

PARK RIDGE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019

Prepared by

Business Office

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INTRODUCTORY SECTION

JOSEPH J. BRUNO
President

FRANK CHURCH
Vice President

DAVID BRADLER
PETER MONTALBANO
ROBERT T. SILEO
BARBARA VON BRADSKY
AMARA WAGNER



PARK RIDGE BOARD OF EDUCATION
85 PASCACK ROAD
PARK RIDGE, NEW JERSEY 07656
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ROBERT M. GAMPER, Ed.D.
Superintendent of Schools

ROBERT WRIGHT
Board Secretary and
Business Administrator

December 20, 2019

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, 2019, 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 2018-2019 fiscal year with an enrollment of 1,195 students, which is a decrease of ten (10) students less 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>
2018-19	1,195	-.83%
2017-18	1,205	-2.04%
2016-17	1,230	.82%
2015-16	1,220	-2.10%
2014-15	1,279	-2.10%

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 2018 issue of *NJ Monthly Magazine* ranked Park Ridge High School as #55 in the State. The percentage of students taking Advanced Placement exams is 42% and currently 46% 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 4-12.

The 2018-19 school year resounded with triumph on every level with 2 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 94% 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 2018-19 school year. This past year, the Boys Cross Soccer, Football, Wrestling and Spring Girls Track and Field teams all won NJIC championships. In addition, the Soccer, Football and Wrestling teams all made it to the State Sectional Championships. We also had two student athletes named Record Athlete of the Week. With our student athletes setting new school records, winning their respective League and State Championships, and representing the community in a positive manner by receiving the NJSIAA Sportsmanship banner, 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.

In March of 2018, the district passed a 3.6 million dollar referendum. This action will upgrade the existing steam heat system to a hot water system and allow for greater energy savings. It also installed air conditioning units in the "A-Wing" of the High School which will allow for a better teaching environment. All classrooms and spaces will receive new unit-ventilators as part of this project. 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 assignments of fund balance at June 30, 2019.

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, 2019, the District has outstanding bonded debt of \$8,086,000.

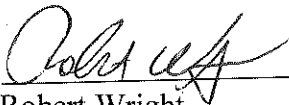
9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions 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,

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

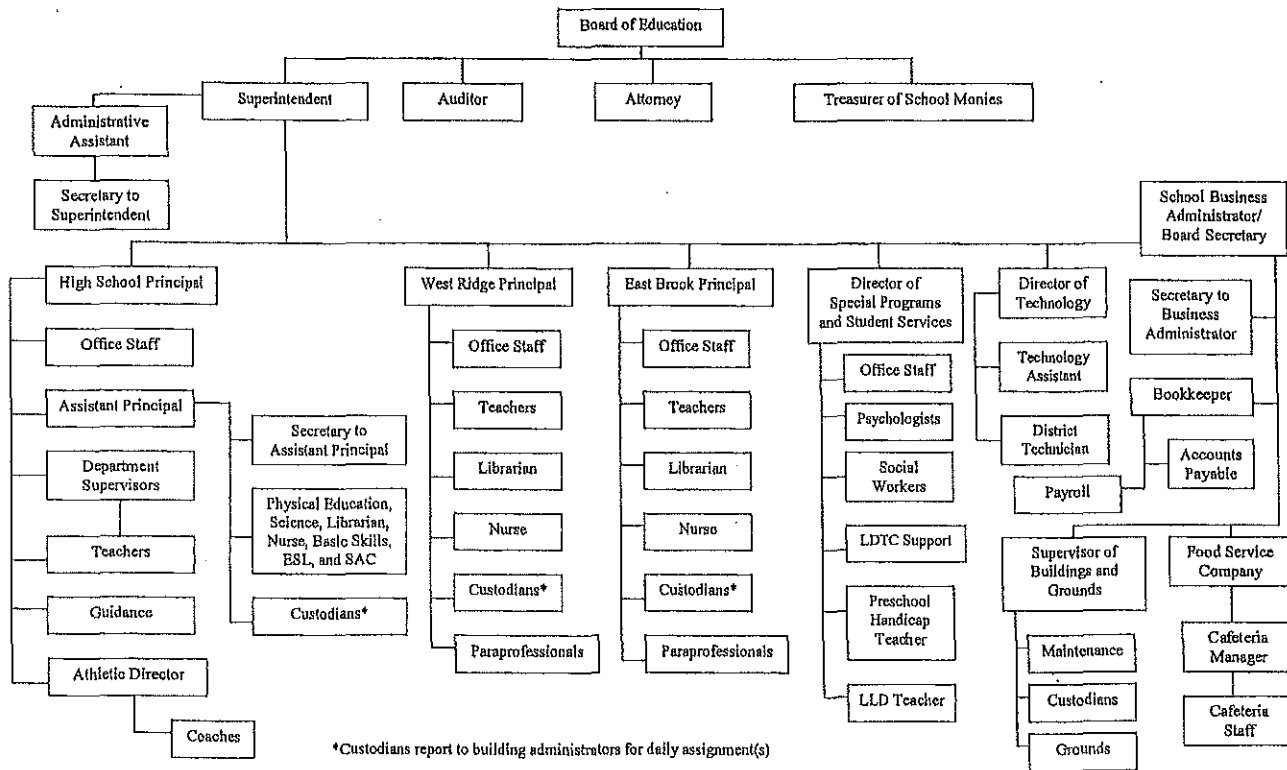
Robert Wright
Business Administrator/Board Secretary

POLICY

PARK RIDGE BOARD OF EDUCATION

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 8 June 2009



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

**ROSTER OF OFFICIALS
June 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
President: Joseph Bruno	2019
Vice President: Frank Church	2020
Members of the Board: David Bradler	2021
Peter Montalbano	2019
Robert Sileo	2020
Barbara von Bradsky	2020
Amara Wagner	2021
<u>Other Officials:</u>	
Superintendent of Schools: Dr. Robert Gamper	
Board Secretary/School 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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2019 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, 2019, 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, pension information and other postemployment benefits 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 20, 2019 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 20, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I
MANAGEMENT’S DISCUSSION AND ANALYSIS

PARK RIDGE BOARD OF EDUCATION

Management Discussion and Analysis Fiscal Year Ended June 30, 2019

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, 2019. 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 2018-2019 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 \$12,948,077 (net position).
- The District's total net position increased \$2,390,898 or 23%.
- Overall District revenues were \$41,353,386. General revenues accounted for \$30,902,409 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,450,977 or 25% of total revenues.
- The school district had \$38,161,799 in expenses for governmental activities; only \$9,377,024 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$30,867,409 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 \$10,185,625. Of this amount, \$385,467 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 \$806,744 which represented an increase of \$86,750 from the previous fiscal year.
- The District's total outstanding long-term liabilities increased \$1,205,992 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.

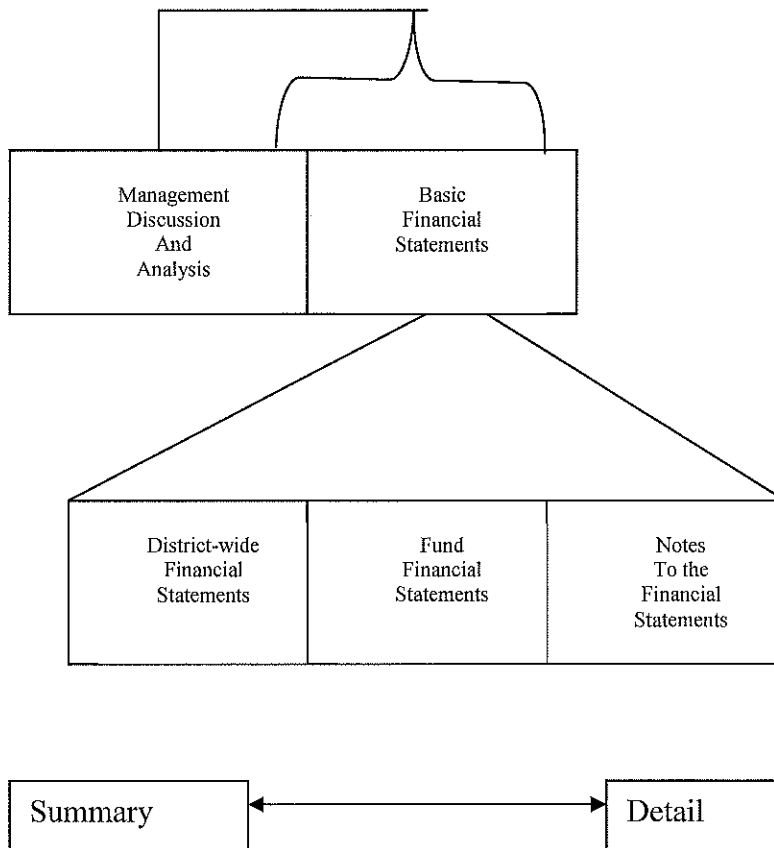
PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

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, 2019

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, 2019

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 one type of proprietary fund.
 - *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 twelve 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/cheer program, summer baseball, softball & soccer program, laptop insurance program, and wrestling program.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

- *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 as well as the postretirement medical benefits plan 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 required supplementary information.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$12,948,077 at June 30, 2019 and \$10,557,179 at June 30, 2018 as follows:

	Net Position					
	As of June 30, 2019 and 2018					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets						
Current Assets	\$ 11,308,706	\$ 9,328,819	\$ 1,244,444	\$ 900,158	\$ 12,553,150	\$ 10,228,977
Capital Assets	<u>21,082,744</u>	<u>17,722,286</u>	<u>8,207</u>	<u>11,260</u>	<u>21,090,951</u>	<u>17,733,546</u>
Total Assets	<u>32,391,450</u>	<u>27,051,105</u>	<u>1,252,651</u>	<u>911,418</u>	<u>33,644,101</u>	<u>27,962,523</u>
Deferred Outflows of Resources	<u>1,575,395</u>	<u>2,323,895</u>	<u>-</u>	<u>-</u>	<u>1,575,395</u>	<u>2,323,895</u>
Total Assets and Deferred Outflows of Resources	<u>33,966,845</u>	<u>29,375,000</u>	<u>1,252,651</u>	<u>911,418</u>	<u>35,219,496</u>	<u>30,286,418</u>
Liabilities						
Long-Term Liabilities	18,331,688	17,125,696			18,331,688	17,125,696
Other Liabilities	<u>1,289,226</u>	<u>806,291</u>	<u>176,677</u>	<u>143,688</u>	<u>1,465,903</u>	<u>949,979</u>
Total Liabilities	<u>19,620,914</u>	<u>17,931,987</u>	<u>176,677</u>	<u>143,688</u>	<u>19,797,591</u>	<u>18,075,675</u>
Deferred Inflows of Resources	<u>2,473,828</u>	<u>1,653,564</u>	<u>-</u>	<u>-</u>	<u>2,473,828</u>	<u>1,653,564</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,094,742</u>	<u>19,585,551</u>	<u>176,677</u>	<u>143,688</u>	<u>22,271,419</u>	<u>19,729,239</u>
Net Position						
Net Investment in Capital Assets	10,097,596	9,130,501	8,207	11,260	10,105,803	9,141,761
Restricted	7,639,162	6,207,814			7,639,162	6,207,814
Unrestricted	<u>(5,864,655)</u>	<u>(5,548,866)</u>	<u>1,067,767</u>	<u>756,470</u>	<u>(4,796,888)</u>	<u>(4,792,396)</u>
Total Net Position	<u>\$ 11,872,103</u>	<u>\$ 9,789,449</u>	<u>\$ 1,075,974</u>	<u>\$ 767,730</u>	<u>\$ 12,948,077</u>	<u>\$ 10,557,179</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, 2019

Change in Net Position
For The Fiscal Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 418,440	\$ 280,728	\$ 1,033,910	\$ 888,044	\$ 1,452,350	\$ 1,168,772
Operating Grants and Contributions	8,958,584	11,083,613	40,043	41,835	8,998,627	11,125,448
General Revenues						
Property Taxes	29,712,438	28,801,411			29,712,438	28,801,411
Unrestricted State Aid	213,137	247,015			213,137	247,015
Other	976,834	113,240	-	-	976,834	113,240
Total Revenues	40,279,433	40,526,007	1,073,953	929,879	41,353,386	41,455,886
Expenses						
Instruction						
Regular	14,954,928	17,656,163			14,954,928	17,656,163
Special Education	5,366,865	5,284,485			5,366,865	5,284,485
Other Instruction	1,259,879	1,257,524			1,259,879	1,257,524
School Sponsored Activities and Athletics	1,133,889	1,206,587			1,133,889	1,206,587
Support Services						
Student and Instruction Related Services	7,316,042	7,500,709			7,316,042	7,500,709
General Administrative Services	731,517	811,427			731,517	811,427
School Administrative Services	1,668,043	2,024,646			1,668,043	2,024,646
Central Services and Info. Technology	859,240	839,943			859,240	839,943
Plant Operations and Maintenance	3,830,457	2,567,200			3,830,457	2,567,200
Student Transportation	722,441	682,658			722,441	682,658
Interest and Other Charges on Debt	318,478	285,182			318,478	285,182
Food Services			208,854	217,318	208,854	217,318
Child Care Program			289,217	299,714	289,217	299,714
OWL House Program			252,176	198,558	252,176	198,558
Other Programs	-	-	50,462	57,377	50,462	57,377
Total Expenses	38,161,779	40,116,524	800,709	772,967	38,962,488	40,889,491
Increase in Net Position Before Transfers	2,117,654	409,483	273,244	156,912	2,390,898	566,395
Transfers In (Out)	(35,000)	-	35,000	-	-	-
Change in Net Position	2,082,654	409,483	308,244	156,912	2,390,898	566,395
Net Position, Beginning of Year	9,789,449	9,379,966	767,730	610,818	10,557,179	9,990,784
Net Position, End of Year	\$ 11,872,103	\$ 9,789,449	\$ 1,075,974	\$ 767,730	\$ 12,948,077	\$ 10,557,179

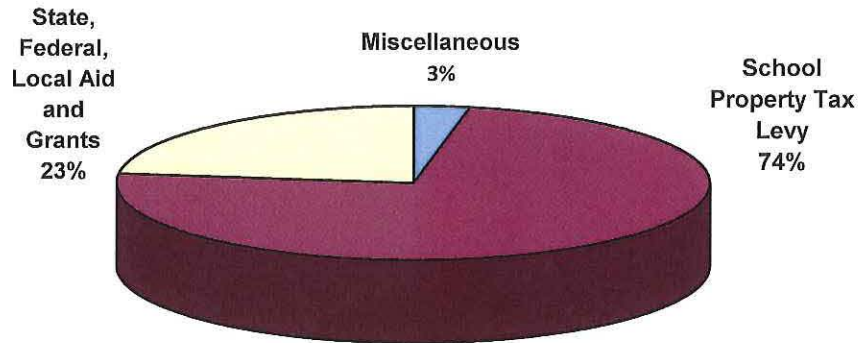
Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$40,279,433 for the year ended June 30, 2019. Property taxes of \$29,712,438 represented 74% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local aid and contributions of \$9,171,721 represented 23% of revenues. In addition, revenues are also earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services was \$38,161,779. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$22,715,561 (59%) of total expenses. Support services, total \$15,127,740 (40%) of total expenses and interest and other charges on debt totaled \$318,478 (1%) of total expenses.

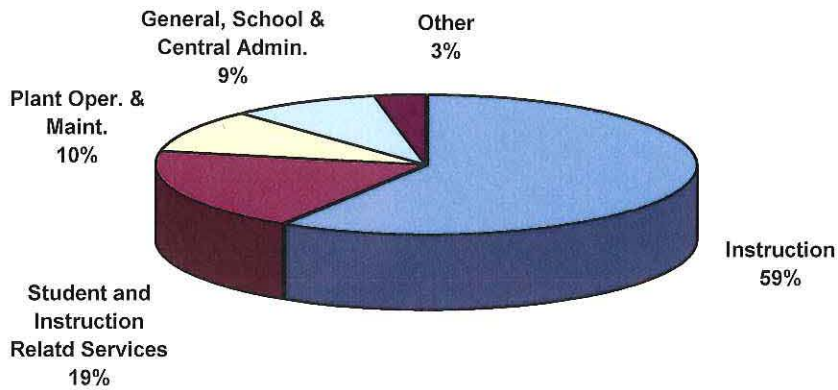
PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Revenues by Sources – Governmental Activities
For Fiscal Year 2019



Expenses by Type-Governmental Activities
For Fiscal Year 2019



PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

Total and Net Cost of Governmental Activities. The District's total cost of services was \$38,161,799. After applying program revenues, derived from charges for services of \$418,440 and operating grants and contributions of \$8,958,584, the net cost of services of the District is \$28,784,755 for the fiscal year ended June 30, 2019.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2019 and 2018**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 14,954,928	\$ 17,656,163	\$ 10,832,737	\$ 12,395,404
Special Education	5,366,865	5,284,485	3,130,172	2,817,855
Other Instruction	1,259,879	1,257,524	907,916	819,105
School Sponsored Activities and Athletics	1,133,889	1,206,587	1,082,305	1,113,472
Support Services				
Student and Instruction Related Services	7,316,042	7,500,709	5,609,309	5,465,776
General Administrative Services	731,517	811,427	632,999	690,370
School Administrative Services	1,668,043	2,024,646	1,344,618	1,509,118
Central Services and Info. Technology	859,240	839,943	746,766	686,420
Plant Operations and Maintenance	3,830,457	2,567,200	3,719,194	2,437,950
Student Transportation	722,441	682,658	518,534	591,617
Interest on Debt	318,478	285,182	260,205	225,096
Total	\$ 38,161,779	\$ 40,116,524	\$ 28,784,755	\$ 28,752,183

Business-Type Activities – The District's total business-type activities revenues were \$1,073,953 for the year ended June 30, 2019. Charges for services accounted for 96% of total revenues. Operating grants and contributions accounted for 4% of total revenue for the year.

Total cost of all business-type activities programs and services was \$800,709. The District's expenses are related to Food Service (26%), Child Care (36%), Owl House program (32%) and other programs (6%) offered to District students.

Total business-type activities revenues and transfers in exceeded expenses, increasing net position by \$308,244. Food service operations increased net position by \$30,957 after transfers in of \$35,000, child care operations increased net position by \$39,167, Owl House program operations increased net position by \$197,294 and the remaining increase in net position was from the other programs' operations which increased a combined \$40,826 from the previous year.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

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 \$10,185,625 which was an increase of \$1,573,257 over last year's fund balance of \$8,612,368. This increase was largely attributable to General Fund revenues exceeding expenditures and other financing uses for the current fiscal year, as well as the issuance of a long-term capital note in the Capital Projects Fund.

Revenues for the District's governmental funds were \$37,432,490, while total expenditures were \$39,449,759 for the fiscal year ended June 30, 2019. In addition, net other financing sources were \$3,590,526 as a result of the District's issuance of a long-term capital note to finance the 2018 referendum projects.

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, 2019 and 2018:

	Fiscal		Amount of Increase (Decrease)	Percent Change
	Year Ended June 30.			
	<u>2019</u>	<u>2018</u>		
Local Sources				
Property Taxes	\$ 29,025,581	\$ 27,964,298	\$ 1,061,283	4%
Tuition	313,186	220,039	93,147	42%
Transportation	105,254	60,689	44,565	73%
Other	976,834	113,240	863,594	763%
State Sources	5,428,705	4,799,142	629,563	13%
Federal Sources	<u>1,855</u>	<u>-</u>	<u>1,855</u>	0%
Total General Fund Revenues	<u>\$ 35,851,415</u>	<u>\$ 33,157,408</u>	<u>\$ 2,694,007</u>	8%

Total General Fund revenues increased \$2,694,007 or 8% from the previous year. Local property taxes increased by \$1,061,283 or 4% to finance increases in budgeted operating costs. There was a significant increase in State Aid revenue of \$629,563 or 13% 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 were significant increases in tuition revenues of \$93,147 and transportation fees of \$44,565 both from additional special education program students received during the current year. Other local revenues increased dramatically by \$863,594 from income received from the sales of renewal energy credits and District computers.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2019 and 2018:

	<u>Year Ended June 30,</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2019</u>	<u>2018</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Change</u>
Instruction	\$ 20,270,712	\$ 20,326,265	\$ (55,553)	0%
Support Services	13,114,511	12,179,746	934,765	8%
Debt Service	31,788	285,864	(254,076)	-89%
Capital Outlay	<u>1,413,839</u>	<u>850,810</u>	<u>563,029</u>	66%
Total Expenditures	<u>\$ 34,830,850</u>	<u>\$ 33,642,685</u>	<u>\$ 1,188,165</u>	4%

Total General Fund expenditures increased \$1,188,165 or 4% from the previous year. Increases during the year were attributed to an increase in special education instructional costs, student and instruction related support service costs and plant operation and maintenance support service costs. In addition, capital outlay expenditures increased significantly due to activity related to various school facility projects completed during the current period. Debt service decreased due to a pay-off of a capital lease in the prior year.

For fiscal year 2019 General Fund revenues exceeded expenditures and other financing uses by \$985,565. Therefore, total fund balance increased to \$9,742,611 at June 30, 2019. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$372,292 at June 30, 2018 to \$385,467 at June 30, 2019. In addition, fund balances restricted for capital reserve increased \$1,474,504 to a balance of \$6,911,636 at year end and maintenance reserve remained the same with a balance of \$700,000 at year end.

General Fund Budgetary Highlights

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

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

General Fund budgetary revenues exceeded budgetary expenditures and other financing uses increasing budgetary fund balance by \$1,059,140. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$86,750 from \$719,994 at June 30, 2018 to \$806,744 at June 30, 2019. 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 \$438,470 at June 30, 2019. These excess funds will be appropriated in the 2020/2021 budget in accordance with State budget regulations.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

CAPITAL ASSETS

At the end of the fiscal year 2019 the District had \$21,090,951 (net of accumulated depreciation) invested in land, buildings, furniture, equipment and vehicles. Depreciation expenses for fiscal year 2019 amounted to \$1,020,533 for governmental activities and \$3,053 for business-type activities. The following is a comparison of the June 30, 2019 and 2018 balances:

Capital Assets
at June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 1,054,125	\$ 1,054,125			\$ 1,054,125	\$ 1,054,125
Construction in Progress	3,386,959	229,491			3,386,959	229,491
Land Improvements	3,762,552	3,762,552			3,762,552	3,762,552
Buildings and Building Improvements	22,097,180	21,053,278			22,097,180	21,053,278
Machinery and Equipment	<u>3,775,008</u>	<u>3,595,387</u>	<u>\$ 109,612</u>	<u>\$ 109,612</u>	<u>3,884,620</u>	<u>3,704,999</u>
	34,075,824	29,694,833	109,612	109,612	34,185,436	29,804,445
Less Accumulated Depreciation	<u>(12,993,080)</u>	<u>(11,972,547)</u>	<u>(101,405)</u>	<u>(98,352)</u>	<u>(13,094,485)</u>	<u>(12,070,899)</u>
Total	<u>\$ 21,082,744</u>	<u>\$ 17,722,286</u>	<u>\$ 8,207</u>	<u>\$ 11,260</u>	<u>\$ 21,090,951</u>	<u>\$ 17,733,546</u>

Additional information on the District's capital assets is presented in the Notes to the Financial Statements contained in this report.

LONG TERM LIABILITIES

At June 30, 2019 the District had long-term liabilities outstanding in the amount of \$18,331,688 consisting of bonds payable, capital leases, capital note, compensated absences and net pension liability. The following is a comparison of the June 30, 2019 and 2018 balances.

Outstanding Long-Term Liabilities
At June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Bonds Payable (including Unamortized Premium)	\$ 8,099,762	\$ 8,909,582
Capital Leases Payable	58,718	87,734
Capital Note Payable (including Unamortized Premium)	3,601,441	
Compensated Absences	532,906	543,872
Net Pension Liability	<u>6,038,861</u>	<u>7,584,508</u>
Total	<u>\$ 18,331,688</u>	<u>\$ 17,125,696</u>

Additional information of the District's long-term liabilities is presented in the Notes to the Financial Statements contained this report.

PARK RIDGE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

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 2019-2020 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 2019-2020. Budgeted expenditures in the General Fund decreased approximately 7% to \$32,544,664 in fiscal year 2019-2020. This decrease related to a decrease in capital outlay activities funded by capital reserve in the previous year.

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, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 11,217,248	\$ 1,211,669	\$ 12,428,917
Receivables, net	91,458	3,894	95,352
Inventories		1,824	1,824
Prepaid Items		27,057	27,057
Capital Assets, Not Being Depreciated	4,441,084		4,441,084
Capital Assets, Being Depreciated, Net	<u>16,641,660</u>	<u>8,207</u>	<u>16,649,867</u>
Total Assets	<u>32,391,450</u>	<u>1,252,651</u>	<u>33,644,101</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	359,285	-	359,285
Deferred Amounts on Net Pension Liability	<u>1,216,110</u>	<u>-</u>	<u>1,216,110</u>
Total Deferred Outflows of Resources	<u>1,575,395</u>	<u>-</u>	<u>1,575,395</u>
Total Assets and Deferred Outflows of Resources	<u>33,966,845</u>	<u>1,252,651</u>	<u>35,219,496</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	968,189	24,691	992,880
Payable to Other Governments	31,366		31,366
Accrued Interest Payable	166,145		166,145
Unearned Revenue	123,526	151,986	275,512
Noncurrent Liabilities			
Due within one year	870,114		870,114
Due beyond one year	<u>17,461,574</u>	<u>-</u>	<u>17,461,574</u>
Total Liabilities	<u>19,620,914</u>	<u>176,677</u>	<u>19,797,591</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,473,828</u>	<u>-</u>	<u>2,473,828</u>
Total Deferred Inflows of Resources	<u>2,473,828</u>	<u>-</u>	<u>2,473,828</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,094,742</u>	<u>176,677</u>	<u>22,271,419</u>
NET POSITION			
Net Investment in Capital Assets	10,097,596	8,207	10,105,803
Restricted for			
Capital Projects	6,911,636		6,911,636
Plant Maintenance	700,000		700,000
Debt Service	27,526		27,526
Unrestricted	<u>(5,864,655)</u>	<u>1,067,767</u>	<u>(4,796,888)</u>
Total Net Position	<u>\$ 11,872,103</u>	<u>\$ 1,075,974</u>	<u>\$ 12,948,077</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, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities						
Instruction						
Regular	\$ 14,954,928	\$ 66,000	\$ 4,056,191	\$ (10,832,737)		\$ (10,832,737)
Special Education	5,366,865	200,395	2,036,298	(3,130,172)		(3,130,172)
Other Instruction	1,259,879		351,963	(907,916)		(907,916)
School Sponsored Activities and Athletics	1,133,889		51,584	(1,082,305)		(1,082,305)
Support Services						
Student and Instruction Related Services	7,316,042	46,791	1,659,942	(5,609,309)		(5,609,309)
General Administrative Services	731,517		98,518	(632,999)		(632,999)
School Administrative Services	1,668,043		323,425	(1,344,618)		(1,344,618)
Central Services and Info. Technology	859,240		112,474	(746,766)		(746,766)
Plant Operations and Maintenance	3,830,457		111,263	(3,719,194)		(3,719,194)
Student Transportation	722,441	105,254	98,653	(518,534)		(518,534)
Interest and Other Charges on Debt	318,478	-	58,273	(260,205)	-	(260,205)
Total Governmental Activities	38,161,779	418,440	8,958,584	(28,784,755)	-	(28,784,755)
Business-Type Activities						
Food Service	208,854	164,768	40,043		\$ (4,043)	(4,043)
Before and After School Care Program	289,217	328,384			39,167	39,167
OWL House	252,176	449,470			197,294	197,294
SAT Review Program	15,871	8,480			(7,391)	(7,391)
Summer Basketball Program	17,695	18,318			623	623
Volleyball Clinic Program	6,500	6,467			(33)	(33)
Summer Music Program	4,050	4,310			260	260
Summer Lacrosse Program	2,110	2,190			80	80
Summer Football/Cheer Program	102	-			(102)	(102)
Summer Baseball, Softball, Soccer Program	3,860	3,960			100	100
Laptop Insurance Program	274	47,563			47,289	47,289
Wrestling Program	-	-			-	-
Total Business-Type Activities	800,709	1,033,910	40,043	-	273,244	273,244
Total Primary Government	\$ 38,962,488	\$ 1,452,350	\$ 8,998,627	(28,784,755)	273,244	(28,511,511)

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

Continued

**PARK RIDGE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Property Taxes			
Levied for General Purposes	\$ 29,025,581		\$ 29,025,581
Levied for Debt Service	686,857		686,857
Unrestricted State Aid	1,889		1,889
State Aid for Debt Principal	211,248		211,248
Miscellaneous Income	976,834		976,834
Transfers	(35,000)	\$ 35,000	-
 Total General Revenues and Transfers	30,867,409	35,000	30,902,409
 Change in Net Position	2,082,654	\$ 308,244	2,390,898
 Net Position Beginning of Year	9,789,449	767,730	10,557,179
 Net Position End of Year	\$ 11,872,103	\$ 1,075,974	\$ 12,948,077

FUND FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 10,263,349	\$ 32,712	\$ 789,258	\$ 131,929	\$ 11,217,248
Receivables, Net					
Receivables from Other Governments	74,793	16,165			90,958
Accounts	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total Assets	<u>\$ 10,338,642</u>	<u>\$ 48,877</u>	<u>\$ 789,258</u>	<u>\$ 131,929</u>	<u>\$ 11,308,706</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 507,319	\$ 12,338	\$ 373,770		\$ 893,427
Accrued Salaries and Wages	74,762				74,762
Payable to Other Governments-State		31,366			31,366
Unearned Revenue	<u>13,950</u>	<u>5,173</u>	<u>-</u>	<u>\$ 104,403</u>	<u>123,526</u>
Total Liabilities	<u>596,031</u>	<u>48,877</u>	<u>373,770</u>	<u>104,403</u>	<u>1,123,081</u>
Fund Balances					
Restricted					
Capital Reserve	5,711,636				5,711,636
Capital Reserve - Designated for Subsequent Year's Expenditures	1,200,000				1,200,000
Maintenance Reserve	700,000				700,000
Emergency Reserve	241,040				241,040
Excess Surplus	438,470				438,470
Excess Surplus - Designated for Subsequent Year's Expenditures	251,928				251,928
Capital Projects			\$ 415,488		415,488
Debt Service				\$ 27,526	27,526
Assigned					
Year End Encumbrances	478,018				478,018
Designated for Subsequent Year's Expenditures	336,052				336,052
Unassigned	<u>385,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,467</u>
Total Fund Balances	<u>9,742,611</u>	<u>-</u>	<u>415,488</u>	<u>27,526</u>	<u>10,185,625</u>
Total Liabilities and Fund Balances	<u>\$ 10,338,642</u>	<u>\$ 48,877</u>	<u>\$ 789,258</u>	<u>\$ 131,929</u>	<u>\$ 11,308,706</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, 2019**

Total Fund Balances - Governmental Funds (Carried Forward) **\$ 10,185,625**

Amounts reported for *governmental activities* 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 \$34,075,824 and the accumulated depreciation is \$12,993,080.

21,082,744

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.

359,285

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.

	\$ 1,216,110	
Deferred Outflows of Resources		
Deferred Inflows of Resources	(2,473,828)	(1,257,718)

The District has financed capital assets through the issuance of long-term debt. The interest accrual at year end is:

(166,145)

Long-term liabilities, including bonds payable, net pension liability, capital leases, capital note payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

	\$ 8,099,762	
Bonds Payable, Net		
Capital Leases	58,718	
Capital Note Payable, Net	3,601,441	
Compensated Absences	532,906	
Net Pension Liability	6,038,861	(18,331,688)

Net Position of Governmental Activities (Exhibit A-1) **\$ 11,872,103**

**PARK RIDGE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 29,025,581			\$ 686,857	\$ 29,712,438
Tuition	313,186				313,186
Transportation Fees	105,254				105,254
Miscellaneous	976,834	\$ 4,980	-	-	981,814
Total - Local Sources	30,420,855	4,980	-	686,857	31,112,692
State Sources	5,428,705	154,862		269,521	5,853,088
Federal Sources	1,855	464,855	-	-	466,710
Total Revenues	35,851,415	624,697	-	956,378	37,432,490
EXPENDITURES					
Instruction					
Regular	13,335,188	107,957			13,443,145
Special Education	4,712,657	329,621			5,042,278
Other Instruction	1,126,310	2,750			1,129,060
School-Sponsored Activities and Athletics	1,096,557				1,096,557
Support Services					
Student and Instruction Related Services	6,559,527	184,369			6,743,896
General Administrative Services	690,816				690,816
School Administrative Services	1,542,694				1,542,694
Central Services and Info. Technology	765,023				765,023
Plant Operations and Maintenance	2,838,035				2,838,035
Student Transportation	718,416				718,416
Debt Service					
Principal	29,016			805,000	834,016
Interest	2,772			222,060	224,832
Capital Outlay	1,413,839	-	\$ 2,967,152	-	4,380,991
Total Expenditures	34,830,850	624,697	2,967,152	1,027,060	39,449,759
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,020,565	-	(2,967,152)	(70,682)	(2,017,269)
Other Financing Sources (Uses)					
Capital Note Proceeds			3,598,000		3,598,000
Premium on Capital Note			27,526		27,526
Transfer In				27,526	27,526
Transfer Out	(35,000)	-	(27,526)	-	(62,526)
Total Other Financing Sources/(Uses)	(35,000)	-	3,598,000	27,526	3,590,526
Net Change in Fund Balance	985,565	-	630,848	(43,156)	1,573,257
Fund Balance (Deficit), Beginning of Year	8,757,046	-	(215,360)	70,682	8,612,368
Fund Balance End of Year	\$ 9,742,611	\$ -	\$ 415,488	\$ 27,526	\$ 10,185,625

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, 2019**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,573,257

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	\$ 4,380,991	
	Depreciation Expense	<u>(1,020,533)</u>	3,360,458

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of debt is an expenditure in the governmental funds, but the issuance increases and repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities

	Issuance of Long-term Capital Note	(3,598,000)	
	Payment of Serial Bond Principal	805,000	
	Payment of Capital Leases	<u>29,016</u>	(2,763,984)

Governmental funds report the effect of issuance costs and other such items related to the refunding bonds and other long-term debt when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

	Premium on Note	(27,526)	
	Deferred Amount on Refunding	(46,246)	
	Original Issue Premium	<u>28,905</u>	(44,867)

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):

	Decrease in Compensated Absences, Net	10,966	
	Decrease in Pension Expense	<u>23,129</u>	34,095

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

	Increase in Accrued Interest		<u>(76,305)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 2,082,654

**PARK RIDGE BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Before and After School Program</u>	<u>OWL House Program</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 27,545	\$ 728,399	\$ 280,509	\$ 175,216	\$ 1,211,669
Intergovernmental Receivable	2,578				2,578
Accounts Receivable - Other		1,316		-	1,316
Inventories	1,824				1,824
Prepaid Items	-	9,229	17,828	-	27,057
Total Current Assets	<u>31,947</u>	<u>738,944</u>	<u>298,337</u>	<u>175,216</u>	<u>1,244,444</u>
Capital Assets					
Equipment	94,033	15,579			109,612
Less: Accumulated Depreciation	(85,826)	(15,579)	-	-	(101,405)
Total Capital Assets, Net	<u>8,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,207</u>
Total Assets	<u>40,154</u>	<u>738,944</u>	<u>298,337</u>	<u>175,216</u>	<u>1,252,651</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	5,035	5,841	2,001	-	12,877
Accrued Salaries and Wages		11,814		-	11,814
Unearned Revenue	-	107,036	-	44,950	151,986
Total Current Liabilities	<u>5,035</u>	<u>124,691</u>	<u>2,001</u>	<u>44,950</u>	<u>176,677</u>
NET POSITION					
Investment in Capital Assets	8,207	-			8,207
Unrestricted	26,912	614,253	296,336	130,266	1,067,767
Total Net Position	<u>\$ 35,119</u>	<u>\$ 614,253</u>	<u>\$ 296,336</u>	<u>\$ 130,266</u>	<u>\$ 1,075,974</u>

**PARK RIDGE BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Before and After School Program</u>	<u>OWL House Program</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>
OPERATING REVENUES					
Charges for Services					
Daily Sales - Reimbursable Programs	\$ 88,219				\$ 88,219
Daily Sales - Non-Reimbursable Programs	72,430				72,430
Special Functions - Non-Reimbursable Programs	4,119				4,119
Program Fees	-	\$ 328,384	\$ 449,470	\$ 91,288	869,142
Total Operating Revenues	<u>164,768</u>	<u>328,384</u>	<u>449,470</u>	<u>91,288</u>	<u>1,033,910</u>
OPERATING EXPENSES					
Salaries and Employee Benefits	91,630	220,297	196,547	49,242	557,716
Cost of Sales - Reimbursable Programs	43,712				43,712
Cost of Sales - Non-Reimbursable Programs	40,350				40,350
Purchased Management Services	18,325				18,325
Purchased Professional and Educational Services	3,473		6,271		9,744
Supplies and Materials	5,286	16,509	8,429	844	31,068
Rental			35,748		35,748
Miscellaneous	896	51,378	1,299		53,573
Other Objects	3,162		3,882	376	7,420
Depreciation	2,020	1,033	-	-	3,053
Total Operating Expenses	<u>208,854</u>	<u>289,217</u>	<u>252,176</u>	<u>50,462</u>	<u>800,709</u>
Operating Income (Loss)	<u>(44,086)</u>	<u>39,167</u>	<u>197,294</u>	<u>40,826</u>	<u>233,201</u>
NONOPERATING REVENUES					
Federal Sources					
National School Lunch Program	22,869				22,869
Special Milk Program	7,013				7,013
Food Distribution Program	8,833				8,833
State Sources					
State School Lunch Program	1,328	-	-	-	1,328
Total Nonoperating Revenues	<u>40,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,043</u>
Change in Net Position Before Transfers	(4,043)	39,167	197,294	40,826	273,244
Transfers In	35,000	-	-	-	35,000
Change in Net Position	30,957	39,167	197,294	40,826	308,244
Total Net Position, Beginning of Year	<u>4,162</u>	<u>575,086</u>	<u>99,042</u>	<u>89,440</u>	<u>767,730</u>
Total Net Position, End of Year	<u>\$ 35,119</u>	<u>\$ 614,253</u>	<u>\$ 296,336</u>	<u>\$ 130,266</u>	<u>\$ 1,075,974</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, 2019**

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Before and After School Program</u>	<u>OWL House Program</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 162,635	\$ 345,161	\$ 449,470	\$ 104,720	\$ 1,061,986
Cash Payments for Employees' Salaries and Benefits	(91,630)	(208,483)	(196,547)	(49,242)	(545,902)
Cash Payments to Suppliers for Goods and Services	(113,771)	(66,205)	(53,764)	(1,220)	(234,960)
Net Cash Provided by (Used for) Operating Activities	<u>(42,766)</u>	<u>70,473</u>	<u>199,159</u>	<u>54,258</u>	<u>281,124</u>
Cash Flows from Noncapital Financing Activities					
Cash Received From (Paid to) Other Funds	35,000				35,000
Cash Received from State and Federal Subsidy Reimbursements	<u>30,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,810</u>
Net Cash Provided by Noncapital Financing Activities	<u>65,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,810</u>
Net Increase in Cash and Cash Equivalents	23,044	70,473	199,159	54,258	346,934
Cash and Cash Equivalents, Beginning of Year	<u>4,501</u>	<u>657,926</u>	<u>81,350</u>	<u>120,958</u>	<u>864,735</u>
Cash and Cash Equivalents, End of Year	<u>\$ 27,545</u>	<u>\$ 728,399</u>	<u>\$ 280,509</u>	<u>\$ 175,216</u>	<u>\$ 1,211,669</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ (44,086)	\$ 39,167	\$ 197,294	\$ 40,826	\$ 233,201
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation	2,020	1,033	-		3,053
Non-Cash Assistance - Food Distribution Program	8,833				8,833
Change in Assets and Liabilities					
(Increase)/Decrease in Accounts Receivable		1,429		-	1,429
(Increase)/Decrease in Inventories	156				156
(Increase)/Decrease in Prepaid Items		1,417	46		1,463
Increase/(Decrease) in Accrued Salaries and Wages		11,814		-	11,814
Increase/(Decrease) in Accounts Payable	(7,556)	265	1,819	-	(5,472)
Increase/(Decrease) in Unearned Revenues	(2,133)	15,348	-	13,432	26,647
Total Adjustments	<u>1,320</u>	<u>31,306</u>	<u>1,865</u>	<u>13,432</u>	<u>47,923</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (42,766)</u>	<u>\$ 70,473</u>	<u>\$ 199,159</u>	<u>\$ 54,258</u>	<u>\$ 281,124</u>
Non-Cash Investing, Capital and Financing Activities:					
Value Received - Food Distribution Program	\$ 8,833				

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	Unemployment Compensation Trust Fund	Private Purpose Trust Funds			Agency Fund
		Scholarship Trust Fund	Folkens Trust Fund	Varsity Club Trust Fund	
ASSETS					
Cash and Cash Equivalents	\$ 238,278	\$ 85,973	\$ 12,593	\$ 4,965	\$ 103,061
Cash with Fiscal Agent					4,743
Investments		67,914			-
Due From Other Funds	6,911	-	-	-	-
Total Assets	<u>\$ 245,189</u>	<u>\$ 153,887</u>	<u>\$ 12,593</u>	<u>\$ 4,965</u>	<u>\$ 107,804</u>
LIABILITIES					
Accounts Payable			\$ 2,837	\$ 2,733	\$ -
Payroll Deductions and Withholdings					9,820
Intergovernmental Payable-State	\$ 136				
Flex Spending Deposits					4,743
Due to Student Groups					86,330
Due to Other Funds	-	-	-	-	6,911
Total Liabilities	<u>136</u>	<u>-</u>	<u>2,837</u>	<u>2,733</u>	<u>\$ 107,804</u>
NET POSITION					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 245,053</u>	<u>\$ 153,887</u>	<u>\$ 9,756</u>	<u>\$ 2,232</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, 2019**

	Unemployment Compensation Trust Fund	Private Purpose Trust Funds		
		Scholarship Trust Fund	Folkens Trust Fund	Varsity Club Trust Fund
ADDITIONS				
Contributions				
Employees	\$ 25,547		\$ 145	
Private	-	\$ 17,896	-	\$ 10,325
Total Contributions	<u>25,547</u>	<u>17,896</u>	<u>145</u>	<u>10,325</u>
Investment Earnings				
Interest		1,441	269	
Dividends	-	1,884	-	-
Total Investment Earnings	-	3,325	269	-
Add: Net Increase in the Fair Value of Investments	-	4,858	-	-
Net Investment Earnings	-	8,183	269	-
Total Additions	<u>25,547</u>	<u>26,079</u>	<u>269</u>	<u>10,325</u>
DEDUCTIONS				
Scholarship Awards		22,602		
Unemployment Claims and Contributions	14,978			
School Sponsored Activities and Athletics	-	-		14,603
General Administrative Services	-	-	2,837	-
Maintenance of School Facilities	-	-	7,865	-
Total Deductions	<u>14,978</u>	<u>22,602</u>	<u>10,702</u>	<u>14,603</u>
Change in Net Position	10,569	3,477	(10,433)	(4,278)
Net Position, Beginning of the Year	<u>234,484</u>	<u>150,410</u>	<u>20,189</u>	<u>6,510</u>
Net Position, End of the Year	<u>\$ 245,053</u>	<u>\$ 153,887</u>	<u>\$ 9,756</u>	<u>\$ 2,232</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 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, summer programs 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 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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

- 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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 while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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 funds as well as 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.

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 of the District's program 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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 lacrosse program fund* accounts for the activities of the summer lacrosse program providing to District students during the summer recess.

The *summer football/cheer 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 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.

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

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards and other purposes. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, 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.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. *Inventories*

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at 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

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualify for reporting in this category. 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.

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 and proprietary fund types in the fund 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 and note premiums are deferred and amortized over the life of the related debt 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 and notes payable are reported with the unamortized premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond and note premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Net Position/Fund Balance

District-Wide Statements

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

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

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 2019/2020 District budget certified for taxes.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

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, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2017-2018 and 2018-2019 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 after care enterprise fund, Owl House program enterprise fund and other non-major enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$1,677,587. The increase was funded by the appropriation of additional restricted and unassigned fund balances, additional state aid and grant awards and the reappropriation of prior year general fund encumbrances.

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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 5,437,132
Increased by:		
Deposits Approved by Board Resolution	\$ 2,300,000	
Unexpended Balance of Budgeted Withdrawals Returned	<u>3,274,504</u>	
		<u>5,574,504</u>
		11,011,636
Decreased by:		
Withdrawals Approved in District Budget		<u>4,100,000</u>
Balance, June 30, 2019		<u>\$ 6,911,636</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. \$1,200,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

C. Maintenance Reserve

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, 2019 is as follows:

Balance, July 1, 2018	\$ 700,000
Increased by:	
Deposits Approved by Board Resolution	<u>300,000</u>
Decreased by:	
Withdrawals Approved by Board Resolution	<u>300,000</u>
Balance, June 30, 2019	<u>\$ 700,000</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$706,237. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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, 2019 is as follows:

Balance, July 1, 2018	<u>\$ 241,040</u>
Balance, June 30, 2019	<u>\$ 241,040</u>

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, 2019 is \$690,398. Of this amount, \$251,928 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$438,470 will be appropriated in the 2020/2021 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 and NCUSIF.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2019, the book value of the Board's deposits were \$12,878,530 and bank and brokerage firm balances of the Board's deposits amounted to \$13,451,631. The Board's deposits which are displayed on the various fund balance sheets as "cash", "cash and cash equivalents" or "cash with Fiscal Agent" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 13,396,529
Uninsured and Collateralized	<u>55,102</u>
	<u>\$ 13,451,631</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 the Board's bank balance of \$55,102 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 55,102</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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2019, the Board had the following investments:

	<u>Fair Value</u>
<u>Investment:</u>	
U.S. Government Securities	
Vanguard Wellington Fund	\$ <u>67,914</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, 2019, \$67,914 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>67,914</u>

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

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

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2019 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					
State	\$ 74,793		\$ 99		\$ 74,892
Federal		\$ 16,165	2,479		18,644
Accounts	<u>500</u>	<u>-</u>	<u>-</u>	<u>\$ 1,316</u>	<u>1,816</u>
Gross Receivables	75,293	16,165	2,578	1,316	95,352
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 75,293</u>	<u>\$ 16,165</u>	<u>\$ 2,578</u>	<u>\$ 1,316</u>	<u>\$ 95,352</u>

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	\$ 13,950
Special Revenue Fund	
Unencumbered Grant Draw Downs	5,173
Debt Service Fund	
Prepaid Tax Levy	<u>104,403</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 123,526</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance, July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2019</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,054,125			\$ 1,054,125
Construction in Progress	<u>229,491</u>	\$ 3,157,468	\$ -	<u>3,386,959</u>
Total Capital Assets, Not Being Depreciated	<u>1,283,616</u>	<u>3,157,468</u>	<u>-</u>	<u>4,441,084</u>
Capital Assets, Being Depreciated:				
Land Improvements	3,762,552			3,762,552
Buildings and Building Improvements	21,053,278	1,043,902	-	22,097,180
Machinery and Equipment	<u>3,595,387</u>	<u>179,621</u>	-	<u>3,775,008</u>
Total Capital Assets Being Depreciated	<u>28,411,217</u>	<u>1,223,523</u>	<u>-</u>	<u>29,634,740</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,591,119)	(238,628)		(1,829,747)
Buildings and Building Improvements	(7,423,866)	(663,793)		(8,087,659)
Machinery and Equipment	<u>(2,957,562)</u>	<u>(118,112)</u>	-	<u>(3,075,674)</u>
Total Accumulated Depreciation	<u>(11,972,547)</u>	<u>(1,020,533)</u>	<u>-</u>	<u>(12,993,080)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,438,670</u>	<u>202,990</u>	<u>-</u>	<u>16,641,660</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,722,286</u>	<u>\$ 3,360,458</u>	<u>\$ -</u>	<u>\$ 21,082,744</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Business-Type Activities:				
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	(98,352)	\$ (3,053)	-	(101,405)
Total Accumulated Depreciation	<u>(98,352)</u>	<u>(3,053)</u>	<u>-</u>	<u>(101,405)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,260</u>	<u>(3,053)</u>	<u>-</u>	<u>8,207</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,260</u>	<u>\$ (3,053)</u>	<u>\$ -</u>	<u>\$ 8,207</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 34,035
Total Instruction	<u>34,035</u>
Support Services	
Students and Instruction Related Services	7,024
General Administrative Services	2,260
School Administrative Services	2,535
Plant Operations and Maintenance	943,353
Central Services and Info. Technology	<u>31,326</u>
Total Support Services	<u>986,498</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,020,533</u>
Business-Type Activities:	
Food Service Fund	\$ 2,020
Before and After School Program Fund	<u>1,033</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,053</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Remaining Commitment</u>
High School Hot Water Conversion and HVAC Improvements	\$ 415,888
Gymnasium Wall Repair at East Brook Elementary School	<u>50,508</u>
Total	<u>\$ 466,396</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Unemployment Compensation Trust Fund	Payroll Agency Fund	\$ 6,911
Total		<u>\$ 6,911</u>

Interfund Transfers

	<u>Transfer In:</u>		
	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 35,000	\$ 35,000
Capital Projects Fund	\$ 27,526	-	27,526
	<u>\$ 27,526</u>	<u>\$ 35,000</u>	<u>\$ 62,526</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases a facility for the Owl House program under noncancelable operating lease. Lease payments for the fiscal year ended June 30, 2019 were \$35,748. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 35,657
2021	<u>36,370</u>
Total	<u>\$ 72,027</u>

Capital Leases

The District is leasing copiers totaling \$144,833 under capital leases. The lease is for a term of 5 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, 2019 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities Capital Leases</u>
2020	\$ 31,788
2021	<u>29,139</u>
Total minimum lease payments	60,927
Less: amount representing interest	<u>(2,209)</u>
Present value of minimum lease payments	<u>\$ 58,718</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 and other purposes permitted by statute. 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, 2019 are comprised of the following issues:

\$7,524,000, 2010 Bonds, due in annual installments of \$355,000 to \$370,000 through August 15, 2020, interest at 3.25%	\$725,000
\$2,155,000, 2010 Refunding Bonds, due in annual installments of \$205,000 to \$210,000 through August 1, 2022, interest at 3.13% to 4.25%	830,000
\$3,141,000, 2010 Bonds, due in annual installments of \$215,000 to \$231,000 through August 15, 2025, interest at 3.00% to 4.00%	1,561,000
\$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>4,970,000</u>
Total	<u>\$8,086,000</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>	
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	880,000	118,530	998,530
2024-2028	3,091,000	318,353	3,409,353
2029-2032	<u>1,575,000</u>	<u>47,175</u>	<u>1,622,175</u>
	<u>\$ 8,086,000</u>	<u>\$ 988,644</u>	<u>\$ 9,074,644</u>

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Capital Note

On August 15, 2018, the Board issued a long-term capital note in the amount of \$3,598,000 to finance the Park Ridge High School hot water heating conversion/HVAC project. The project was approved by the voters on March 13, 2018 as a part of the District's referendum. The capital note dated August 15, 2018 at an interest rate of 2.75% matured on August 14, 2019 and was renewed to a new capital note maturing on August 12, 2020. The District's intent is to fund the full principal amount of the capital note through a budget appropriation in the Debt Service Fund in the 2020/2021 fiscal year budget.

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4 % of Equalized Valuation Basis (Municipal)	\$ 73,173,975
Less: Net Debt Issued and Debt Authorized But Not Issued	<u>11,684,466</u>
Remaining Borrowing Power	<u>\$ 61,489,509</u>

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2019</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 8,891,000		\$ 805,000	\$ 8,086,000	\$ 825,000
Unamortized Premium on Refunding	<u>18,582</u>	<u>-</u>	<u>4,820</u>	<u>13,762</u>	<u>-</u>
Bonds Payable, Net	<u>8,909,582</u>	<u>-</u>	<u>809,820</u>	<u>8,099,762</u>	<u>825,000</u>
Capital Note Payable		\$ 3,598,000		3,598,000	
Unamortized Premium on Note	<u>-</u>	<u>27,526</u>	<u>24,085</u>	<u>3,441</u>	<u>-</u>
Notes Payable, Net	<u>-</u>	<u>3,625,526</u>	<u>24,085</u>	<u>3,601,441</u>	<u>-</u>
Capital Leases	87,734		29,016	58,718	30,114
Compensated Absences	543,872		10,966	532,906	15,000
Net Pension Liability	<u>7,584,508</u>	<u>-</u>	<u>1,545,647</u>	<u>6,038,861</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 17,125,696</u>	<u>\$ 3,625,526</u>	<u>\$ 2,419,534</u>	<u>\$ 18,331,688</u>	<u>\$ 870,114</u>

For the governmental activities, the liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 Group 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group 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>
2019	None	\$ 25,547	\$ 14,978	\$ 245,053
2018	None	25,891	38,068	234,484
2017	None	25,280	9,894	246,661

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, 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, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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 (“Division”), 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2019.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed 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>
2019	\$ 305,072	\$ 2,385,477	\$ 22,280
2018	301,835	1,717,630	20,410
2017	295,557	1,293,620	14,224

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,016, \$2,553 and \$1,195, respectively for PERS and the State contributed \$2,100, \$2,013 and \$2,432, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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 \$950,927 during the fiscal year ended June 30, 2019 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. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$6,038,861 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .03067 percent, which was a decrease of .00191 percent from its proportionate share measured as of June 30, 2017 of .03258 percent.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$281,943 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, 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	\$ 115,162	\$ 31,138
Changes of Assumptions	995,104	1,930,907
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		56,645
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>105,844</u>	<u>455,138</u>
Total	<u>\$ 1,216,110</u>	<u>\$ 2,473,828</u>

At June 30, 2019, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ 7,285
2021	(114,893)
2022	(522,851)
2023	(463,827)
2024	<u>(163,432)</u>
	<u>\$ (1,257,718)</u>

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

Discount Rate (Continued)

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

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease <u>4.66%</u>	Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,593,172</u>	<u>\$ 6,038,861</u>	<u>\$ 4,734,894</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS 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.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,223,174 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$72,443,014. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .11387 percent, which was a decrease of .00114 percent from its proportionate share measured as of June 30, 2017 of .11501 percent.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 85,626,267</u>	<u>\$ 72,443,014</u>	<u>\$ 61,514,419</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,082,049, \$1,109,381 and \$1,077,880, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**PARK RIDGE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,091,295. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$44,225,845. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .09591 percent, which was an increase of .00194 percent from its proportionate share measured as of June 30, 2017 of .09397 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ 50,406,002
Changes Recognized for the Fiscal Year:	
Service Cost	1,821,753
Interest on the Total OPEB Liability	1,849,497
Differences Between Expected and Actual Experience	(3,634,559)
Changes of Assumptions	(5,075,137)
Gross Benefit Payments	(1,182,583)
Contributions from the Member	40,872
Net Changes	\$ (6,180,157)
Balance, June 30, 2018 Measurement Date	\$ 44,225,845

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease (<u>2.87%</u>)	Current Discount Rate (<u>3.87%</u>)	1% Increase (<u>4.87%</u>)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>52,283,952</u>	\$ <u>44,225,845</u>	\$ <u>37,820,482</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>36,555,237</u>	\$ <u>44,225,845</u>	\$ <u>54,370,518</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

F. Subsequent Events

On August 13, 2019, the District renewed its long-term capital note in the amount of \$3,598,000 which financed the Park Ridge High School hot water heating conversion/HVAC project. The note dated August 13, 2019 with an interest rate of 2.25% will mature on August 12, 2020.

On August 26, 2019, the District approved a renewal of its maintenance agreement for 13 Savin copier machines. The lease renewal is for 5 years, with a monthly payment of \$2,995.

**PARK RIDGE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

G. Tax Abatements

For the year ended December 31, 2018, the Borough provided property tax abatements through a certain program authorized under State statutes. This program was the New Jersey Housing and Mortgage Financing Act (NJHMFA).

The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the year ended December 31, 2018 the Borough abated property taxes totaling \$113,884 under the NJHMFA program of which \$75,162 represents the District's portion.

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, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 29,025,581		\$ 29,025,581	\$ 29,025,581	
Tuition from Other LEA's				247,186	\$ 247,186
Tuition from Individuals	33,945		33,945	66,000	32,055
Transportation Fees				105,254	105,254
Interest Earned on Capital Reserve Funds	500		500	-	(500)
Miscellaneous	392,501	-	392,501	976,834	584,333
Total Local Sources	<u>29,452,527</u>	<u>-</u>	<u>29,452,527</u>	<u>30,420,855</u>	<u>968,328</u>
State Sources					
Special Education Aid	547,829		547,829	547,829	
Security Aid	29,879	\$ 29,286	59,165	59,165	
Transportation Aid	99,501		99,501	99,501	
Extraordinary Aid	176,694		176,694	375,232	198,538
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)				2,336,567	2,336,567
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				48,910	48,910
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)				1,082,049	1,082,049
On-behalf TPAF Long Term Disability Insurance				2,100	2,100
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	950,927	950,927
Total State Sources	<u>853,903</u>	<u>29,286</u>	<u>883,189</u>	<u>5,502,280</u>	<u>4,619,091</u>
Federal Sources					
Medicaid Reimbursement Program	17,567	-	17,567	1,855	(15,712)
Total Federal Sources	<u>17,567</u>	<u>-</u>	<u>17,567</u>	<u>1,855</u>	<u>(15,712)</u>
Total Revenues	<u>30,323,997</u>	<u>29,286</u>	<u>30,353,283</u>	<u>35,924,990</u>	<u>5,571,707</u>
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers					
Kindergarten	370,750	14,971	385,721	379,108	6,613
Grades 1-5	2,947,205	(342,034)	2,605,171	2,556,706	48,465
Grades 6-8	1,322,779	410,208	1,732,987	1,684,113	48,874
Grades 9-12	3,744,461	(480,784)	3,263,677	3,096,958	166,719
Regular Programs-Home Instruction					
Salaries of Teachers		17,500	17,500	9,654	7,846
Other Salaries for Instruction	18,000	(18,000)			-
Purchased Professional/Educational Services		500	500	106	394
Regular Programs-Undistributed Instruction					
Purchased Technical Services	28,650	(3,172)	25,478	16,525	8,953
Other Purchased Services	134,165	(291)	133,874	115,580	18,294
General Supplies	393,813	175,819	569,632	522,009	47,623
Textbooks	50,858	15,868	66,726	40,609	26,117
Other Objects	15,169	(2,000)	13,169	3,223	9,946
Total Regular Programs	<u>9,025,850</u>	<u>(211,415)</u>	<u>8,814,435</u>	<u>8,424,591</u>	<u>389,844</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	378,750	(77,532)	301,218	298,744	2,474
Other Salaries for Instruction	57,620	(9,981)	47,639	39,242	8,397
General Supplies	4,400	1,416	5,816	5,737	79
Total Learning and/or Language Disabilities	<u>440,770</u>	<u>(86,097)</u>	<u>354,673</u>	<u>343,723</u>	<u>10,950</u>

PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,119,465	\$ 120,214	\$ 1,239,679	\$ 1,238,413	\$ 1,266
General Supplies	4,500	(646)	3,854	1,987	1,867
Total Resource Room/Resource Center	1,123,965	119,568	1,243,533	1,240,400	3,133
Preschool Disabilities - Part-Time					
Salaries of Teachers	136,827	188	137,015	137,015	-
Other Salaries for Instruction	54,808	(188)	54,620	20,398	34,222
General Supplies	2,500	-	2,500	1,712	788
Total Preschool Disabilities - Part-Time	194,135	-	194,135	159,125	35,010
Total Special Education	1,758,870	33,471	1,792,341	1,743,248	49,093
Basic Skills/Remedial					
Salaries of Teachers	631,073	-	631,073	556,408	74,665
General Supplies	2,500	(1,140)	1,360	731	629
Total Basic Skills/Remedial	633,573	(1,140)	632,433	557,139	75,294
Bilingual Education					
Salaries of Teachers	150,154	-	150,154	134,949	15,205
General Supplies	1,150	(500)	650	123	527
Total Bilingual Education	151,304	(500)	150,804	135,072	15,732
School Sponsored Cocurricular Activities					
Salaries	240,208	11,636	251,844	251,844	-
Other Objects	36,070	(3,636)	32,434	27,339	5,095
Total School Sponsored Cocurricular Activities	276,278	8,000	284,278	279,183	5,095
School Sponsored Athletics					
Salaries	378,892	(200)	378,692	359,012	19,680
Purchased Services	86,362	(5,087)	81,275	79,391	1,884
Supplies and Materials	53,072	13,460	66,532	65,519	1,013
Other Objects	29,125	(73)	29,052	11,956	17,096
Total School Sponsored Athletics	547,451	8,100	555,551	515,878	39,673
Other Instructional Programs-Instruction					
Salaries	38,886	-	38,886	32,102	6,784
Total Other Instructional Programs-Instruction	38,886	-	38,886	32,102	6,784
Total Instruction	12,432,212	(163,484)	12,268,728	11,687,213	581,515

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction:					
Tuition to Other LEA's Within the State-Regular	\$ 75,000	-	\$ 75,000	\$ 67,602	\$ 7,398
Tuition to Other LEA's Within the State-Special	276,400	\$ 276,967	553,367	553,311	56
Tuition to County Vocational Schools-Regular	295,540	2,450	297,990	297,990	-
Tuition to County Vocational Schools-Special	96,000	(28,712)	67,288	38,468	28,820
Tuition to CSSD and Regional Day Schools	557,900	-	557,900	329,366	228,534
Tuition to APSSD-Within State	1,546,279	(348,741)	1,197,538	1,010,412	187,126
Tuition to APSSD and Other LEAs-Special-Out of State	-	48,312	48,312	36,774	11,538
Total Undistributed Expenditures- Instruction	2,847,119	(49,724)	2,797,395	2,333,923	463,472
Health Services					
Salaries	270,451	(157)	270,294	235,606	34,688
Purchased Professional/Technical Services	5,000	1,224	6,224	6,224	-
Other Purchased Services	2,700	2,111	4,811	3,601	1,210
Supplies and Materials	7,570	(1,797)	5,773	3,402	2,371
Total Health Services	285,721	1,381	287,102	248,833	38,269
Other Support Services-Students-Speech, OT, PT & Related Services					
Salaries	261,829	-	261,829	245,741	16,088
Supplies and Materials	2,292	-	2,292	1,331	961
Total Other Support Services-Students-Speech, OT, PT & Related Serv	264,121	-	264,121	247,072	17,049
Other Support Services-Students-Extra Serv					
Salaries	752,658	9,643	762,301	762,301	-
Other Objects	80,365	(8,977)	71,388	71,388	-
Total Other Support Services-Students-Extra Serv	833,023	666	833,689	833,689	-
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	370,966	(1,264)	369,702	365,977	3,725
Salaries of Secretarial and Clerical Assistants	53,518	-	53,518	53,518	-
Other Purchased Services	300	-	300	82	218
Supplies and Materials	9,237	(784)	8,453	3,623	4,830
Other Objects	10,760	(468)	10,292	3,810	6,482
Total Other Support Services-Students-Guidance	444,781	(2,516)	442,265	427,010	15,255
Other Support Services-Students-Child Study Teams					
Salaries of Other Professional Staff	1,074,140	82,189	1,156,329	1,154,906	1,423
Salaries of Secretarial and Clerical Assistants	80,277	5,145	85,422	85,422	-
Purchased Professional/Educational Services	707,811	(6,900)	700,911	492,687	208,224
Other Purchased Services	1,200	(49)	1,151	785	366
Supplies and Materials	22,467	3,807	26,274	25,735	539
Other Objects	2,700	13,232	15,932	15,112	820
Total Other Support Services-Students-Child Study Teams	1,888,595	97,424	1,986,019	1,774,647	211,372
Improvement of Instructional Services					
Supplies and Materials	1,299	-	1,299	1,293	6
Other Objects	10,983	85	11,068	10,840	228
Total Improvement of Instructional Services	12,282	85	12,367	12,133	234
Educational Media/School Library					
Salaries	400,933	225,144	626,077	626,077	-
Other Purchased Services	23,200	1,676	24,876	24,876	-
Supplies and Materials	42,480	(4,575)	37,905	37,458	447
Total Educational Media/School Library	466,613	222,245	688,858	688,411	447

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	\$ 148,629	\$ 34,071	\$ 182,700	\$ 182,700	-
Salaries of Secretarial/Clerical Assistants	26,759	5,944	32,703	32,703	-
Other Purchased Services	44,730	(11,813)	32,917	32,317	\$ 600
Other Objects	2,500	(2,374)	126	126	-
Total Instructional Staff Training Services	222,618	25,828	248,446	247,846	600
Support Services- General Administration					
Salaries	358,237	(60,503)	297,734	297,734	-
Legal Services	75,000	(25,313)	49,687	49,687	-
Audit Fees	28,500	36,700	65,200	31,975	33,225
Architectural / Engineering Services	30,000	76,431	106,431	27,031	79,400
Other Purchased Professional Services	26,300	19,475	45,775	31,245	14,530
Communications/Telephone	52,700	(11,516)	41,184	39,524	1,660
Misc Purchased Services	9,000	(4,979)	4,021	3,925	96
General Supplies	5,450	7,911	13,361	13,361	-
Miscellaneous Expenditures	19,491	804	20,295	11,795	8,500
BOE Membership Dues and Fees	17,521	(3,014)	14,507	14,507	-
Total Support Services- General Administration	622,199	35,996	658,195	520,784	137,411
Support Services- School Administration					
Salaries of Principals/Assistant Principals/Program Directors	462,630	133,329	595,959	595,959	-
Salaries of Secretarial and Clerical Assistants	385,792	1,197	386,989	386,850	139
Other Purchased Services	12,650	(5,428)	7,222	6,092	1,130
Supplies and Materials	19,400	(5,385)	14,015	12,749	1,266
Other Objects	16,135	420	16,555	15,404	1,151
Total Support Services- School Administration	896,607	124,133	1,020,740	1,017,054	3,686
Central Services					
Salaries	454,268	12,917	467,185	467,185	-
Purchased Technical Services	32,600	(12,917)	19,683	14,598	5,085
Misc. Purchased Services	2,650	-	2,650	2,442	208
Supplies and Materials	9,175	-	9,175	6,241	2,934
Miscellaneous Expenditures	1,925	1,055	2,980	2,940	40
Total Central Services	500,618	1,055	501,673	493,406	8,267
Admin. Info. Technology					
Other Purchased Services	2,500	-	2,500	-	2,500
Supplies and Materials	44,300	-	44,300	32,681	11,619
Other Objects	5,500	-	5,500	-	5,500
Total Admin. Info. Technology	52,300	-	52,300	32,681	19,619
Required Maintenance for School Facilities					
Salaries	232,715	16,159	248,874	247,018	1,856
Cleaning, Repair and Maintenance Services	69,000	268,817	337,817	265,719	72,098
General Supplies	50,500	87,409	137,909	113,705	24,204
Total Required Maintenance for School Facilities	352,215	372,385	724,600	626,442	98,158

**PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 618,139	\$ 33,706	\$ 651,845	\$ 650,354	\$ 1,491
Salaries of Non-Instructional Aides	101,079	(51,618)	49,461	49,461	-
Purchased Professional/Technical Services	25,380	150,642	176,022	166,572	9,450
Cleaning, Repair and Maintenance Services	54,019	(12,488)	41,531	30,307	11,224
Rental of Land & Bldg. Other than Lease Purchase Agreement	11,592	54,863	66,455	64,808	1,647
Other Purchased Property Services	51,200	50,934	102,134	98,101	4,033
Insurance	201,219	(8,640)	192,579	188,206	4,373
Miscellaneous Purchased Services	23,874	1,301	25,175	21,116	4,059
General Supplies	66,420	12,402	78,822	72,669	6,153
Energy (Electricity)	175,650	38,984	214,634	214,634	-
Energy (Natural Gas)	257,105	(148,195)	108,910	108,910	-
Total Custodial Services	1,585,677	121,891	1,707,568	1,665,138	42,430
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	74,890	73,542	148,432	139,854	8,578
Total Care and Upkeep of Grounds	74,890	73,542	148,432	139,854	8,578
Student Transportation Services					
Salaries for Pupil Transportation (Other Than Between Home and School)	64,927	13,731	78,658	78,658	-
Contracted Services (Other Than Between Home and School)-Vendors	70,200	(14,756)	55,444	14,830	40,614
Contracted Services (Spec. Ed Students)-Vendors	78,000	(9,500)	68,500	50,009	18,491
Contracted Services (Spec. Ed Students)-Joint Agreements	529,000	9,500	538,500	538,500	-
Total Student Transportation Services	742,127	(1,025)	741,102	681,997	59,105
Unallocated Employee Benefits					
Social Security Contributions	422,983	-	422,983	350,216	72,767
Other Retirement Contributions - PERS	325,000	(18,912)	306,088	306,088	-
Other Retirement Contributions - Regular	196,907	25,000	221,907	22,280	2,720
Workers Compensation	5,463,803	13,929	5,477,732	210,836	-
Health Benefits	22,000	(329,072)	5,134,731	4,322,603	812,128
Tuition Reimbursement	14,884	(2,785)	19,215	11,263	7,952
Other Employee Benefits	69,504	84,388	84,388	84,388	-
Total Unallocated Employee Benefits	6,445,577	(242,336)	6,203,241	5,307,674	895,567
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)					
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)	-	-	-	2,336,567	(2,336,567)
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted)	-	-	-	48,910	(48,910)
On-behalf TPAF Long Term Disability Insurance	-	-	-	1,082,049	(1,082,049)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	2,100	(2,100)
Total On-Behalf	-	-	-	4,420,553	(4,420,553)
Total Undistributed Expenditures	18,537,083	781,030	19,318,113	21,719,147	(2,401,034)
Total Current Expenditures	30,969,295	617,546	31,586,841	33,406,360	(1,819,519)
CAPITAL OUTLAY					
Equipment					
Grades 9-12	\$ 7,750	-	\$ 7,750	\$ 5,945	\$ 1,805
Total Equipment	7,750	-	7,750	5,945	1,805
Facilities Acquisition and Construction Services					
Construction Services	4,100,000	850,585	4,950,585	1,373,446	3,577,139
Supplies and Materials	-	2,837	2,837	-	2,837
Infrastructure	-	35,874	35,874	34,448	1,426
Other Objects	-	500	500	-	500
Assessment for Debt Service on SDA	10,651	-	10,651	10,651	-
Total Facilities Acquisition and Construction Services	4,110,651	889,796	5,000,447	1,418,545	3,581,902
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Capital Outlay	4,118,901	889,796	5,008,697	1,424,490	3,584,207
Total Expenditures	35,088,196	1,507,342	36,595,538	34,830,850	1,764,688

PARK RIDGE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,764,199)	\$ (1,478,056)	\$ (6,242,255)	\$ 1,094,140	\$ 7,336,395
Other Financing Sources (Uses)					
Transfer Out - to Cover Food Service Fund Deficit	-	(35,000)	(35,000)	(35,000)	-
Total Other Financing Sources (Uses)	-	(35,000)	(35,000)	(35,000)	-
Net Change in Fund Balance	(4,764,199)	(1,513,056)	(6,277,255)	1,059,140	7,336,395
Fund Balances, Beginning of Year	9,104,748	-	9,104,748	9,104,748	-
Fund Balances, End of Year	\$ 4,340,549	\$ (1,513,056)	\$ 2,827,493	\$ 10,163,888	\$ 7,336,395
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 5,711,636	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,200,000	
Maintenance Reserve				700,000	
Emergency Reserve				241,040	
Excess Surplus				438,470	
Excess Surplus - Designated for Subsequent Year's Expenditures				251,928	
Assigned Fund Balance					
Year End Encumbrances				478,018	
Designated for Subsequent Year's Expenditures				336,052	
Unassigned Fund Balance				806,744	
Fund Balance - Budgetary Basis				10,163,888	
Reconciliation to Governmental Fund Statements (GAAP)					
2018/2019 State Aid Not Recognized on a GAAP Basis				(421,277)	
Fund Balance per Governmental Funds (GAAP)				\$ 9,742,611	

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget Actual</u>
REVENUES					
Intergovernmental					
State	\$ 94,283	\$ 60,579	\$ 154,862	\$ 154,862	\$ -
Federal	395,169	69,686	464,855	464,855	-
Local	-	4,980	4,980	4,980	-
	<u>489,452</u>	<u>135,245</u>	<u>624,697</u>	<u>624,697</u>	<u>-</u>
Total Revenues	489,452	135,245	624,697	624,697	-
EXPENDITURES					
Instruction					
Salaries for Instruction	75,000	15,000	90,000	90,000	-
Purchased Professional and Technical Services		53,905	53,905	53,905	-
Tuition	279,143	(3,427)	275,716	275,716	-
General Supplies		13,551	13,551	13,551	-
Textbooks	18,000	(10,844)	7,156	7,156	-
	<u>372,143</u>	<u>68,185</u>	<u>440,328</u>	<u>440,328</u>	<u>-</u>
Total Instruction	372,143	68,185	440,328	440,328	-
Support Services					
Other Salaries	20,526	7,500	28,026	28,026	-
Personal Services - Employee Benefits		1,947	1,947	1,947	-
Purchased Professional and Technical Services	20,500	8,168	28,668	28,668	-
Purchased Professional and Educational Services	76,283	(52,243)	24,040	24,040	-
Other Purchased Professional Services		50,640	50,640	50,640	-
Other Purchased Services		3,893	3,893	3,893	-
Supplies and Materials	-	47,155	47,155	47,155	-
	<u>117,309</u>	<u>67,060</u>	<u>184,369</u>	<u>184,369</u>	<u>-</u>
Total Support Services	117,309	67,060	184,369	184,369	-
Total Expenditures	489,452	135,245	624,697	624,697	-
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1, C-2).	\$ 35,924,990	\$ 624,697
Difference - Budget to GAAP:		
State aid payments recognized for GAAP purposes, not recognized for budgetary purposes - June 30, 2018	347,702	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes - June 30, 2019	<u>(421,277)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	<u>\$ 35,851,415</u>	<u>\$ 624,697</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (Exhibit C-1, C-2)	<u>\$ 34,830,850</u>	<u>\$ 624,697</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 34,830,850</u>	<u>\$ 624,697</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS 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 Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	.03067 %	.03258 %	.03327 %	.03258 %	.03268 %	.03167 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,038,861	\$ 7,584,508	\$ 9,853,322	\$ 7,313,933	\$ 6,117,881	\$ 6,053,426
District's Covered Payroll	\$ 2,178,195	\$ 2,191,469	\$ 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 Payroll	277.24%	346.09%	427.98%	323.56%	275.60%	272.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	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 Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 305,072	\$ 301,835	\$ 295,557	\$ 280,115	\$ 269,378	\$ 238,653
Contributions in Relation to the Contractually Required Contribution	<u>305,072</u>	<u>301,835</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,195,191	\$ 2,178,195	\$ 2,191,469	\$ 2,302,288	\$ 2,260,483	\$ 2,219,849
Contributions as a Percentage of Covered Payroll	13.90%	13.86%	13.49%	12.17%	11.92%	10.75%

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 Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<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%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 72,443,014</u>	<u>\$ 77,542,932</u>	<u>\$ 89,122,953</u>	<u>\$ 74,298,218</u>	<u>\$ 57,698,736</u>	<u>\$ 55,389,935</u>
Total	<u>\$ 72,443,014</u>	<u>\$ 77,542,932</u>	<u>\$ 89,122,953</u>	<u>\$ 74,298,218</u>	<u>\$ 57,698,736</u>	<u>\$ 55,389,935</u>
District's Covered Payroll	\$ 12,773,910	\$ 12,594,144	\$ 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 Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	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, 2019**

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.

**PARK RIDGE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 1,821,753	\$ 2,198,627
Interest on Total OPEB Liability	1,849,497	1,594,434
Differences Between Expected and Actual Experience	(3,634,559)	
Changes of Assumptions	(5,075,137)	(6,659,362)
Gross Benefit Payments	(1,182,583)	(1,023,783)
Contribution from the Member	<u>40,872</u>	<u>37,698</u>
Net Change in Total OPEB Liability	(6,180,157)	(3,852,386)
Total OPEB Liability - Beginning	<u>50,406,002</u>	<u>54,258,388</u>
Total OPEB Liability - Ending	<u>\$ 44,225,845</u>	<u>\$ 50,406,002</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>44,225,845</u>	<u>50,406,002</u>
Total OPEB Liability - Ending	<u>\$ 44,225,845</u>	<u>\$ 50,406,002</u>
District's Covered Payroll	<u>\$ 14,952,105</u>	<u>\$ 14,785,613</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

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, 2019**

	<u>Local Grants</u>	<u>IDEA</u>		<u>Nonpublic Security</u>	<u>Chapter 192</u>	<u>Chapter 193</u>			<u>Total Exhibit E-1A</u>
		<u>Part B Basic</u>	<u>Preschool Program</u>		<u>Compensatory Education</u>	<u>Examination/ Classification</u>	<u>Corrective Speech</u>	<u>Supplemental Instruction</u>	
REVENUES									
State				\$ 44,033	\$ 12,859	\$ 38,953	\$ 6,607	\$ 11,181	\$ 113,633
Federal		\$ 308,678	\$ 20,943						329,621
Local	\$ 4,980	-	-	-	-	-	-	-	4,980
Total Revenues	\$ 4,980	\$ 308,678	\$ 20,943	\$ 44,033	\$ 12,859	\$ 38,953	\$ 6,607	\$ 11,181	\$ 448,234
EXPENDITURES									
Instruction									
Purchased Professional and Technical Services		\$ 53,905							\$ 53,905
Tuition		254,773	\$ 20,943						275,716
General Supplies	\$ 2,750	-	-	-	-	-	-	-	2,750
Total Instruction	2,750	308,678	20,943	-	-	-	-	-	332,371
Support Services									
Purchased Professional and Educational Services					\$ 12,859			\$ 11,181	24,040
Other Purchased Professional Services						\$ 38,953	\$ 6,607		45,560
Supplies and Materials	2,230	-	-	\$ 44,033	-	-	-	-	46,263
Total Support Services	2,230	-	-	44,033	12,859	38,953	6,607	11,181	115,863
Total Expenditures	\$ 4,980	\$ 308,678	\$ 20,943	\$ 44,033	\$ 12,859	\$ 38,953	\$ 6,607	\$ 11,181	\$ 448,234

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ESEA Consolidated Grant

	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	<u>Total per Exhibit E-1A</u>	<u>Grand Total</u>
REVENUES										
State						\$ 7,156	\$ 29,249	\$ 4,824	\$ 113,633	\$ 154,862
Federal	\$ 96,107	\$ 19,393	\$ 6,304	\$ 1,161	\$ 12,269				329,621	464,855
Local	-	-	-	-	-	-	-	-	4,980	4,980
Total Revenues	\$ 96,107	\$ 19,393	\$ 6,304	\$ 1,161	\$ 12,269	\$ 7,156	\$ 29,249	\$ 4,824	448,234	\$ 624,697
EXPENDITURES										
Instruction										
Salaries for Instruction	\$ 90,000									\$ 90,000
Purchased Professional and Technical Services									\$ 53,905	53,905
Tuition									275,716	275,716
General Supplies	3,107			\$ 269	\$ 2,601			\$ 4,824	2,750	13,551
Textbooks	-	-	-	-	-	\$ 7,156	-	-	-	7,156
Total Instruction	93,107	-	-	269	2,601	7,156	-	4,824	332,371	440,328
Support Services										
Other Salaries			\$ 5,804				\$ 22,222		-	28,026
Personal Services - Employee Benefits							1,947		-	1,947
Purchased Professional and Technical Services	3,000	\$ 16,000			9,668				-	28,668
Purchased Professional and Educational Services									24,040	24,040
Other Purchased Professional Services							5,080		45,560	50,640
Other Purchased Services		3,393	500						-	3,893
Supplies and Materials	-	-	-	892	-	-	-	-	46,263	47,155
Total Support Services	3,000	19,393	6,304	892	9,668	-	29,249	-	115,863	184,369
Total Expenditures	\$ 96,107	\$ 19,393	\$ 6,304	\$ 1,161	\$ 12,269	\$ 7,156	\$ 29,249	\$ 4,824	\$ 448,234	\$ 624,697

**PARK RIDGE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

<u>Number</u>	<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer to Debt Service Fund Prior Years</u>	<u>Unexpended Project Balance, June 30, 2019</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)	\$ 10,665,000	\$ 9,250,869	\$ 14,131	\$ 1,400,000	
3/13/2018	High School Hot Water Heating Conversion and HVAC Improvements	<u>3,598,466</u>	<u>229,491</u>	<u>2,953,021</u>	<u>-</u>	\$ 415,954
		<u>\$ 14,263,466</u>	<u>\$ 9,480,360</u>	<u>\$ 2,967,152</u>	<u>\$ 1,400,000</u>	<u>\$ 415,954</u>

Reconciliation to GAAP Basis

Project Balance , June 30, 2019	415,954
Less Unfunded Authorizations: Debt Authorized but Not Issued	<u>(466)</u>
Fund Balance, June 30, 2019 - GAAP Basis	<u>\$ 415,488</u>

Recapitulation of Fund Balance (Deficit)

Restricted for Capital Projects Year End Encumbrances	\$ 366,327
Available for Capital Projects	<u>49,161</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 415,488</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, 2019**

Revenues and Other Financing Sources

Capital Note Proceeds	\$ 3,598,000
Premium on Capital Note	<u>27,526</u>

Total Revenues and Other Financing Sources	<u>3,625,526</u>
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Expenditures and Other Financing Uses

Capital Outlay:

Architectural / Engineering Services	76,679
Construction Services	2,890,473
Transfers Out - Debt Service Fund	<u>27,526</u>

Total Expenditures and Other Financing Uses	<u>2,994,678</u>
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Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	630,848
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Fund Balance (Deficit) - Beginning of Year	<u>(215,360)</u>
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Fund Balance - End of Year	<u>\$ 415,488</u>
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Reconciliation to GAAP

Fund Balance, End of Year - Budgetary Basis	<u>\$ 415,488</u>
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Fund Balance, June 30, 2019 - GAAP	<u>\$ 415,488</u>
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**PARK RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
FISCAL YEAR 2010 REFERENDUM
ENERGY EFFICIENT IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 10,665,000	-	\$ 10,665,000	\$ 10,665,000
Total Revenues	<u>10,665,000</u>	<u>-</u>	<u>10,665,000</u>	<u>10,665,000</u>
 Expenditures and Other Financing Uses				
Legal and Professional Fees	181,438		181,438	181,438
Architectural / Engineering Services	867,790	\$ 14,131	881,921	881,921
Other Professional Fees	36,457		36,457	36,457
Construction Services	8,037,195		8,037,195	8,037,195
Miscellaneous Expenditures	127,989		127,989	127,989
Transfer to Debt Service Fund	1,400,000	-	1,400,000	1,400,000
Total Expenditures	<u>10,650,869</u>	<u>14,131</u>	<u>10,665,000</u>	<u>10,665,000</u>
Excess of Revenue Over Expenditures	<u>\$ 14,131</u>	<u>\$ (14,131)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	
Referendum Date	9/29/2002
Bonds Authorized	\$ 10,665,713
Bonds Issued	\$ 10,665,000
Original Authorized Cost	\$ 10,665,713
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 10,665,713

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%

**PARK RIDGE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL HOT WATER HEATING CONVERSION AND HVAC IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Note Proceeds	-	\$ 3,598,000	\$ 3,598,000	\$ 3,598,466
Total Revenues	-	3,598,000	3,598,000	3,598,466
Expenditures and Other Financing Uses				
Architectural / Engineering Services	\$ 229,491	\$ 62,548	\$ 292,039	299,175
Construction Services	-	2,890,473	2,890,473	3,280,300
Supplies and Materials	-	-	-	18,991
Total Expenditures	229,491	2,953,021	3,182,512	3,598,466
Excess of Revenue Over Expenditures	<u>\$ (229,491)</u>	<u>\$ 644,979</u>	<u>\$ 415,488</u>	<u>\$ -</u>

Additional Project Information:

Project Number	
Referendum Date	3/13/2018
Debt Authorized	\$ 3,598,466
Debt Issued	\$ 3,598,000
Original Authorized Cost	\$ 3,598,466
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,598,466
Percentage Increase Over Original Authorized Cost	\$ -
Completion Date	December 2019
Percentage Completion	88.44%

PROPRIETARY FUNDS

NON-MAJOR ENTERPRISE FUNDS

PARK RIDGE BOARD OF EDUCATION
 ENTERPRISE FUNDS - NON-MAJOR
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019

	SAT Review Program	Summer Basketball Program	Volleyball Clinic Program	Summer Music Program	Summer Lacrosse Program	Summer Football/ Cheer Program	Summer Baseball Softball Soccer Program	Laptop Insurance Program	Wrestling Program	Total Non-Major Enterprise Funds
ASSETS										
Cash and Cash Equivalents	\$ 12,832	\$ 20,731	\$ 5,999	\$ 6,148	\$ 2,943	\$ 2,962	\$ 9,110	\$ 112,226	\$ 2,265	\$ 175,216
Total Assets	12,832	20,731	5,999	6,148	2,943	2,962	9,110	112,226	2,265	175,216
LIABILITIES										
Current Liabilities										
Unearned Revenue	-	19,315	5,230	4,340	2,540	2,280	8,980	-	2,265	44,950
Total Liabilities	-	19,315	5,230	4,340	2,540	2,280	8,980	-	2,265	44,950
NET POSITION										
Unrestricted	12,832	1,416	769	1,808	403	682	130	112,226	-	130,266
Total Net Position	\$ 12,832	\$ 1,416	\$ 769	\$ 1,808	\$ 403	\$ 682	\$ 130	\$ 112,226	\$ -	\$ 130,266

**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, 2019**

	<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/ Cheer Program</u>	<u>Summer Baseball Softball Soccer Program</u>	<u>Laptop Insurance Program</u>	<u>Wrestling Program</u>	<u>Total Non-Major Enterprise Funds</u>
OPERATING REVENUES										
Charges for Services										
Program Fees	\$ 8,480	\$ 18,318	\$ 6,467	\$ 4,310	\$ 2,190	-	\$ 3,960	\$ 47,563	\$ -	\$ 91,288
Total Operating Revenues	<u>8,480</u>	<u>18,318</u>	<u>6,467</u>	<u>4,310</u>	<u>2,190</u>	<u>-</u>	<u>3,960</u>	<u>47,563</u>	<u>-</u>	<u>91,288</u>
OPERATING EXPENSES										
Salaries and Wages	15,027	17,695	6,500	4,050	2,110		3,860			49,242
Supplies and Materials	844									844
Other Objects	-	-	-	-	-	\$ 102	-	274	-	376
Total Operating Expenses	<u>15,871</u>	<u>17,695</u>	<u>6,500</u>	<u>4,050</u>	<u>2,110</u>	<u>102</u>	<u>3,860</u>	<u>274</u>	<u>-</u>	<u>50,462</u>
Operating Income (Loss)	(7,391)	623	(33)	260	80	(102)	100	47,289	-	40,826
Total Net Position Beginning of Year	<u>20,223</u>	<u>793</u>	<u>802</u>	<u>1,548</u>	<u>323</u>	<u>784</u>	<u>30</u>	<u>64,937</u>	<u>-</u>	<u>89,440</u>
Total Net Position, End of Year	<u>\$ 12,832</u>	<u>\$ 1,416</u>	<u>\$ 769</u>	<u>\$ 1,808</u>	<u>\$ 403</u>	<u>\$ 682</u>	<u>\$ 130</u>	<u>\$ 112,226</u>	<u>\$ -</u>	<u>\$ 130,266</u>

PARK RIDGE BOARD OF EDUCATION
 ENTERPRISE FUND - NON-MAJOR
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	SAT Review Program	Summer Basketball Program	Volleyball Clinic Program	Summer Music Program	Summer Lacrosse Program	Summer Football/ Cheer Program	Summer Baseball Softball Soccer Program	Laptop Insurance Program	Wrestling Program	Total Non-Major Enterprise Funds
Cash Flows from Operating Activities										
Cash Received from Customers	\$ 8,480	\$ 20,970	\$ 5,485	\$ 4,340	\$ 2,540	\$ 1,827	\$ 11,250	\$ 47,563	\$ 2,265	\$ 104,720
Cash Payments for Employees Salaries & Benefits	(15,027)	(17,695)	(6,500)	(4,050)	(2,110)	-	(3,860)			(49,242)
Cash Payments to Suppliers for Goods and Services	(844)	-	-	-	-	(102)	-	(274)	-	(1,220)
Net Cash Provided (Used) by Operating Activities	(7,391)	3,275	(1,015)	290	430	1,725	7,390	47,289	2,265	54,258
Net Increase (Decrease) in Cash and Cash Equivalents	(7,391)	3,275	(1,015)	290	430	1,725	7,390	47,289	2,265	54,258
Cash and Cash Equivalents, Beginning of Year	20,223	17,456	7,014	5,858	2,513	1,237	1,720	64,937	-	120,958
Cash and Cash Equivalents, End of Year	\$ 12,832	\$ 20,731	\$ 5,999	\$ 6,148	\$ 2,943	\$ 2,962	\$ 9,110	\$ 112,226	\$ 2,265	\$ 175,216
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities										
Operating Income (Loss)	\$ (7,391)	\$ 623	\$ (33)	\$ 260	\$ 80	\$ (102)	\$ 100	\$ 47,289	\$ -	\$ 40,826
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities										
Changes in Assets and Liabilities										
Increase/(Decrease) in Unearned Revenue	-	2,652	(982)	30	350	1,827	7,290	-	2,265	13,432
	-	2,652	(982)	30	350	1,827	7,290	-	2,265	13,432
Total Adjustments	-	2,652	(982)	30	350	1,827	7,290	-	2,265	13,432
Net Cash Provided (Used) by Operating Activities	\$ (7,391)	\$ 3,275	\$ (1,015)	\$ 290	\$ 430	\$ 1,725	\$ 7,390	\$ 47,289	\$ 2,265	\$ 54,258

**FIDUCIARY FUNDS
AGENCY FUNDS**

**PARK RIDGE BOARD OF EDUCATION
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 86,330	\$ 16,731	\$ 103,061
Cash with Fiscal Agent	<u>-</u>	<u>4,743</u>	<u>4,743</u>
Total Assets	<u>\$ 86,330</u>	<u>\$ 21,474</u>	<u>\$ 107,804</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 9,820	\$ 9,820
Flex Spending Deposits		4,743	4,743
Due to Student Groups	\$ 86,330		86,330
Due to Other Funds	<u>-</u>	<u>6,911</u>	<u>6,911</u>
Total Liabilities	<u>\$ 86,330</u>	<u>\$ 21,474</u>	<u>\$ 107,804</u>

**PARK RIDGE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

	Balance, June 30, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2019</u>
EXTRACURRICULAR FUND	\$ 76,815	\$ 211,725	\$ 202,210	\$ 86,330
ATHLETIC FUND		64,062	64,062	-
EAST BROOK ELEMENTARY SCHOOL Student Activities	<u>384</u>	<u>12</u>	<u>396</u>	<u>-</u>
 Total	 <u>\$ 77,199</u>	 <u>\$ 275,799</u>	 <u>\$ 266,668</u>	 <u>\$ 86,330</u>

**PARK RIDGE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, June 30, <u>2018</u>	Cash <u>Receipt</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2019</u>
Payroll Deductions and Withholdings	\$ 37,084	\$ 8,584,634	\$ 8,611,898	\$ 9,820
Accrued Salaries and Wages		10,988,828	10,988,828	
Flex Spending Deposits	5,180	18,183	18,620	4,743
Due to Other Funds	<u>6,898</u>	<u>25,547</u>	<u>25,534</u>	<u>6,911</u>
	<u>\$ 49,162</u>	<u>\$ 19,617,192</u>	<u>\$ 19,644,880</u>	<u>\$ 21,474</u>

LONG-TERM DEBT

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	6/2/2010	\$ 7,524,000	8/15/2019	\$ 355,000	3.25 %	\$ 1,070,000		\$ 345,000	\$ 725,000
			8/15/2020	370,000	3.25				
Refunding Bonds	7/1/2010	2,155,000	8/1/2019	205,000	4.00 %	1,030,000		200,000	830,000
			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	8/15/2019	215,000	3.00 %	1,771,000	-	210,000	1,561,000
			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, 2019**

<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, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	12/15/2016	\$ 5,135,000	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				
					<u>\$ 8,891,000</u>	<u>\$ -</u>	<u>\$ 805,000</u>	<u>\$ 8,086,000</u>	
							<u>\$ 805,000</u>		

Paid by Budget Appropriation \$ 805,000

EXHIBIT I-2

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, 2019

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
<u>CAPITAL LEASE</u>						
2016 Lease of 13 Copiers	3.72%	\$ 144,833	\$ 87,734	\$ -	\$ 29,016	\$ 58,718
			\$ 87,734	\$ -	\$ 29,016	\$ 58,718

EXHIBIT I-3

LONG-TERM DEBT
 SCHEDULE OF CAPITAL NOTES PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Description</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
Project Note - 2018 Referendum Projects	8/15/18	\$ 3,598,000	2.75%	\$ -	\$ 3,598,000	\$ -	\$ 3,598,000

**PARK RIDGE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 686,857		\$ 686,857	\$ 686,857	-
State Sources					
State Aid Type II	269,521	-	269,521	269,521	-
Total Revenues	<u>956,378</u>	<u>-</u>	<u>956,378</u>	<u>956,378</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	805,000		805,000	805,000	-
Interest	222,060	-	222,060	222,060	-
Total Expenditures	<u>1,027,060</u>	<u>-</u>	<u>1,027,060</u>	<u>1,027,060</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	(70,682)	-	(70,682)	(70,682)	-
OTHER FINANCING SOURCES (USES)					
Transfer In - Capital Projects Fund	-	-	-	27,526	27,526
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,526</u>	<u>27,526</u>
Net Change in Fund Balance	<u>(70,682)</u>	<u>-</u>	<u>(70,682)</u>	<u>(43,156)</u>	<u>27,526</u>
Fund Balance, Beginning of Year	70,682	-	70,682	70,682	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,526</u>	<u>\$ 27,526</u>

Recapitulation of Fund Balance

Restricted for Debt Service:

Available for Debt Service Expenditures \$ 27,526

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 3,912,275	\$ 3,943,209	\$ 4,065,772	\$ 5,206,951	\$ 6,319,245	\$ 6,799,817	\$ 7,363,362	\$ 8,084,286	\$ 9,130,501	\$ 10,097,596
Restricted	1,414,614	2,067,838	3,326,144	3,920,669	4,083,327	4,793,492	6,491,403	7,184,879	6,207,814	7,639,162
Unrestricted	1,023,898	919,248	1,319,306	475,671	(5,443,076)	(5,643,391)	(5,171,056)	(5,889,199)	(5,548,866)	(5,864,655)
Total Governmental Activities Net Position	\$ 6,350,787	\$ 6,930,295	\$ 8,711,222	\$ 9,603,291	\$ 4,959,496	\$ 5,949,918	\$ 8,683,709	\$ 9,379,966	\$ 9,789,449	\$ 11,872,103
Business-Type Activities										
Net Investment in Capital Assets	\$ 30,491	\$ 26,533	\$ 23,674	\$ 20,385	\$ 17,526	\$ 21,183	\$ 17,604	\$ 14,319	\$ 11,260	\$ 8,207
Restricted										
Unrestricted	159,376	181,618	234,437	304,090	426,557	475,893	552,975	596,499	756,470	1,067,767
Total Business-Type Activities Net Position	\$ 189,867	\$ 208,151	\$ 258,111	\$ 324,475	\$ 444,083	\$ 497,076	\$ 570,579	\$ 610,818	\$ 767,730	\$ 1,075,974
District-Wide										
Net Investment in Capital Assets	\$ 3,942,766	\$ 3,969,742	\$ 4,089,446	\$ 5,227,336	\$ 6,336,771	\$ 6,821,000	\$ 7,380,966	\$ 8,098,605	\$ 9,141,761	\$ 10,105,803
Restricted	1,414,614	2,067,838	3,326,144	3,920,669	4,083,327	4,793,492	6,491,403	7,184,879	6,207,814	7,639,162
Unrestricted	1,183,274	1,100,866	1,553,743	779,761	(5,016,519)	(5,167,498)	(4,618,081)	(5,292,700)	(4,792,396)	(4,796,888)
Total District Net Position	\$ 6,540,654	\$ 7,138,446	\$ 8,969,333	\$ 9,927,766	\$ 5,403,579	\$ 6,446,994	\$ 9,254,288	\$ 9,990,784	\$ 10,557,179	\$ 12,948,077

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 9,757,081	\$ 9,794,997	\$ 10,327,794	\$ 11,838,555	\$ 11,480,847	\$ 14,279,696	\$ 14,394,352	\$ 16,522,589	\$ 17,656,163	\$ 14,954,928
Special Education	3,849,988	3,977,713	3,951,431	3,934,433	4,037,621	4,393,862	4,479,826	4,989,645	5,284,485	5,366,865
Other Instruction	660,610	627,102	720,873	887,332	631,304	684,296	766,748	965,770	1,257,524	1,259,879
School Sponsored Activities And Athletics	781,524	736,229	736,522	689,106	841,350	949,245	984,177	1,132,243	1,206,587	1,133,889
Support Services:										
Student & Instruction Related Services	4,068,419	4,268,710	4,544,753	4,852,101	5,086,264	5,537,667	6,345,060	6,953,733	7,500,709	7,316,042
General Administration	734,983	613,101	662,967	763,368	672,470	773,459	750,946	1,089,002	811,427	731,517
School Administrative Services	1,168,425	1,198,904	1,214,662	1,287,528	1,292,750	1,906,929	1,747,378	1,720,877	2,024,646	1,668,043
Central Services and Info. Technology	709,976	759,086	715,054	711,393	660,876	760,004	721,620	823,432	839,943	859,240
Plant Operations and Maintenance	1,994,742	2,021,531	1,994,117	2,059,681	2,127,481	2,221,454	2,290,641	2,797,096	2,567,200	3,830,457
Student Transportation	653,348	563,942	583,140	638,787	647,292	592,189	560,717	589,310	682,658	722,441
Interest and Other Charges On Long-Term Debt	103,050	386,611	432,690	419,703	403,744	383,236	364,523	301,913	285,182	318,478
Total Governmental Activities Expenses	24,482,146	24,947,926	25,884,003	28,081,987	27,881,999	32,482,037	33,405,988	37,885,610	40,116,524	38,161,779
Business-Type Activities:										
Food Service	199,984	214,148	210,923	226,544	246,871	224,669	225,896	217,127	217,318	208,854
Child Care	172,203	177,793	183,562	220,176	249,217	265,433	258,970	288,533	299,714	289,217
OWL House Program								184,930	198,558	252,176
SAT Review	6,394	7,348	7,108	6,922	8,430	8,566	11,432	11,023	12,274	15,871
Summer Sports Program		7,196								
Summer Basketball Program			1,650	2,832	5,168		1,600	9,737	15,450	17,695
Volleyball Clinic Program			1,445	2,305	4,367	1,551	2,510	3,578	6,250	6,500
Summer Music Program				3,710	3,590	3,600	3,740	4,900	4,412	4,050
Summer Lacrosse Program							5,887		2,000	2,110
Summer Football Program							3,746	2,700	6,470	102
Summer Baseball, Softball Soccer Program									980	3,860
Laptop Insurance Program						6,218	629	1,596	9,541	274
Wrestling Program	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	378,581	406,485	404,688	462,489	517,643	510,037	514,410	724,124	772,967	800,709
Total District Expenses	\$ 24,860,727	\$ 25,354,411	\$ 26,288,691	\$ 28,544,476	\$ 28,399,642	\$ 32,992,074	\$ 33,920,398	\$ 38,609,734	\$ 40,889,491	\$ 38,962,488
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Regular)	\$ 36,685	\$ 27,500	\$ 29,971	\$ 33,750	\$ -		\$ 43,849	\$ 39,000	\$ 33,900	\$ 66,000
Special Education	149,052	147,296	33,884	74,634	73,533	\$ 90,416	47,755	33,774	156,739	200,395
Student and Instruction Related Services									29,400	46,791
Transportation									60,689	105,254
Operating Grants And Contributions	3,385,316	2,363,591	3,305,634	3,885,838	3,461,172	6,454,886	8,106,105	10,282,311	11,083,613	8,958,584
Capital Grants And Contributions	-	13,740	103,735	195,301	9,317	76,049	10,000	-	-	-
Total Governmental Activities Program Revenues	3,571,053	2,552,127	3,473,224	4,189,523	3,544,022	6,621,351	8,207,709	10,355,085	11,364,341	9,377,024

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges For Services										
Food Service	\$ 176,185	\$ 182,332	\$ 187,237	\$ 189,925	\$ 205,627	\$ 171,351	\$ 176,259	\$ 169,298	\$ 163,387	\$ 164,768
Child Care	199,766	200,509	222,776	277,872	336,329	323,257	317,978	325,542	366,266	328,384
OWL House Program								140,300	297,600	449,470
SAT Review	6,450	8,950	13,300	7,700	10,385	12,950	13,870	13,740	11,817	8,480
Summer Sports Programs		4,400								
Summer Basketball Program			1,650	2,940	5,300		1,600	9,920	15,820	18,318
Volleyball Clinic Program			1,520	2,440	4,520	1,650	4,215	2,110	6,365	6,467
Summer Music Program				3,910	3,790	3,810	3,970	5,180	4,840	4,310
Summer Lacrosse Program							6,075		2,135	2,190
Summer Football Program							3,775	2,840	7,085	
Summer Basketball, Softball, Soccer Program									1,010	3,960
Laptop Insurance Program				4,700	31,165	7,591	17,931	9,815	11,719	47,563
Wrestling Program										
Operating Grants And Contributions	24,850	25,658	28,165	39,366	40,135	42,421	42,240	40,988	41,835	40,043
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	407,251	421,849	454,648	528,853	637,251	563,030	587,913	719,733	929,879	1,073,953
Total District Program Revenues	\$ 3,978,304	\$ 2,973,976	\$ 3,927,872	\$ 4,718,376	\$ 4,181,273	\$ 7,184,381	\$ 8,795,622	\$ 11,074,818	\$ 12,294,220	\$ 10,450,977
Net (Expense)/Revenue										
Governmental Activities	\$ (20,911,093)	\$ (22,395,799)	\$ (22,410,779)	\$ (23,892,464)	\$ (24,337,977)	\$ (25,860,686)	\$ (25,198,279)	\$ (27,530,525)	\$ (28,752,183)	\$ (28,784,755)
Business-Type Activities	28,670	15,364	49,960	66,364	119,608	52,993	73,503	(4,391)	156,912	273,244
Total District-Wide Net Expense	\$ (20,882,423)	\$ (22,380,435)	\$ (22,360,819)	\$ (23,826,100)	\$ (24,218,369)	\$ (25,807,693)	\$ (25,124,776)	\$ (27,534,916)	\$ (28,595,271)	\$ (28,511,511)
80 General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 21,616,694	\$ 22,797,775	\$ 23,253,731	\$ 23,926,685	\$ 24,682,977	\$ 25,657,068	\$ 26,475,355	\$ 27,153,268	\$ 27,964,298	\$ 29,025,581
Property Taxes Levied For Debt Service	247,115	245,927	713,829	725,983	778,009	787,036	785,461	787,213	837,113	686,857
Unrestricted Grants And Contributions			82,803	166,495	171,905	202,471	207,230	237,825	247,015	213,137
Miscellaneous Income	64,051	86,829	141,343	180,101	114,717	204,533	464,024	93,106	113,240	976,834
Transfers	-	-	-	-	-	-	-	(44,630)	-	(35,000)
Total Governmental Activities	21,927,860	23,130,531	24,191,706	24,999,264	25,747,608	26,851,108	27,932,070	28,226,782	29,161,666	30,867,409
Business-Type Activities:										
Investment Earnings										
Miscellaneous Income										
Transfers	-	-	-	-	-	-	-	44,630	-	35,000
Total Business-Type Activities	-	-	-	-	-	-	-	44,630	-	35,000
Total District-Wide	\$ 21,927,860	\$ 23,130,531	\$ 24,191,706	\$ 24,999,264	\$ 25,747,608	\$ 26,851,108	\$ 27,932,070	\$ 28,271,412	\$ 29,161,666	\$ 30,902,409
Change in Net Position										
Governmental Activities	\$ 1,016,767	\$ 734,732	\$ 1,780,927	\$ 1,106,800	\$ 1,409,631	\$ 990,422	\$ 2,733,791	\$ 696,257	\$ 409,483	\$ 2,082,654
Business-Type Activities	28,670	15,364	49,960	66,364	119,608	52,993	73,503	40,239	156,912	308,244
Total District	\$ 1,045,437	\$ 750,096	\$ 1,830,887	\$ 1,173,164	\$ 1,529,239	\$ 1,043,415	\$ 2,807,294	\$ 736,496	\$ 566,395	\$ 2,390,898

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 2,218,848									
Unreserved	276,177									
Restricted		\$ 2,654,136	\$ 3,937,897	\$ 4,624,623	\$ 4,678,074	\$ 5,551,415	\$ 7,818,312	\$ 8,361,472	\$ 6,927,299	\$ 8,543,074
Assigned		361,583	744,789	349,964	413,099	609,367	470,855	556,161	1,457,455	814,070
Unassigned	-	256,333	244,564	281,954	282,672	300,908	293,847	324,690	372,292	385,467
Total General Fund	<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>	<u>\$ 8,757,046</u>	<u>\$ 9,742,611</u>
All Other Governmental Funds										
Reserved	\$ 7,141,417									
Unreserved	(912,760)									
Restricted		\$ 1,545,741	\$ 1,528,452	\$ 1,362,117	\$ 354,787	\$ 92,104	\$ 43,438	\$ 101,087	\$ 70,682	\$ 443,014
Unassigned	-	-	-	-	-	-	-	-	(215,360)	-
Total All Other Governmental Funds	<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>	<u>\$ (144,678)</u>	<u>\$ 443,014</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property Tax Levy	\$ 21,863,809	\$ 23,043,702	\$ 23,967,560	\$ 24,652,668	\$ 25,460,986	\$ 26,444,104	\$ 27,260,816	\$ 27,940,481	\$ 28,801,411	\$ 29,712,438
Tuition Charges	50,203	56,202	63,855	108,384	73,533	90,416	91,604	72,774	220,039	313,186
Transportation Fees										105,254
Miscellaneous	131,080	117,440	150,845	189,301	127,848	210,633	469,694	97,174	187,437	981,814
State Sources	2,690,277	1,932,081	2,944,895	3,659,345	3,260,737	3,792,301	4,198,098	4,648,254	5,216,756	5,853,088
Federal Sources	628,010	414,639	434,040	383,788	359,209	389,754	480,054	465,085	460,578	466,710
Total Revenue	25,363,379	25,564,064	27,561,195	28,993,486	29,282,313	30,927,208	32,500,266	33,223,768	34,886,221	37,432,490
Expenditures										
Instruction										
Regular Instruction	9,482,548	9,327,380	9,861,561	11,270,498	10,903,123	12,237,361	11,750,046	12,667,281	13,985,619	13,443,145
Special Education Instruction	3,767,272	3,843,877	3,906,011	3,889,013	3,990,586	4,046,856	4,004,274	4,303,216	4,701,184	5,042,278
Other Instruction	615,052	626,517	720,469	887,332	628,631	595,649	641,859	766,248	1,007,880	1,129,060
School Sponsored Activities and Athletics	781,524	736,229	736,522	689,106	841,350	930,811	938,573	1,003,488	1,077,787	1,096,557
Community Services										
Support Services:										
Student and Inst. Related Services	4,066,246	4,226,297	4,503,740	4,823,287	5,048,402	5,096,509	5,623,822	5,867,529	6,322,294	6,743,896
General Administration	734,517	600,023	662,922	751,666	660,286	719,271	686,758	819,134	742,073	690,816
School Administrative Services	1,143,832	1,176,557	1,167,758	1,261,888	1,287,362	1,732,226	1,522,189	1,436,618	1,676,265	1,542,694
Central Services and Info. Technology	709,545	741,485	700,973	711,393	659,561	720,674	653,942	683,129	729,267	765,023
Plant Operations And Maintenance	1,915,934	1,927,167	1,915,472	1,976,469	2,036,240	2,048,448	2,083,979	2,356,120	2,255,943	2,838,035
Student Transportation	635,437	544,965	565,229	618,714	638,926	570,464	525,229	554,281	630,751	718,416
Capital Outlay	1,832,391	8,606,270	527,718	1,189,941	2,189,873	747,393	791,077	906,574	1,094,574	4,380,991
Debt Service:										
Principal	135,000	140,000	331,045	1,093,877	2,397,269	1,285,536	976,935	1,001,016	1,142,036	834,016
Interest and Other Charges	112,115	52,703	653,700	425,049	406,889	387,153	369,372	278,629	251,590	224,832
Advance Refunding Escrow		135,274						49,772		
Cost of Issuance	62,196	110,146	-	-	-	-	-	-	-	-
Total Expenditures	25,993,609	32,794,890	26,253,120	29,588,233	31,688,498	31,118,351	30,568,055	32,693,035	35,617,263	39,449,759
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(630,230)	(7,230,826)	1,308,075	(594,747)	(2,406,185)	(191,143)	1,932,211	530,733	(731,042)	(2,017,269)

**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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
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								
Capital Note Proceeds										\$ 3,598,000
Premium on Capital Note										27,526
Permanently Financed Project Note					1,400,000					
Refunding Bond Proceeds		2,155,000						5,135,000		
Premium on Refunding Bonds		93,937								
Payment to Refunded Escrow Agent		(2,065,000)						(5,085,228)		
Transfers In	85,388				1,816,612			181,083	-	27,526
Transfers Out	(85,388)	-	-	-	(1,816,612)	-	-	(44,630)	-	(62,526)
Total Other Financing Sources (Uses)	<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>	<u>-</u>	<u>3,590,526</u>
Net Change in Fund Balances	<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>	<u>\$ (731,042)</u>	<u>\$ 1,573,257</u>
Debt Service as a Percentage of Noncapital Expenditures	0.82%	1.81%	1.81%	5.35%	9.51%	5.51%	4.52%	4.03%	4.04%	3.02%

* 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>
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
2018	220,039	59,175	15,458	5,927	5,505			60,689	27,175	393,968
2019	313,186	207,780	24,557	6,771		342,482	356,838	105,254	38,406	1,395,274

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	Total
									(County Equalized) Value	School Tax Rate a
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 (1)	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
2018	8,497,300	1,389,183,100	175,007,200	3,815,600	18,728,200	1,595,231,400	1,396,319	1,596,627,719	1,811,832,408	1.833
2019	11,570,200	1,392,152,800	170,940,300	3,815,600	19,792,100	1,598,271,000	1,387,079	1,599,658,079	1,853,834,869	1.877

Source: County Abstract of Ratables

a Tax rates are per \$100

(1) 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>	
2010	\$1.297	\$0.469	\$0.222	\$1.988
2011 (1)	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
2018	1.833	0.650	0.284	2.767
2019	1.877	0.685	0.282	2.844

(1) 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	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Sony Corp.	\$ 30,000,000	1.88%	\$ 29,900,000	1.73%
Hertz Corp.	16,410,000	1.03%	27,500,000	1.59%
Park Ridge Health Care	18,750,000	1.17%	24,200,000	1.40%
Sartak Holdings Inc	16,500,000	1.03%	20,507,900	1.18%
JLM Park Ridge (Marriot)	12,000,000	0.75%	21,000,000	1.21%
Ridge Manor Apts. LLC	4,041,100	0.25%	3,579,600	0.21%
Park Ridge Hye Partners	7,410,600	0.46%	3,764,300	0.22%
S/K Park Ridge Assoc.	2,800,000	0.18%		
Erich Uhlmann	3,271,700	0.20%	2,898,100	0.17%
Bedrosian & Tonelli			2,443,800	0.14%
Jems Assoc.			2,107,100	0.12%
W. Spencer			2,063,700	0.12%
Park Ridge Plaza LLC			2,547,800	0.15%
Artdor Realty Co.	<u>3,036,400</u>	<u>0.19%</u>	<u>2,869,600</u>	<u>0.17%</u>
	<u>\$ 114,219,800</u>	<u>7.14%</u>	<u>\$ 145,381,900</u>	<u>8.40%</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	
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%	
2018	28,801,411	28,801,411	100%	
2019	29,712,438	29,712,438	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	Capital Notes			
2010	\$ 9,879,000				\$ 9,879,000	8,665	\$ 1,140
2011	12,970,000				12,970,000	8,656	1,498
2012	12,655,000	\$ 100,259	\$ 213,530		12,968,789	8,706	1,490
2013	12,020,000	78,140	534,475		12,632,615	8,738	1,446
2014	11,370,000	54,614	326,891		11,751,505	8,762	1,341
2015	10,690,000	30,045	762,229		11,482,274	8,792	1,306
2016	9,995,000	142,633	508,153		10,645,786	8,812	1,208
2017	9,751,000	115,693	254,077		10,120,770	8,801	1,150
2018	8,891,000	87,734	-		8,978,734	8,786	1,022
2019	8,086,000	58,718		\$ 3,598,000	11,742,718	8,786 *	1,337

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			
2010	\$ 9,879,000		\$ 9,879,000	0.57%	\$ 1,140
2011	12,970,000		12,970,000	0.80%	1,498
2012	12,655,000		12,655,000	0.78%	1,454
2013	12,020,000		12,020,000	0.75%	1,376
2014	11,370,000		11,370,000	0.71%	1,298
2015	10,690,000		10,690,000	0.67%	1,216
2016	9,995,000	\$ 2,001	9,992,999	0.63%	1,134
2017	9,751,000	72,683	9,678,317	0.61%	1,100
2018	8,891,000	70,682	8,820,318	0.55%	1,004
2019	8,086,000	27,526	8,058,474	0.50%	917

Source: District records

**PARK RIDGE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2018
(Unaudited)**

MUNICIPAL DEBT (1)	
Park Ridge Board of Education (as of June 30, 2019)	\$ 11,684,466
Borough of Park Ridge	<u>18,312,157</u>
Total Direct Debt	<u>29,996,623</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County: (2) and (3)	
County of Bergen (A)	14,661,486
Bergen County Utilities Authority-Waste Water (B)	<u>1,764,976</u>
Total Overlapping Debt	<u>16,426,462</u>
Total Direct and Overlapping Debt	<u>\$ 46,423,085</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2018 equalized value by the total 2018 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Park Ridge 2018 Annual Debt Statement
- (2) BCUA 2018 Audit
- (3) Bergen County 2018 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized valuation basis	
	2016	\$ 1,841,430,580
	2017	1,801,139,314
	2018	<u>1,845,478,251</u>
		\$ <u>5,488,048,145</u>
Average equalized valuation of taxable property		\$ 1,829,349,382
Debt limit (4 % of average equalization value)		73,173,975
Total Net Debt Applicable to Limit		<u>11,684,466</u>
Legal debt margin		<u>\$ 61,489,509</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 79,276,130	\$ 77,747,994	\$ 75,437,814	\$ 72,962,225	\$ 70,744,383	\$ 70,099,412	\$ 71,403,481	\$ 72,958,750	\$ 73,440,804	\$ 73,173,975
Total Net Debt Applicable to Limit	<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>	<u>12,490,179</u>	<u>11,684,466</u>
Legal Debt Margin	<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>	<u>\$ 60,950,625</u>	<u>\$ 61,489,509</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.42%	16.68%	16.78%	18.39%	16.07%	15.25%	14.00%	13.37%	17.01%	15.97%

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>
2010	3.50%	\$ 65,992	8,665
2011	3.40%	68,865	8,656
2012	3.50%	71,789	8,706
2013	8.80%	71,100	8,738
2014	4.90%	73,637	8,762
2015	4.00%	76,821	8,792
2016	3.80%	77,901	8,812
2017	3.60%	81,203	8,801
2018	3.60%	77,187 (E)	8,786
2019	3.20%	77,187 (E)	8,786 (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>2019</u>		<u>2010</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	143	143	143	141	141	141	138	139	139	138
Special Education	40	38	45	46	48	49	53	51	51	51
Other Instruction	7	7	7	7	7	6	5	7	7	7
Support Services:										
Student and Instruction Related Services	12	12	13	13	13	11	11	11	9	9
General Administration	5	5	5	5	5	5	5	5	5	5
School Administrative Services	12	12	12	12	12	12	12	12	14	14
Other Administrative Services	6	6	6	6	6	6	7	7	7	7
Central Services	5	5	3	6	6	6	9	9	9	9
Plant Operations And Maintenance	15	15	15	15	15	15	15	15	16	16
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>253</u>	<u>251</u>	<u>257</u>	<u>259</u>	<u>261</u>	<u>259</u>	<u>263</u>	<u>264</u>	<u>265</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				
2010	1,346	\$ 23,851,907	\$ 17,721	3.69%	137	1:10	1:10	1,309	1,255	-0.76%	95.87%
2011	1,319	23,750,497	18,006	1.61%	137	1:10	1:10	1,300	1,249	-0.69%	96.08%
2012	1,283	24,740,657	19,283	7.09%	141	1:10	1:10	1,271	1,211	-2.23%	95.28%
2013	1,306	26,879,366	20,581	6.73%	141	1:10	1:9	1,297	1,243	2.05%	95.84%
2014	1,307	26,694,467	20,424	-0.76%	141	1:10	1:9	1,294	1,243	-0.23%	96.06%
2015	1,279	28,698,269	22,438	9.86%	141	1:10	1:9	1,286	1,235	-0.62%	96.03%
2016	1,333	28,430,671	21,328	-4.95%	138	1:9	1:8	1,211	1,173	-5.83%	96.85%
2017	1,245	30,457,044	24,463	14.70%	139	1:8	1:7	1,228	1,179	1.40%	96.01%
2018	1,205	33,129,063	27,493	12.38%	139	1:8	1:7	1,185	1,137	-3.50%	95.95%
2019	1,236	34,009,920	27,516	0.08%	138	1:8	1:9	1,214	1,164	2.45%	95.88%

Sources: District records

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Building										
<u>Elementary</u>										
East Brook										
Square Feet	31,675	31,675	31,675	31,675	31,675	31,675	31,675	31,675	31,675	31,675
Capacity (students)	388	388	388	388	388	388	388	388	388	388
Enrollment	360	368	360	360	360	360	360	360	360	360
West Ridge										
Square Feet	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment	365	356	365	365	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	590	595	590	590	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	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, 2019										
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	2	2	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**

	<u>Project # (s)</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>	<u>2018</u>	<u>2019</u>
*School Facilities											
East Brook Elementary School	201530	\$ 65,514	\$ 75,220	\$ 79,017	\$ 69,371	\$ 69,061	\$ 70,375	\$ 65,553	\$ 73,181	\$ 72,702	\$ 129,281
West Ridge Elementary School	201529	57,852	66,423	69,775	77,153	76,809	66,248	61,709	90,684	86,407	105,226
High School	201531	184,567	211,909	222,605	217,775	216,802	226,572	212,076	288,802	277,395	391,935
District-Wide		-	-	-	-	-	-	-	-	-	-
Total School Facilities		\$ 307,933	\$ 353,552	\$ 371,397	\$ 364,299	\$ 362,672	\$ 363,195	\$ 339,338	\$ 452,667	\$ 436,504	\$ 626,442

*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, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance Co.		
Blanket Building & Contents	\$ 38,725,248	\$ 5,000
Flood	5,000,000	50,000
Earthquake	5,000,000	25,000
Inland Marine:		
Computer Equipment	4,925,000	1,000
Contractors Equipment	250,000	1,000
Boiler & Machinery	Per individual statement	
Comprehensive/Commercial General Liability		
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	
Umbrella Liability Policy - Aggregate per Occurrence	5,000,000	
Comprehensive Auto Liability	1,000,000	
School Board Legal Liability - Greenwich Insurance Co.		
EL Specialty	1,000,000	
Excess Umbrella Liability Group Aggregate - Firemen's Fund Ins. Co.	50,000,000	
Crime Coverages - Selective Insurance Co. of America		
Public Employee Dishonesty - Per Employee	100,000	5,000
- Per Loss	500,000	100,000
Forgery or Altercation	100,000	1,000
Computer Fraud	100,000	1,000
Funds Transfer Fraud	100,000	1,000
Cyber Liability		
Third Party Liability Coverage	2,000,000	15,000
First Party Coverage	1,000,000	
Data Breach Response and Crisis Management Coverage	1,000,000	25,000
Public Official Bonds - RLI Insurance Co.		
Business Administrator/Board Secretary/Treasurer	225,000	
Environmental Liability - Chubb/Ace America	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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of 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, 2019 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 20, 2019.

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 20, 2019

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.

Leach, 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 20, 2019



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
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ROBERT LERCH, CPA
CHRIS SOHN, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 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 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, 2019. 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, 2019.

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 federal or 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 U.S. Uniform Guidance and 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 Park Ridge Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 20, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lerch, Vinci & Higgins, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 20, 2019

PARK RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018				Balance, June 30, 2019				Memo GAAP Receivable
						(Account Receivable)	Unearned Revenue	Accounts Rec Carryover Amount	Unearned Rev Carryover Amount	Cash Received	Budgetary Expenditures	(Account Receivable)	Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education														
National School Lunch Program														
Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	\$ 22,869					\$ 21,069	\$ 22,869	\$ (1,800)		\$ (1,800)
Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	25,324	\$ (1,527)				1,527				-
Non-Cash Assistance (Food Distribution)	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	8,833					8,833	8,833			-
Special Milk Program	10.556	191NJ304N1099	N/A	7/1/18-6/30/19	7,013					6,334	7,013	(679)		(679)
Special Milk Program	10.556	181NJ304N1099	N/A	7/1/17-6/30/18	7,115	(561)				561				-
Total U.S. Department of Agriculture						(2,088)				38,324	38,715	(2,479)		(2,479)
U.S. Department of Education Passed-through State Department of Education														
I.D.E.A. Part B, Basic	84.027	H027A180100	IDEA394016	7/1/18-6/30/19	308,627			\$ (9,501)	\$ 9,501	306,728	308,678	(11,400)	\$ 9,450	(1,950)
I.D.E.A. Part B, Basic	84.027	H027A170100	IDEA394016	7/1/17-6/30/18	313,645	(19,955)	\$ 9,501	9,501	(9,501)	10,454				-
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA394016	7/1/18-6/30/19	20,943					20,943	20,943			-
Total Special Education Cluster IDEA						(19,955)	9,501			338,125	329,621	(11,400)	9,450	(1,950)
Title III	84.365	S365A160030	ESEA031345-19	7/1/18-6/30/19	6,304					3,481	6,304	(2,823)		(2,823)
Title III Immigrant	84.365	S365A150030	ESEA031345-19	7/1/18-6/30/19	1,343						1,161	(1,343)	182	(1,161)
Total Title III										3,481	7,465	(4,166)	182	(3,984)
Title IV	84.424	S424A180031	ESEA031345-19	7/1/18-6/30/19	10,000			(2,395)	2,395	9,668	12,269	(2,727)	126	(2,601)
Title IV	84.424	S424A170031	ESEA031345-18	7/1/17-6/30/18	10,000	(2,395)	2,395	2,395	(2,395)					-
Title I	84.01	S010A180030	ESEA031345-19	7/1/18-6/30/19	97,107					91,870	96,107	(5,237)	1,000	(4,237)
Title I	84.01	S010A170030	ESEA031345-18	7/1/17-6/30/18	96,387	(6,387)				6,387				-
Title II - Part A	84.367A	S367A180029	ESEA031345-19	7/1/18-6/30/19	21,604			(8,103)	8,103	16,000	19,393	(13,707)	10,314	(3,393)
Title II - Part A	84.367A	S367A170029	ESEA031345-18	7/1/17-6/30/18	22,246	(20,064)	8,103	8,103	(8,103)	11,961				-
Total U.S. Department of Education - Special Revenue Fund						(48,801)	19,999			477,492	464,855	(37,237)	21,072	(16,165)
General Fund														
Special Ed. Medicaid Reimbursement	93.778	1905NJ5MAP	NA	7/1/18-6/30/19	1,855					1,855	1,855			-
Total Medicaid Reimbursement										1,855	1,855			-
Total Federal Financial Assistance						\$ (50,889)	\$ 19,999	\$ -	\$ -	\$ 517,671	\$ 505,425	\$ (39,716)	\$ 21,072	\$ (18,644)

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

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

PARK RIDGE BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund												
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 547,829		\$ 512,125	\$ 547,829		\$ (35,704)				\$ 547,829
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	547,829	(27,236)	27,236							
Security Aid	19-495-034-5120-089	7/1/18-6/30/19	59,165		55,309	59,165		(3,856)				59,165
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	22,761	(1,132)	1,132							
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	12,970	(645)	645							
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	12,970	(645)	645							
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	12,060	(599)	599							
Total State Aid Public Cluster				(30,257)	597,691	606,994		(39,560)				606,994
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	99,501		93,016	\$ 99,501		(6,485)				99,501
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	21,781	(1,083)	1,083							
Extraordinary Aid	19-495-034-5120-014	7/1/18-6/30/19	375,232			375,232		(375,232)				375,232
Extraordinary Aid	18-100-034-5120-473	7/1/17-6/30/18	316,362	(316,362)	316,362							
On-Behalf TPAF Pension Benefits	19-495-034-5094-002	7/1/18-6/30/19	2,336,567		2,336,567	2,336,567						2,336,567
On-Behalf TPAF - Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	48,910		48,910	48,910						48,910
On-Behalf TPAF - Post Retirement Medical Contributions	19-495-034-5094-001	7/1/18-6/30/19	1,082,049		1,082,049	1,082,049						1,082,049
On-Behalf TPAF - Long Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	2,100		2,100	2,100						2,100
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	950,927	-	950,927	950,927						950,927
Total General Fund State Aid				(347,702)	5,428,705	5,502,280		(421,277)				5,502,280
Special Revenue Fund												
Nonpublic Handicapped Services												
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	42,229		42,229	38,953				\$ 3,276		38,953
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	52,055	3,826			\$ 3,826					
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	10,713		10,713	6,607				4,106		6,607
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	11,427	3,303			3,303					
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	18,793		18,793	11,181				7,612		11,181
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	15,780	4,916			4,916					
Total Handicapped Services (Chapter 192 Cluster)				12,045	71,735	56,741	12,045			14,994		56,741
Nonpublic Auxiliary Services												
Comp Education	19-100-034-5120-067	7/1/18-6/30/19	27,919		27,919	12,859				15,060		12,859
Comp Education	18-100-034-5120-067	7/1/17-6/30/18	26,575	15,059			15,059					
N.J. Nonpublic Aid												
Nonpublic Textbooks	19-100-034-5120-064	7/1/18-6/30/19	7,156		7,156	7,156						7,156
Nonpublic Textbooks	18-100-034-5120-064	7/1/17-6/30/18	8,327									
Nonpublic Nursing	19-100-034-5120-070	7/1/18-6/30/19	29,294		29,294	29,249				45		29,249
Nonpublic Nursing	18-100-034-5120-070	7/1/17-6/30/18	33,174	45			45					
Nonpublic Security	19-100-034-5120-084	7/1/18-6/30/19	45,300		45,300	44,033				1,267		44,033
Nonpublic Security	18-100-034-5120-084	7/1/17-6/30/18	25,650	253			253					
Nonpublic Technology	19-100-034-5120-373	7/1/18-6/30/19	4,824		4,824	4,824						4,824
Nonpublic Technology	18-100-034-5120-373	7/1/17-6/30/18	5,624	2,244			2,244					
Total Special Revenue Fund				29,646	186,228	154,862	29,646			31,366		154,862
Debt Service Fund												
Type II Debt Service Aid	19-495-034-5120-125	7/1/18-6/30/19	269,521		269,521	269,521						269,521
Total Debt Service Fund					269,521	269,521						269,521
State Department of Agriculture												
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	1,328		1,229	1,328		(99)			\$ (99)	1,328
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	1,557	(90)	90							
				(90)	1,319	1,328		(99)			(99)	1,328

**PARK RIDGE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2018</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>Balance, June 30, 2019</u>			<u>Memo</u>	
								<u>(Accounts Receivable)</u>	<u>Unearned Revenue</u>	<u>Due to Grantor</u>	<u>GAAP Receivable</u>	<u>Cumulative Total Expenditures</u>
Total State Financial Assistance Subject to Single Audit Determination				(318,146)	5,885,773	5,927,991	29,646	(421,376)	-	31,366	(99)	5,927,991
State Financial Assistance												
Not Subject to Major Program Determination												
General Fund												
On-Behalf TPAF Pension Benefits	19-495-034-5094-002	7/1/18-6/30/19	2,336,567		(2,336,567)	(2,336,567)						(2,336,567)
On-Behalf TPAF - Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	48,910		(48,910)	(48,910)						(48,910)
On-Behalf TPAF - Post Retirement Medical Contributions	19-495-034-5094-001	7/1/18-6/30/19	1,082,049	-	(1,082,049)	(1,082,049)						(1,082,049)
On-Behalf TPAF - Long Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	2,100	-	(2,100)	(2,100)	-	-	-	-	-	(2,100)
Total State Financial Assistance Subject to Major Program Determination				\$ (318,146)	\$ 2,416,147	\$ 2,458,365	\$ 29,646	\$ (421,376)	\$ -	\$ 31,366	\$ (99)	\$ 2,458,365

**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, 2019**

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 \$73,575 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	\$ 1,855	\$ 5,428,705	\$ 5,430,560
Special Revenue Fund	464,855	154,862	619,717
Debt Service Fund		269,521	269,521
Food Service Fund	38,715	1,328	40,043
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 505,425</u>	<u>\$ 5,854,416</u>	<u>\$ 6,359,841</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, 2019**

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 \$950,927 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$2,385,477, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,082,049 and TPAF Long-Term Disability Insurance in the amount of \$2,100 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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 payments 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 (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08? _____ yes X no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
<u>19-495-034-5094-003</u>	<u>TPAF Social Security Contributions</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs \$ 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, 2019**

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, 2019**

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, 2019**

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

There are none.

**PARK RIDGE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.