649							
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	12,060		11,317	12,060		(743)				12,060
Total State Aid Public Cluster				(27,928)	563,547	570,807		(35,188)				570,807
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	21,781		20,438	21,781		(1,343)				21,781
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	19,269	(964)	964							
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	410,850			410,850		(410,850)				410,850
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	348,233	(348,233)	348,233							
On-Behalf TPAF Pension Benefits	17-495-034-5094-002	7/1/16-6/30/17	1,248,388		1,248,388	1,248,388						1,248,388
On-Behalf TPAF - Pension - NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	45,232		45,232	45,232						45,232
On-Behalf TPAF - Post Retirement Medical Contributions	17-495-034-5094-001	7/1/16-6/30/17	1,077,880		1,077,880	1,077,880						1,077,880
On-Behalf TPAF - Long Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	2,432		2,432	2,432						2,432
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	910,207		864,474	910,207		(45,733)			(45,733)	910,207
Total General Fund State Aid				(377,125)	4,171,588	4,287,577		(493,114)			(45,733)	4,287,577
<b>Special Revenue Fund</b>												
<b>Nonpublic Handicapped Services</b>												
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	41,067		41,067	38,547				\$ 2,520		38,547
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	47,557	5,118			\$ 5,118					
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	8,836		8,836	6,980				1,856		6,980
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	6,688	1,253			1,253					
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	17,263		17,263	15,066				2,197		15,066
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	18,564	5,792			5,792					
Total Handicapped Services (Chapter 192 Cluster)				12,163	67,166	60,593	12,163				6,573	60,593
<b>Nonpublic Auxiliary Services</b>												
Comp Education	17-100-034-5120-067	7/1/16-6/30/17	32,249		32,249	28,666					3,583	28,666
Comp Education	16-100-034-5120-067	7/1/15-6/30/16	44,840	19,544			19,544					
<b>N.J. Nonpublic Aid</b>												
Nonpublic Textbooks	17-100-034-5120-064	7/1/16-6/30/17	9,568		9,568	9,568						9,568
Nonpublic Nursing	17-100-034-5120-070	7/1/16-6/30/17	32,490		32,490	32,490						32,490
Nonpublic Security	17-100-034-5120-084	7/1/16-6/30/17	18,050		18,050	18,050						18,050
Nonpublic Technology	17-100-034-5120-373	7/1/16-6/30/17	4,316		4,316	4,316						4,316
Total Special Revenue Fund				31,707	163,839	153,683	31,707				10,156	153,683
<b>Debt Service Fund</b>												
Type II Debt Service Aid	17-495-034-5120-125	7/1/16-6/30/17	277,250		277,250	277,250						277,250
Total Debt Service Fund					277,250	277,250						277,250
<b>State Department of Agriculture</b>												
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	1,348		1,291	1,348		(57)			\$ (57)	1,348
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	1,299	(78)	78							
Total State Financial Assistance Subject to Single Audit Determination				(345,496)	4,614,046	4,719,858	31,707	(493,171)		10,156	(45,790)	4,719,858
<b>State Financial Assistance Not Subject to Major Program Determination</b>												
<b>General Fund</b>												
On-Behalf TPAF Pension Benefits	17-495-034-5094-002	7/1/16-6/30/17	1,248,388		(1,248,388)	(1,248,388)						(1,248,388)
On-Behalf TPAF - Pension - NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	45,232		(45,232)	(45,232)						(45,232)
On-Behalf TPAF - Post Retirement Medical Contributions	17-495-034-5094-001	7/1/16-6/30/17	1,077,880		(1,077,880)	(1,077,880)						(1,077,880)
On-Behalf TPAF - Long Term Disability Insurance	17-495-034-5094-001	7/1/16-6/30/17	2,432		(2,432)	(2,432)						(2,432)
Total State Financial Assistance Subject to Major Program Determination				\$ (345,496)	\$ 2,240,114	\$ 2,345,926	\$ 31,707	\$ (493,171)	\$ -	\$ 10,156	\$ (45,790)	\$ 2,345,926

**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, 2017**

**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 the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) 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 \$70,256 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		\$ 4,217,321	\$ 4,217,321
Special Revenue Fund	\$ 465,085	153,683	618,768
Debt Service Fund		277,250	277,250
Food Service Fund	<u>39,640</u>	<u>1,348</u>	<u>40,988</u>
Total Financial Assistance	<u>\$ 504,725</u>	<u>\$ 4,649,602</u>	<u>\$ 5,154,327</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, 2017**

**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 Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$910,207 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$1,293,620, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,077,880 and TPAF Long-Term Disability Insurance in the amount of \$2,432 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**PARK RIDGE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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, 2017

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?  X  yes \_\_\_\_\_ no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
<u>17-495-034-5094-003</u>	<u>TPAF Social Security Contributions</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B \$  750,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no



**PARK RIDGE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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, 2017**

*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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable

**PARK RIDGE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2017-001**

Our audit of T.P.A.F. FICA reimbursements revealed the salaries used to determine the amount reimbursed by the State for FICA included certain non-pensionable compensation.

**State Program Information**

Reimbursed TPAF Social Security Contributions	495-034-5094-003
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**Criteria or Specific Requirement**

State Grant Compliance Supplement

**Condition**

Salaries used to determine State reimbursements for FICA paid for T.P.A.F. members included certain non-pensionable wages.

**Questioned Costs**

Unknown.

**Context**

Imputed income, a non-pensionable compensation, was included in the salaries used to determine the amount to be reimbursed by the State.

**Effect**

Amounts reimbursed by the State did not reflect actual FICA paid on T.P.A.F. members' pensionable wages.

**Cause**

See context.

**Recommendation**

The District review with its financial accounting software vendor the T.P.A.F. FICA calculation to ensure T.P.A.F. FICA reimbursements are based only on pensionable wages subject to FICA.

**View of Responsible Officials and Planned Corrective Action**

Management agrees with this finding and had indicated that procedures will be implemented to take corrective action.

**PARK RIDGE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.