PARK RIDGE BOARD OF EDUCATION ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Park Ridge Board of Education

Park Ridge, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

			Page
		INTRODUCTORY SECTION	
Orga Rosto	nization er of Off	nsmittal al Chart ficials and Advisors	i-vi vii viii ix
		FINANCIAL SECTION	
Indep	endent	Auditor's Report	1-3
REQ	UIRED	SUPPLEMENTARY INFORMATION- PART I	
	Mana	gement's Discussion and Analysis	4-15
Basic	Financ	eial Statements	
A.	Distr	ict-wide Financial Statements	
	A-1 A-2	Statement of Net Position Statement of Activities	16 17-18
В.	Fund	Financial Statements	
	Government B-1 B-2 B-3	Primental Funds Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District Wide Statements	19-20 21 22
	Duomu	Expenditures and Changes in Fund Balances with the District-Wide Statements	22
	B-4 B-5 B-6	ietary Funds Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	23 24 25
		iary Funds – Not Applicable	.
	Notes	s to the Financial Statements	26-68

REQ	UIRED	SUPPLEMENTARY INFORMATION - PART II	Page
C.	Budg	etary Comparison Schedules	
	C-1 C-2	Budgetary Comparison Schedule – General Fund Budgetary Comparison Schedule – Special Revenue Fund	69-74 75
NOT	ES TO	THE REQUIRED SUPPLEMENTARY INFORMATION – PART II	
	C-3	Budgetary Comparison Schedule – Notes to the Required Supplementary Information	n 76
REQ	UIRED	SUPPLEMENTARY INFORMATION - PART III	
L.	Sched	lules Related to Accounting and Reporting for Pensions	
	L-1	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	77
	L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	78
	L-3 L-4	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund Notes to Required Supplementary Information – Net Pension Liability	79 80
М.		lules Related to Accounting and Reporting for Other Postemployment Benefits On Pensions	ther
	M-1	Required Supplementary Information – Schedule of Changes in the District's Proportionate Share of Total OPEB Liability	81
	M-2	Notes to Required Supplementary Information – OPEB Liability	82
ОТН	ER SUI	PPLEMENTARY INFORMATION	
D.	Schoo	ol Level Schedules - Not Applicable	
E.	Speci	al Revenue Fund	
	E-1	Combining Schedule of Program Revenues and Expenditures	
	E-2	Special Revenue Fund – Budgetary Basis Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	83-86 87
F.	Capit	al Projects Fund	
	F-1 F-2	Summary Schedule of Project Expenditures – Budgetary Basis Summary Schedule of Revenues, Expenditures and Changes	88
	F-2a	In Fund Balance – Budgetary Basis Schedule of Project Revenues, Expenditures, Project Balance and Project	89 90

			<u>Page</u>
G.	Prop	rietary Funds	
	G-1 G-2 G-3	Statement of Net Position Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows	91 92 93
H.	Fiduo	ciary Funds – Not Applicable	
I.	Long	-Term Debt	
	I-1 I-2 I-2a I-3 I-4	Schedule of Serial Bonds Schedule of Obligations under Capital Financing Agreements Schedule of Leases Payable Debt Service Fund Budgetary Comparison Schedule Schedule of Obligations Subscription-Based Information Technology Arrange Not Applicable	94 95 95 96 ements –
J.		STATISTICAL SECTION (Unaudited)	
	J-1 J-2 J-3 J-4 J-5 J-6 J-7 J-8 J-9	Net Position by Component Changes in Net Position Fund Balances – Governmental Funds Changes in Fund Balances - Governmental Funds General Fund Other Local Revenues by Source Assessed Value and Actual Value of Taxable Property Direct and Overlapping Property Tax Rates Principal Property Taxpayers Property Tax Levies and Collections	97 98-99 100 101-102 103 104 105 106 107
	J-10 J-11 J-12 J-13 J-14 J-15 J-16 J-17 J-18 J-19 J-20	Ratios of Outstanding Debt by Type Ratios of Net General Bonded Debt Outstanding Computation of Direct and Overlapping Outstanding Bonded Debt Legal Debt Margin Information Demographic Statistics Principal Employers Full-Time Equivalent District Employees by Function/Program Operating Statistics School Building Information Schedule of Required Maintenance for School Facilities Schedule of Insurance	108 109 110 111 112 113 114 115 116 117

			Page
K.		SINGLE AUDIT SECTION	
	K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accorda With Government Auditing Standards-Independent Auditor's Report	nce 119-120
	K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by. New Jersey OMB Circular 15-08 – Independent Auditor's Report	121-123
	K-3	Schedule of Expenditures of Federal Awards	124-125
	K-4	Schedule of Expenditures of State Financial Assistance	126-127
	K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	128-129
	K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor's Results	130-131
	K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	132
	K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and St Award Findings and Questioned Costs	tate 133-134
	K-7	Summary Schedule of Prior Audit Findings	135

INTRODUCTORY SECTION

Amara Wagner President

NATALIE AGOOS Vice President

David Bradler
Rachelle Browne
Joseph Bucco, Jr
Robert A. Fisher, Jr
John Pierotti, Pebruary 26, 2024

PARK RIDGE BOARD OF EDUCATION 85 PASCACK ROAD

PARK RIDGE, NEW JERSEY 07656

Telephone: 201-573-6000 Fax: 201-391-6511 ROBERT M. GAMPER, Ed.D.
Superintendent of Schools
ROBERT WRIGHT
Board Secretary and
Business Administrator

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

Dear Board Members:

The annual comprehensive financial report of the Park Ridge School District (the "District") for the fiscal year ended June 30, 2023, 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 annual comprehensive 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. <u>REPORTING ENTITY AND ITS SERVICES</u>: 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 2022-2023 fiscal year with an enrollment of 1,216 students, which is a decrease of twenty-five (25) students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last nine years:

Fiscal Year	Student Enrollment	Percent Change
2022 22	1 216	2.010/
2022-23	1,216	-2.01%
2021-22	1,241	1.14%
2020-21	1,227	-1.44%
2019-20	1,245	4.18%
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. <u>ECONOMIC CONDITION AND OUTLOOK</u>: 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 48th 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 49% and currently 82% 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 2022-23 school year resounded with triumph on every level with 1 Commended and 1 Semi-finalist with regards to National Merit Letter of Commendation recipients. Our elementary schools also saw two of its students honored for their acceptance into the NJSMA Elementary Honors Band Festival. Park Ridge continued to excel at preparing students to further their education as 96% of the students will be attending four-year or two year colleges.

Park Ridge High School had many highlights in the 2022-23 school year. This past year, the Boys Soccer and Wrestling teams were divisional champions. The boys Wrestling team also won the NJIC Conference Championship. In addition to theses sports, the district had two athletes who were named "Athlete of the Week" in the sports of Football and Girls Basketball with numerous student athletes were named to All League, County and State teams. Finally, PRHS was selected as an NJSIAA Sportsmanship recipient.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2022.

- 6. <u>ACCOUNTING SYSTEM AND REPORTS:</u> 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. <u>FINANCIAL INFORMATION AT FISCAL YEAR END:</u> 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. <u>DEBT ADMINISTRATION:</u> At June 30, 2023, the District has outstanding bonded debt of \$5,546,000.
- 9. <u>CASH MANAGEMENT:</u> 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. <u>RISK MANAGEMENT:</u> 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 more than 30 school districts in Bergen and Passaic Counties.
- 11. <u>OTHER INFORMATION:</u> Independent Audit State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, 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. <u>ACKNOWLEDGEMENTS:</u> We would like to express our appreciation to the members of the Park Ridge Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Robert Wright

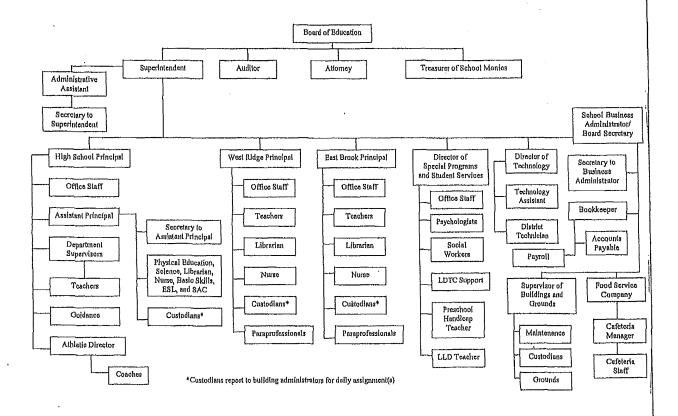
Business Administrator/Board Secretary

POLICY

PARK RIDGE BOARD OF EDUCATION

ADMINISTRATION

ORGANIZATIONAL CHART



PARK RIDGE BOARD OF EDUCATION PARK RIDGE, NEW JERSEY

ROSTER OF OFFICIALS June 30, 2023

Members of the Board of Education	<u>Term Expires</u>
President:	
David Bradler	2024
Vice President:	
Amara Wagner	2024
Members of the Board:	
Natalie Jowett Agoos	2023
Joseph Bucco	2025
Deborah Clare	2023
John Pierotti, Jr.	2025
Lauren Sum	2023

Other Officials:

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 & Bliss, LLP 17-17 Route 208 North Fair Lawn, New Jersey 07410

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC 169 Ramapo Valley Road, Upper Level 105 Oakland, New Jersey 07436

Official Depository

Lakeland Bank 250 Oak Ridge Road Oak Ridge, NJ 07438



DIETER P. LERCH, CPA, RMA, PSA GARY J. VINCI, CPA, RMA, PSA JEFFREY C. BLISS, CPA, RMA, PSA PAUL J. LERCH, CPA, RMA, PSA JULIUS B. CONSONI, CPA, PSA ANDREW D. PARENTE, CPA, RMA, PSA ELIZABETH A. SHICK, CPA, RMA, PSA ROBERT W. HAAG, CPA, RMA, PSA DEBRA GOLLE, CPA MARK SACO, CPA ROBERT LERCH, CPA, PSA CHRISTOPHER M. VINCI, CPA, PSA CHRISTINA CUIFFO, CPA, PSA JOHN CUIFFO, CPA, PSA

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

Opinions

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, 2023 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.

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, 2023, 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.

Basis for Opinions

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 <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Park Ridge Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park Ridge Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, <u>Government Auditing Standards</u> and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Park Ridge Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park Ridge Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 26, 2024 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 solely 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 & Bliss, CLP

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

Jeffrey C. Bliss

Public School Accountant PSA Number CS00932

Fair Lawn, New Jersey February 26, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis Fiscal Year Ended June 30, 2023

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, 2023. 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 and the District's financial statements and related notes to the financial statements which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 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 \$27,199,457 (net position).
- The District's total net position increased \$3,067,633, or 13%.
- Overall District revenues were \$42,409,434. General revenues accounted for \$33,483,571, or 79% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,925,863, or 21% of total revenues.
- The school district had \$38,412,003 in expenses for governmental activities; only \$7,997,579 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$33,483,571 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 \$12,529,685. Of this amount, \$10,540,499 is fund balance restricted for specific purposes, \$1,564,730 has been committed or assigned for future expenditures and the remaining amount is the unassigned fund balance of \$424,456 which is available for spending at the District's discretion (unassigned fund balance General Fund).
- The General Fund unassigned <u>budgetary</u> fund balance at the close of the current fiscal year was \$1,024,667, which represented a decrease of \$584,744 from the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

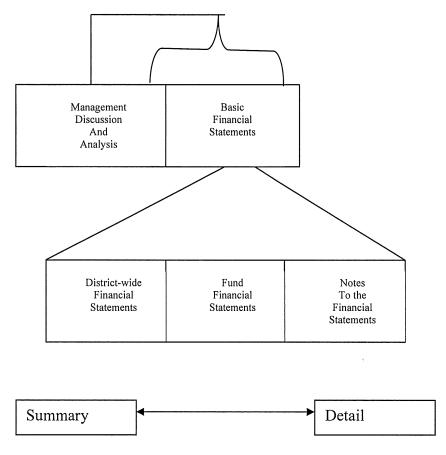
- The first two statements are *district wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's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

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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.

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.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

Major Features of the District-Wide and Fund Financial Statements

	District-Wide	Fund Financial Sta	ntements
	Statements	Governmental Funds	Proprietary Funds
Scope	Entire district	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
Required financial	Statements of Net Position	Balance Sheet	Statement of Net Position
Statements	Statement of Activities	Statement of Revenue,	Statement of Revenue,
		Expenditures and Changes in	Expenses, and Changes In
		Fund Balances	Fund Net Position,
			Statement of Cash Flows
Accounting Basis and	Accrual accounting and	Modified accrual accounting	Accrual accounting and
Measurement focus	economic resources focus	and current financial focus	economic resources focus
Type of asset, liability,	All assets, liabilities, and	Generally, assets expected to be	All assets and liabilities,
and deferred resource	deferred outflows/inflows of	used up and liabilities that come	and deferred outflows/
Information	resources both financial	due during the year or soon there	inflows of resources both
	and capital, short-term and	after; no capital assets or long-term	financial and capital, and
	long-term	liabilities included	short-term and long-term
Type of inflow/outflow	All revenues and expenses	Revenues for which cash is received	All revenues and expenses
Information	during year, regardless of	during or soon after the end of the	during the year, regardless
	when cash is received or	year; expenditures when goods or	of when cash is received
	paid	services have been received and the	or paid.
		related liability is due and payable.	

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.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 two 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.
 - o 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.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$27,199,457 at June 30, 2023 and \$24,131,824 at June 30, 2022 as follows:

Net Position As of June 30, 2023 and 2022

	Government	al Activities	Business-Ty	pe Activities	<u>To</u>	<u>:al</u>		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>		
Assets								
Current Assets	\$ 13,375,236	\$ 12,510,949	\$ 1,467,039	\$ 1,463,333	\$ 14,842,275	\$ 13,974,282		
Capital Assets	24,080,228	23,280,518	196,810	141,632	24,277,038	23,422,150		
Total Assets	37,455,464	35,791,467	1,663,849	1,604,965	39,119,313	37,396,432		
Deferred Outflows of Resources	737,587	561,071			737,587	561,071		
Total Assets and Deferred								
Outflows of Resources	38,193,051	36,352,538	1,663,849	1,604,965	39,856,900	37,957,503		
Liabilities								
Long-Term Liabilities	10,585,291	10,298,451	111,906	145,188	10,697,197	10,443,639		
Other Liabilities	885,393	685,053	244,328	150,648	1,129,721	835,701		
Total Liabilities	11,470,684	10,983,504	356,234	295,836	11,826,918	11,279,340		
Deferred Inflows of Resources	830,525	2,546,339			830,525	2,546,339		
Total Liabilities and Deferred								
Inflows of Resources	12,301,209	13,529,843	356,234	295,836	12,657,443	13,825,679		
Net Position								
Net Investment in Capital Assets	19,546,007	17,872,446	84,904	(3,556)	19,630,911	17,868,890		
Restricted	9,099,719	8,545,291			9,099,719	8,545,291		
Unrestricted	(2,753,884)	(3,595,042)	1,222,711	1,312,685	(1,531,173)	(2,282,357)		
Total Net Position	\$ 25,891,842	\$ 22,822,695	\$ 1,307,615	\$ 1,309,129	\$ 27,199,457	\$ 24,131,824		

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.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

Change in Net Position For The Fiscal Years Ended June 30, 2023 and 2022

	Governr	nenta	al Ac			Business-Ty	pe A				<u>otal</u>		
	<u>2023</u>			<u>2022</u>		<u>2023</u>		<u>2022</u>		<u>2023</u>		<u>2022</u>	
Revenues													
Program Revenues													
Charges for Services	\$ 412,05		5	472,899	\$	846,661	\$	523,915	\$	1,258,717	\$	996,814	
Operating Grants and Contributions	7,464,01			9,067,079		81,623		316,581		7,545,639		9,383,660	
Capital Grants and Contributions	121,50	17		73,468						121,507		73,468	
General Revenues													
Property Taxes	32,416,46	3		31,778,278						32,416,463		31,778,278	
Unrestricted State Aid	236,77			229,863						236,775		229,863	
Other	830,33	3 _		176,233	_	-		-		830,333	_	176,233	
Total Revenues	41,481,15	<u>so</u> _		41,797,820	_	928,284	_	840,496	_	42,409,434	_	42,638,316	
Expenses													
Instruction													
Regular	13,983,89	12		15,175,407						13,983,893		15,175,407	
Special Education	5,672,32			5,178,423						5,672,324		5,178,423	
Other Instruction	1,227,56			1,086,494						1,227,567		1,086,494	
School Sponsored Activities and Athletics	1,283,06			1,324,539						1,283,062		1,324,539	
Support Services	1,263,00	12		1,324,339						1,265,002		1,324,339	
Student and Instruction Related Services	8,200,04	И		8,147,452						8,200,044		8,147,452	
General Administrative Services	734,41			732,846						734,412		732,846	
School Administrative Services	1,562,37			1,495,439						1,562,371		1,495,439	
Central Services and Info. Technology	817,80			879,990						817,805		879,990	
Plant Operations and Maintenance	3,958,04			3,705,729						3,958,045		3,705,729	
Student Transportation	821,35			692,667						821,353		692,667	
Interest on Debt	151,12			180,308						151,127		180,308	
Food Services	131,12	.,		100,500		217,570		262,495		217,570		262,495	
Child Care Program						326,242		151,959		326,242		151,959	
OWL House Program						314,841		245,110		314,841		245,110	
Other Programs	_			-		71,145		26,506		71,145		26,506	
	***************************************								_	,	_		
Total Expenses	38,412,00	3 _		38,599,294		929,798		686,070		39,341,801		39,285,364	
Increase in Net Position Before Transfers	3,069,14	17		3,198,526		(1,514)		154,426		3,067,633		3,352,952	
Transfers In (Out)	-			30,000	_	-		(30,000)				-	
Change in Net Position	3,069,14	7		3,228,526		(1,514)		124,426		3,067,633		3,352,952	
Net Position, Beginning of Year	22,822,69	5_		19,594,169		1,309,129	_	1,184,703		24,131,824	_	20,778,872	
Net Position, End of Year	\$ 25,891,84	2 \$	S	22,822,695	\$	1,307,615	<u>\$</u>	1,309,129	\$	27,199,457	\$	24,131,824	

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$41,481,150 for the year ended June 30, 2023. Property taxes of \$32,416,463 represented 78% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local aid and contributions of \$7,822,298 represented 19% 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.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The total cost of all governmental activities programs and services was \$38,412,003. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$22,166,846 (58%) of total expenses. Support services, total \$16,094,030 (42%) of total expenses and interest and other charges on debt totaled \$151,127 (less than 1%) of total expenses.

Total governmental activities revenues exceeded expenses, increasing net position by \$3,069,147 over the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$38,412,003. After applying program revenues, derived from charges for services of \$412,056 and operating and capital grants and contributions of \$7,585,523, the net cost of services of the District is \$30,414,424 for the fiscal year ended June 30, 2023.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2023 and 2022

		Total Cost	of S	Services Net Cost of				of Services		
		<u>2023</u>		<u>2022</u>		<u>2023</u>		<u>2022</u>		
Instruction										
Regular	\$	13,983,893	\$	15,175,407	\$	11,373,464	\$	11,872,672		
Special Education		5,672,324		5,178,423		3,045,007		2,502,256		
Other Instruction		1,227,567		1,086,494		954,649		764,009		
School Sponsored Activities and Athletics Support Services		1,283,062		1,324,539		1,021,409		983,678		
Student and Instruction Related Services		8,200,044		8,147,452		6,737,116		6,193,126		
General Administrative Services		734,412		732,846		664,508		638,366		
School Administrative Services		1,562,371		1,495,439		1,363,122		1,217,683		
Central Services and Info. Technology		817,805		879,990		747,800		760,450		
Plant Operations and Maintenance		3,958,045		3,705,729		3,740,433		3,393,714		
Student Transportation		821,353		692,667		647,681		517,315		
Interest on Debt		151,127		180,308		119,235		142,579		
Total	<u>\$</u>	38,412,003	<u>\$</u>	38,599,294	<u>\$</u>	30,414,424	<u>\$</u>	28,985,848		

Business-Type Activities – The District's total business-type activities revenues were \$928,284 for the year ended June 30, 2023. Charges for services accounted for 91% of total revenues. Operating grants and contributions accounted for 9% of total revenue for the year.

Total cost of all business-type activities programs and services was \$929,798. The District's expenses are related to Food Service (23%), Child Care Services (35%), Owl House life skills program (34%) and other programs (8%) offered to District students.

Total business-type activities expenses exceeded revenues, decreasing net position by \$1,514 or less than 1% from the previous year.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 \$12,529,685, which was an increase of \$654,455 from last year's fund balance of \$11,875,230.

Revenues for the District's governmental funds were \$44,242,190 while total expenditures were \$43,587,735 for the fiscal year ended June 30, 2023.

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, plant operation and maintenance and capital outlay activities.

The following schedule presents a comparison of General Fund revenues for the fiscal years ended June 30, 2023 and 2022:

		Fiscal Year Ended June 30,			A	Amount of Increase	Percent	
		<u>2023</u>	<u>2022</u>		(Decrease)	<u>Change</u>	
Local Sources								
Property Taxes	\$	31,686,602	\$	31,068,077	\$	618,525	2%	
Tuition		105,733		155,170		(49,437)	-32%	
Transportation		73,232		64,619		8,613	13%	
Other		830,333		176,233		654,100	371%	
State Sources		9,265,840		8,873,241		392,599	4%	
Federal Sources		16,768	_	3,874		12,894	333%	
Total General Fund Revenues	<u>\$</u>	41,978,508	\$_	40,341,214	\$	1,637,294	4%	

Total General Fund revenues increased \$1,637,294, or 4%, from the previous year.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2023 and 2022:

		Year Ended June 30, 2023 2022			Amount of Increase (Decrease)	Percent Change
Instruction	\$	23,566,957	\$	22,881,038	\$ 685,919	3%
Support Services		15,642,113		14,850,167	791,946	5%
Debt Service		35,940		35,940	-	0%
Capital Outlay	_	2,078,016	_	1,428,005	 650,011	46%
Total Expenditures	<u>\$</u>	41,323,026	\$	39,195,150	\$ 2,127,876	5%

Total General Fund expenditures increased \$2,127,876, or 5%, from the previous year.

For fiscal year 2023 General Fund revenues and other financing sources exceed expenditures by \$655,482. Therefore, total fund balance increased to \$12,095,312 at June 30, 2023. After deducting restricted, committed and assigned fund balances, the unassigned fund balance decreased \$611,465 to a balance of \$424,456 at June 30, 2023. In addition, at June 30, 2023 the District had restricted fund balances for capital reserve of \$7,707,873, maintenance reserve of \$700,000, emergency reserve of \$241,040, unemployment compensation reserve of \$257,473 and excess surplus of \$1,199,740.

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.

General Fund budgetary revenues and other financing sources exceeded expenditures increasing budgetary fund balance by \$682,203. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance decreased \$584,744 from \$1,607,411 at June 30, 2022 to \$1,024,667 at June 30, 2023. 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 \$892,538 at June 30, 2023. These excess funds will be appropriated in the 2024/2025 budget in accordance with State budget regulations.

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

CAPITAL ASSETS

At the end of the fiscal year 2023 the District had \$24,277,038 (net of accumulated depreciation) invested in land, buildings, furniture, equipment and vehicles. Depreciation expenses for fiscal year 2023 amounted to \$1,406,043 for governmental activities and \$35,691 for business-type activities. The following is a comparison of the June 30, 2023 and 2022 balances:

Capital Assets at June 30, 2023 and 2022

		Government	al A	ctivities	Business-Ty	pe A	ctivities	Total					
		<u>2023</u>		2022	2023		<u>2022</u>		2023		2022		
Land	\$	1,054,125	\$	1,054,125				\$	1,054,125	æ	1,054,125		
	Ф		Ф					Ф		Ф			
Construction in Progress		366,498		3,567,656					366,498		3,567,656		
Land Improvements		4,737,273		3,845,369					4,737,273		3,845,369		
Buildings and Building Improvements		31,182,598		26,807,626	\$ 308,248	\$	308,248		31,490,846		27,115,874		
Machinery and Equipment	-	4,220,194		4,080,159	 218,611		127,742		4,438,805		4,207,901		
		41,560,688		39,354,935	526,859		435,990		42.087.547		39,790,925		
Less Accumulated Depreciation		(17,480,460)		(16,074,417)	 (330,049)		(294,358)		(17,810,509)		(16,368,775)		
Total	\$	24,080,228	\$	23,280,518	\$ 196,810	\$	141,632	\$	24,277,038	\$	23,422,150		

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, 2023 the District had long-term liabilities outstanding in the amount of \$10,697,197 consisting of bonds payable, leases payable, capital financing agreements, compensated absences and net pension liability. Total overall outstanding long-term liabilities increased \$253,558 during the current fiscal year. The following is a comparison of the June 30, 2023 and 2022 balances.

Outstanding Long-Term Liabilities At June 30, 2023 and 2022

	Governmental Activities				Business-Ty	pe A	<u>ctivities</u>		To		
	<u>2023</u>		<u>2022</u>	<u>2022</u>		<u>2023</u>		<u>2023</u>			<u>2022</u>
Bonds Payable (including Unamortized Premium)	\$ 4,666,000	\$	5,548,144					\$	4,666,000	\$	5,548,144
Leases Payable				\$	111,906	\$	145,188		111,906		145,188
Capital Financing Agreements	49,566		83,065						49,566		83,065
Compensated Absences	858,430		823,581						858,430		823,581
Net Pension Liability	 5,011,295		3,843,661		-				5,011,295		3,843,661
Total	\$ 10,585,291	\$	10,298,451	\$	111,906	\$	145,188	\$	10,697,197	\$	10,443,639

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

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 2023-2024 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 2023-2024. Budgeted expenditures in the General Fund increased approximately 18% to \$41,794,143 in fiscal year 2023-2024. The major source of the increase was for budgeted capital outlay projects which were funded from the District's capital reserve fund balance.

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.



PARK RIDGE BOARD OF EDUCATION STATEMENT OF NET POSITION AS OF JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,092,094	\$ 1,433,544	\$ 14,525,638
Cash with Fiscal Agent	2,173	Ψ 1,133,311	2,173
Investments	67,856		67,856
Receivables, net	213,113	2,199	215,312
Inventories	215,115	3,291	3,291
Prepaid Items		28,005	28,005
Capital Assets, Not Being Depreciated	1,420,623	20,003	1,420,623
Capital Assets, Being Depreciated, Net	22,659,605	196,810	22,856,415
Cupran 1 2000, 2000, 2000 and			
Total Assets	37,455,464	1,663,849	39,119,313
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	181,345		181,345
Deferred Amounts on Net Pension Liability	556,242	_	556,242
Total Deferred Outflows of Resources	737,587		737,587
Total Assets and Deferred Outflows of Resources	38,193,051	1,663,849	39,856,900
LIABILITIES			
Accounts Payable and Other Current Liabilities	778,403	22,428	800,831
Payable to Other Governments	43,661	22,720	43,661
Accrued Interest Payable	39,842		39,842
Unearned Revenue	23,487	221,900	245,387
Noncurrent Liabilities	25,407	221,700	243,307
Due within one year	769,725	35,235	804,960
Due beyond one year	9,815,566	76,671	9,892,237
,			
Total Liabilities	11,470,684	356,234	11,826,918
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	830,525		830,525
Total Deferred Inflows of Resources	820.525		820.525
Total Deterred lilliows of Resources	830,525		830,525
Total Liabilities and Deferred Inflows of			
Resources	12,301,209	356,234	12,657,443
NET POSITION			
Net Investment in Capital Assets	19,546,007	84,904	19,630,911
Restricted for	13,510,007	01,501	17,050,711
Capital Projects	7,871,956		7,871,956
Plant Maintenance	700,000		700,000
Unemployment Compensation	257,473		257,473
Scholarships	157,755		157,755
Student Activities	112,534		112,534
Other Purposes	1		112,55 (
Unrestricted	(2,753,884)	1,222,711	(1,531,173)
Total Net Position	\$ 25,891,842	\$ 1,307,615	\$ 27,199,457

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, 2023

		ro	K I	HE FISCAL		gram Revenu		30, 2023	Net (Expense) Revenue and Changes in Net Position						
Functions/Programs	<u>Expenses</u>		Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		Governmental Activities		Business-Type <u>Activities</u>			<u>Total</u>	
Governmental Activities															
Instruction															
Regular	\$	13,983,893	\$	31,000	\$	2,579,429			\$	(11,373,464)			\$	(11,373,464)	
Special Education		5,672,324		63,363		2,563,954				(3,045,007)				(3,045,007)	
Other Instruction		1,227,567				272,918				(954,649)				(954,649)	
School Sponsored Activities and Athletics Support Services		1,283,062		233,091		28,562				(1,021,409)				(1,021,409)	
Student and Instruction Related Services		8,200,044		11,370		1,397,598	\$	53,960		(6,737,116)				(6,737,116)	
General Administrative Services		734,412				69,904				(664,508)				(664,508)	
School Administrative Services		1,562,371				199,249				(1,363,122)				(1,363,122)	
Central Services and Info. Technology		817,805				70,005				(747,800)				(747,800)	
Plant Operations and Maintenance		3,958,045				150,065		67,547		(3,740,433)				(3,740,433)	
Student Transportation		821,353		73,232		100,440				(647,681)				(647,681)	
Interest on Debt		151,127		-		31,892				(119,235)		-		(119,235)	
Total Governmental Activities	_	38,412,003		412,056		7,464,016	_	121,507	******	(30,414,424)		-		(30,414,424)	
Business-Type Activities															
Food Service		217,570		121,977		81,623					\$	(13,970)		(13,970)	
Before and After School Care Program		326,242		318,879								(7,363)		(7,363)	
OWL House		314,841		362,600								47,759		47,759	
SAT Review Program		12,802		5,770								(7,032)		(7,032)	
Summer Basketball Program		18,139		18,730								591		591	
Volleyball Clinic Program		4,400		4,590								190		190	
Summer Music Program		1,550		1,650								100		100	
Laptop Insurance Program		25,633		3,530								(22,103)		(22,103)	
Summer Baseball, Softball, Soccer Program		8,621		8,935				-		-		314		314	
Total Business-Type Activities		929,798		846,661		81,623				•		(1,514)		(1,514)	
Total Primary Government	<u>\$</u>	39,341,801	\$	1,258,717	\$	7,545,639	\$	121,507		(30,414,424)		(1,514)		(30,415,938)	

18

PARK RIDGE BOARD OF EDUCATION STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net (Expense) Revenue and Changes in Net Position

		overnmental <u>Activities</u>	Business-Type <u>Activities</u>		<u>Total</u>			
General Revenues								
Property Taxes Levied for General Purposes	\$	31,686,602		\$	31,686,602			
Levied for Debt Service	Ψ	729,861		Ψ	729,861			
State Aid for Debt Principal		236,775			236,775			
Miscellaneous Income	WARRANCE TO THE PARTY OF THE PA	830,333	-	-	830,333			
Total General Revenues and Transfers	_	33,483,571	<u> </u>		33,483,571			
Change in Net Position		3,069,147	(1,514)		3,067,633			
Net Position, Beginning of Year		22,822,695	1,309,129		24,131,824			
Net Position End of Year	\$	25,891,842	\$ 1,307,615	\$	27,199,457			



PARK RIDGE BOARD OF EDUCATION GOVERNMENTAL FUNDS BALANCE SHEET **AS OF JUNE 30, 2023**

		General <u>Fund</u>		Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>		Debt Service <u>Fund</u>	Go	Total overnmental <u>Funds</u>
ASSETS									
Cash and Cash Equivalents	\$	12,725,577	\$	202,433	\$ 164,083	\$	1	\$	13,092,094
Cash With Fiscal Agent		2,173							2,173
Investments				67,856					67,856
Receivables, Net									
Receivables from Other Governments		89,861		107,553					197,414
Accounts		15,187		512					15,699
Due from Other Funds		19,741		-	 -	_	-		19,741
Total Assets	<u>\$</u>	12,852,539	\$	378,354	\$ 164,083	<u>\$</u>	1	\$	13,394,977
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts Payable	\$	649,048	\$	42,876				\$	691,924
Accrued Salaries and Wages		19,586							19,586
Compensated Absences Payable		-							-
Payable to Other Governments - State				43,661					43,661
Payroll Deductions and Withholdings Payable		7,106							7,106
Other Liabilities		59,787							59,787
Due to Other Funds				19,741					19,741
Unearned Revenue	-	21,700	-	1,787	 -	_	-		23,487
Total Liabilities		757,227		108,065	 -				865,292
Fund Balances									
Restricted									
Capital Reserve		1,707,873							1,707,873
Capital Reserve - Designated for Subsequent									
Year's Expenditures		6,000,000							6,000,000
Maintenance Reserve		700,000							700,000
Emergency Reserve		241,040							241,040
Unemployment Compensation Reserve		257,473							257,473
Excess Surplus		892,538							892,538
Excess Surplus - Designated for Subsequent									
Year's Expenditures		307,202							307,202
Scholarships				157,755					157,755
Student Activities				112,534					112,534
Capital Projects					\$ 164,083				164,083
Debt Service						\$	1		1
Committed									
Year End Encumbrances		467,668							467,668
Assigned									
Year End Encumbrances		245,466							245,466
Designated for Subsequent Year's Expenditures		851,596							851,596
Unassigned		424,456		-	 -				424,456
Total Fund Balances		12,095,312		270,289	 164,083		1		12,529,685
Total Liabilities and Fund Balances	<u>\$</u>	12,852,539	<u>\$</u>	378,354	\$ 164,083	\$	1	<u>\$</u>	13,394,977

\$ 25,891,842

PARK RIDGE BOARD OF EDUCATION GOVERNMENTAL FUNDS BALANCE SHEET AS OF JUNE 30, 2023

Total Fund Balances - Governmental Funds (Carried Forward)		\$	12,529,685
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$41,560,688 and the accumulated depreciation is \$17,480,460.			24,080,228
Amounts resulting from the refunding of debt are reported as deferred outfl of resources on the statement of net position and amortized over the life of the debt.	ows		181,345
Certain amounts resulting from the measurement of the net pension liability reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.			
Deferred Outflows of Resources Deferred Inflows of Resources		\$ 556,242 (830,525)	(274,283)
The District has financed capital assets through the issuance			
of long-term debt. The interest accrual at year end is:			(39,842)
Long-term liabilities, including bonds payable, net pension liability, capital agreements and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	financing		
	Bonds Payable, Net Capital Financing Agreements Compensated Absences Net Pension Liability	(4,666,000) (49,566) (858,430) (5,011,295)	(10,585,291)

Net Position of Governmental Activities (Exhibit A-1)

PARK RIDGE BOARD OF EDUCATION GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		General <u>Fund</u>	Special Capital Revenue Projects Fund Fund			Debt Service <u>Fund</u>	(Total Governmental <u>Funds</u>	
REVENUES									
Local Sources									
Property Tax Levy	\$	31,686,602				\$	729,861	\$	32,416,463
Tuition		105,733							105,733
Transportation Fees		73,232	222 = 2						73,232
Miscellaneous		830,333	\$ 332,734		-		-		1,163,067
Total - Local Sources		32,695,900	332,734		-		729,861		33,758,495
State Sources		9,265,840	198,909				268,667		9,733,416
Federal Sources		16,768	 733,511		-	ALCOHOL: NO.	-	-	750,279
Total Revenues		41,978,508	 1,265,154		_		998,528		44,242,190
EXPENDITURES									
Instruction									
Regular		15,372,872	126,853						15,499,725
Special Education		5,718,980	371,558						6,090,538
Other Instruction		1,305,909	57,171						1,363,080
School-Sponsored Activities and Athletics		1,169,196	220,748						1,389,944
Support Services		, ,	,						, ,
Student and Instruction Related Services		8,688,027	322,752						9,010,779
General Administrative Services		736,920							736,920
School Administrative Services		1,750,002							1,750,002
Central Services and Info. Technology		889,985							889,985
Plant Operations and Maintenance		2,808,214	39,360						2,847,574
Student Transportation		768,965	·						768,965
Debt Service		ŕ							,
Principal		33,499					880,000		913,499
Interest		2,441					118,530		120,971
Capital Outlay		2,078,016	 121,507	\$	6,230		-		2,205,753
Total Expenditures		41,323,026	 1,259,949		6,230		998,530		43,587,735
Net Change in Fund Balances		655,482	5,205		(6,230)		(2)		654,455
Fund Balance, Beginning of Year		11,439,830	 265,084		170,313		3		11,875,230
Fund Balance, End of Year	<u>\$</u>	12,095,312	\$ 270,289	<u>\$</u>	164,083	\$	1	\$	12,529,685

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, 2023

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$	654,455
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 Depreciation Expense	\$ 2,205,753 (1,406,043)	799,710
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		,
Payment of Serial Bond Principal Payment of Capital Financing Agreements Principal	880,000 33,499	913,499
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.		713,477
Deferred Amount on Refunding Original Issue Premium	(41,792) 2,144	(39,648)
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):		(37,010)
Increase in Compensated Absences, Net Decrease in Pension Expense	(34,849) 766,488	731,639
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.		731,039
Decrease in Accrued Interest		9,492
Change in Net Position of Governmental Activities (Exhibit A-2)	\$	3,069,147

PARK RIDGE BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF NET POSITION **AS OF JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds									
	Food <u>Service</u>	Before and After School <u>Program</u>	OWL House <u>Program</u>	Non-Major Enterprise <u>Funds</u>	<u>Totals</u>					
ASSETS										
Current Assets Cash and Cash Equivalents Intergovernmental Receivable Accounts Receivable Inventories Prepaid Items	\$ 102,709 1,717 36 3,291	\$ 657,487 446 18,356	\$ 493,301 9,649	\$ 180,047	\$ 1,433,544 1,717 482 3,291 28,005					
Total Current Assets	107,753	676,289	502,950	180,047	1,467,039					
Capital Assets Right-to-Use Leased Building Equipment Less: Accumulated Depreciation	110,883 (94,659)	30,228 (18,324)	308,248 77,500 (217,066)	- _	308,248 218,611 (330,049)					
Total Capital Assets, Net	16,224	11,904	168,682		196,810					
Total Assets	123,977	688,193	671,632	180,047	1,663,849					
LIABILITIES										
Current Liabilities Accounts Payable Leases Payable Unearned Revenue	20,308	376 201,946	1,744 35,235	19,020	22,428 35,235 221,900					
Total Current Liabilities	21,242	202,322	36,979	19,020	279,563					
Long-term Liabilities Leases Payable	4	-	76,671		76,671					
Total Long-term Liabilities	_	-	76,671		76,671					
Total Liabilities	21,242	202,322	113,650	19,020	356,234					
NET POSITION										
Investment in Capital Assets Unrestricted	16,224 86,511	11,904 473,967	56,776 501,206	161,027	84,904 1,222,711					
Total Net Position	\$ 102,735	\$ 485,871	\$ 557,982	\$ 161,027	\$ 1,307,615					

PARK RIDGE BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds									
		Food Service	A	Sefore and fter School Program		WL House Program		Non-Major Enterprise Funds		Totals
OPERATING REVENUES					_					
Charges for Services										
Daily Sales - Reimbursable Programs	\$	17,150							\$	17,150
Daily Sales - Non-Reimbursable Programs		104,827								104,827
Program Fees		-	\$	318,879	\$	362,600	\$	43,205		724,684
Total Operating Revenues		121,977	-	318,879		362,600		43,205		846,661
OPERATING EXPENSES										
Salaries and Employee Benefits		100,274		294,738		255,687		45,310		696,009
Cost of Sales - Reimbursable Programs		31,013								31,013
Cost of Sales - Non-Reimbursable Programs		37,904								37,904
Purchased Management Services		20,297								20,297
Purchased Professional and Educational Services						6,393				6,393
Other Purchased Services		15,290				•				15,290
Supplies and Materials		7,302		4,507		3,434		25,835		41,078
Utilities						1,693				1,693
Pupil Transportation						4,945				4,945
Miscellaneous		2,648		26,265		6,015				34,928
Depreciation	_	2,842		732		32,117		-		35,691
Total Operating Expenses		217,570		326,242		310,284	_	71,145	_	925,241
Operating Income (Loss)		(95,593)		(7,363)		52,316		(27,940)		(78,580)
NONOPERATING REVENUES (EXPENSES)										
Federal Sources										
National School Lunch Program		16,519								16,519
Special Milk Program		9,804								9,804
Food Distribution Program		8,400								8,400
COVID Supply Chain Assistance		39,288								39,288
State Sources										
State School Lunch Program		808								808
Local Sources										
Paycheck Protection Program Vendor Reimbusement		6,804								6,804
Interest Expense	_	-				(4,557)		_	-	(4,557)
Total Nonoperating Revenues (Expenses)	No.	81,623		-		(4,557)	_	•		77,066
Change in Net Position		(13,970)		(7,363)		47,759		(27,940)		(1,514)
Total Net Position, Beginning of Year	_	116,705		493,234		510,223		188,967		1,309,129
Total Net Position, End of Year	\$	102,735	\$	485,871	\$	557,982	\$	161,027	\$	1,307,615

PARK RIDGE BOARD OF EDUCATION PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds									
		Food Service	A	Before and fter School Program		WL House Program		on-Major nterprise <u>Funds</u>		<u>Totals</u>
Cash Flows from Operating Activities										
Cash Received from Customers	\$	122,875	\$	426,085	\$	362,600	\$	28,765	\$	940,325
Cash Payments for Employees' Salaries and Benefits		(100,274)		(294,738)		(255,687)		(45,310)		(696,009)
Cash Payments to Suppliers for Goods and Services		(105,677)		(36,861)		(22,322)		(25,835)	_	(190,695)
Net Cash Provided by (Used for) Operating Activities		(83,076)		94,486		84,591		(42,380)		53,621
Cash Flows from Noncapital Financing Activities										
Cash Received From PPP Vendor Reimbursement		6,804								6,804
Cash Received from State and Federal Subsidy Reimbursements		86,232								86,232
Kennoursements		80,232								80,232
Net Cash Provided by Noncapital										
Financing Activities		93,036						-		93,036
Cash Flows from Capital and Related Financing Activities										
Payment of Lease Principal						(33,282)				(33,282)
Payment of Lease Interest						(4,557)				(4,557)
Purchase of Capital Assets		(13,369)				(77,500)			_	(90,869)
Net Cash (Used For) Capital and										
Related Financing Activities		(13,369)		-		(115,339)				(128,708)
Net Increase in Cash And Cash Equivalents		(3,409)		94,486		(30,748)		(42,380)		17,949
Cash and Cash Equivalents, Beginning of Year		106,118		563,001		524,049		222,427		1,415,595
Cook and Cook Equivalents End of Voca	ø	102 700	ø	657 407	e.	402 201	e	190.047	\$	1 422 544
Cash and Cash Equivalents, End of Year	<u>\$</u>	102,709	\$	657,487	\$	493,301	\$	180,047	<u> </u>	1,433,544
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities Operating Income (Loss)	\$	(95,593)	\$	(7,363)	\$	52,316	\$	(27,940)	\$	(78,580)
Adjustments to Reconcile Operating Income (Loss) to										
Net Cash Provided by (Used for) Operating Activities										
Depreciation		2,842		732		32,117				35,691
Non-Cash Assistance - Food Distribution Program Change in Assets and Liabilities		8,400								8,400
(Increase)/Decrease in Accounts Receivable		(36)		(418)						(454)
(Increase)/Decrease in Inventories		(1,733)								(1,733)
(Increase)/Decrease in Prepaid Items				(3,194)		(189)				(3,383)
Increase/(Decrease) in Accounts Payable		2,110		(2,895)		347		(1.4.440)		(438)
Increase/(Decrease) in Unearned Revenues		934		107,624		-		(14,440)		94,118
Total Adjustments	-	12,517		101,849		32,275		(14,440)		132,201
Net Cash Provided by (Used for) Operating Activities	\$	(83,076)	\$	94,486	\$	84,591	\$	(42,380)	\$	53,621
Non-Cash Investing, Capital and Financing Activities:										
Value Received - USDA Food Distribution Program	\$	8,400							\$	8,400



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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

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 life skills 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 2023, the District adopted the following GASB statements:

• GASB Statement No. 96, Subscription – Based Information Technology Arrangements. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability or a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

• GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, Accounting Changes and Error Corrections an amendment of GASB Statement No. 62, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, Compensated Absences, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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 funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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 program and Owl House program enterprise funds to be major funds.

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements, grants 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 administrators, 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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 (Continued)

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities 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, except for intangible right-to-use leased assets, the measurement of which is discussed in Note 1. E. 9. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are 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 Buildings Building Improvements Right-to-use Leased Buildings Machinery and Equipment	20 50 10-20 10 10-20
Computer Equipment	5

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Pensions

In the district-wide financial statements 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.

9. Leases

Leases Payable

Non-cancellable leases for the use of another entity's buildings is recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

10. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. 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. Differences resulting from debt refundings are classified as deferred inflows or as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

12. 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.

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

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

<u>Capital Reserve - Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

<u>Maintenance Reserve</u> – 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).

<u>Emergency Reserve</u> – 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).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

<u>Unemployment Compensation Reserve</u> – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

<u>Excess Surplus</u> – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

<u>Excess Surplus – Designated for Subsequent Year's Expenditures</u> - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

<u>Scholarships</u> – This restriction was created to represents the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

<u>Student Activities</u> – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

<u>Capital Projects</u> - Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

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

<u>Committed Fund Balance</u> – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

<u>Year-End Encumbrances</u> – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Education 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.

<u>Assigned Fund Balance</u> – 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.

<u>Year-End Encumbrances</u> – 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.

<u>Designated for Subsequent Year's Expenditures</u> – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

<u>Unassigned Fund Balance</u> – 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 (special revenue, 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.

13. 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 Board of Education 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 District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the school district 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.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. Tuition Revenues and Expenditures

<u>Tuition Revenues</u> - 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.

<u>Tuition Expenditures</u> - Tuition charges for the fiscal years 2021/2022 and 2022/2023 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, before and after school program, Owl House program 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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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. 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.

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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$1,513,574 and the special revenue fund by \$770,497. The increase was funded by the additional appropriation of unassigned fund balance, capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year, the Board authorized and approved additional fund balance appropriations of unassigned fund balance of \$330,778 and capital reserve of \$25,000 from the general fund.

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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$	7,152,418
Increased by: Deposits Approved by Board Resolution Return of Encumbered Budgeted Withdrawals	\$ 2,000,000 80,455		
		***************************************	2,080,455
Decreased by:			9,232,873
Withdrawals Approved in District Budget	1,500,000		
Withdrawals Approved by Board Resolution	 25,000		
			1,525,000
Balance, June 30, 2023		\$	7,707,873

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$42,875,000. The withdrawals from the capital reserve were for use in department approved facilities projects, consistent with the district's Long Range Facilities Plan. \$6,000,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 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, 2023 is as follows:

Balance, July 1, 2022 <u>\$ 700,000</u>

Balance, June 30, 2023 <u>\$ 700,000</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$706,237. The withdrawals from the maintenance reserve were used to replace the reduction in budgeted state aid as permitted by State directive.

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, 2023 is as follows:

Balance, July 1, 2022

\$ 241,040

Balance, June 30, 2023

\$ 241,040

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, 2023 is \$1,199,740. Of this amount, \$307,202 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$892,538 will be appropriated in the 2024/2025 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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2023, the book value of the Board's deposits was \$14,486,477 and bank and brokerage firm balances of the Board's deposits amounted to \$14,711,045. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with fiscal agent" are categorized as:

Depository Account

Insured	\$ 14,653,572
Uninsured and Collateralized	 57,473
	\$ 14,711,045

<u>Custodial Credit Risk – Deposits</u> – 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, 2023 the Board's bank balance of \$57,473 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name

\$ 57,473

\$ 57,473

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.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had the following investments:

Investment Type:		Fair <u>Value</u>
N.J. Cash Management Fund (Cash Equivalent) Vanguard Wellington Fund Admiral	\$ ——	41,334 67,856
	\$	109,190

<u>Custodial Credit Risk – Investments</u> – 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, 2023, \$109,190 of the Board's investments was exposed to custodial credit risk as follows:

	Fair
	<u>Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent	
but not in the Board's name	\$ 109,190

<u>Interest Rate Risk</u> – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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.

<u>Credit Risk</u> – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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. As of June 30, 2023, the Board's investment in the Vanguard Wellington Fund Admiral was rated five (5) stars by Morningstar Investors Services.

<u>Concentration of Credit Risk</u> – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer. The District has 38% of its investments in the NJ Cash Management Fund, and 62% of its investments with Vanguard Wellington Fund Admiral in accordance with an agreement between the District and the donor.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

<u>Fair Value of Investments.</u> The Park Ridge Board of Education measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by N.J Cash Management Fund and The Vanguard Group, Inc. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2023 are categorized as Level 2.

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

B. Receivables

Receivables as of June 30, 2023 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	Special <u>Revenue</u>	Food <u>Service</u>	Before and After School <u>Program</u>	<u>Total</u>
Receivables: Intergovernmental					
State	\$ 89,861		\$ 58		\$ 89,919
Federal		\$ 107,553	1,659		109,212
Accounts	15,187	512	36	\$ 446	16,181
Gross Receivables Less: Allowance for	105,048	108,065	1,753	446	215,312
Uncollectibles		-	_		-
Net Total Receivables	\$105,048	\$ 108,065	\$ 1,753	\$ 446	\$ 215,312

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

General Fund	
Prepaid Tuition Fees	\$ 21,700
Special Revenue Fund	
Unencumbered Grant Draw Downs	 1,787
Total Unearned Revenue for Governmental Funds	\$ 23,487

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, July 1, 2022	Increases	Decreases	Balance, June 30, 2023
Governmental Activities:	341y 1, 2022	Hierotases	Beereases	3 tillo 30, 2023
Capital Assets, Not Being Depreciated:				
Land	\$ 1,054,125			\$ 1,054,125
Construction in Progress	3,567,656	\$ 372,728	\$ (3,573,886)	366,498
Total Capital Assets, Not Being Depreciated	4,621,781	372,728	(3,573,886)	1,420,623
Capital Assets, Being Depreciated:				
Land Improvements	3,845,369	891,904		4,737,273
Buildings and Building Improvements	26,800,761	4,381,837		31,182,598
Machinery and Equipment	4,087,024	133,170		4,220,194
Total Capital Assets Being Depreciated	34,733,154	5,406,911	_	40,140,065
Less Accumulated Depreciation for:				
Land Improvements	(2,289,419)	(184,427)		(2,473,846)
Buildings and Building Improvements	(10,335,228)	(1,061,438)		(11,396,666)
Machinery and Equipment	(3,449,770)	(160,178)	_	(3,609,948)
Total Accumulated Depreciation	(16,074,417)	(1,406,043)	_	(17,480,460)
Total Capital Assets, Being Depreciated, Net	18,658,737	4,000,868		22,659,605
Governmental Activities Capital Assets, Net	\$ 23,280,518	\$ 4,373,596	\$ (3,573,886)	\$ 24,080,228

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2023		
Business-Type Activities:						
Capital Assets, Being Depreciated:						
Right-to-Use Leased Buildings	\$ 308,248	Φ 00.060		\$ 308,248		
Machinery and Equipment	127,742	\$ 90,869		218,611		
Total Capital Assets Being Depreciated	435,990	90,869	_	526,859		
Less Accumulated Depreciation for:						
Right-to-Use Leased Buildings	(184,949)			(215,774)		
Machinery and Equipment	(109,409)	(4,866)		(114,275)		
Total Accumulated Depreciation	(294,358)	(35,691)	-	(330,049)		
Total Capital Assets, Being Depreciated, Net	141,632	55,178	_	196,810		
Business-Type Activities Capital Assets, Net	\$ 141,632	\$ 55,178	\$ -	\$ 196,810		
Depreciation expense was charged to functions/programs of the District as follows: Governmental Activities:						
Instruction						
Regular				\$ 37,860		
Total Instruction				37,860		
Support Services General Administrative Services School Administrative Services Plant Operations and Maintenance Student Transportation				35,527 2,382 1,275,744 54,530		
Total Support Services				1,368,183		
Total Depreciation Expense - Governmenta	l Activities			\$ 1,406,043		
Business-Type Activities: Food Service Fund Before and After School Program Fund OWL House Program				\$ 2,842 732 32,117		
Total Depreciation Expense - Business-Typ	e Activities			\$ 35,691		

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 and capital acquisitions as of June 30, 2023:

<u>Project</u>	Remaining Commitment
West Ridge Restroom Renovations High School Locker Room Renovations	\$ 332,600 126,727
Total	\$ 459,327

E. Interfund Receivables, Payables, and Transfers

Due To/From Other Funds

The composition of interfund balances as of June 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount		
General Fund	Special Revenue Fund	\$	19,741	

The above balances are to cover cash balances which were in an overdraft position.

F. Leases Payable

On June 22, 2016, the District entered into a 5 year lease agreement with the option to renew for four (4) additional five (5) year terms as lessee for the use of a building for the Owl House life skills program. On June 10, 2021 the District exercised its option to extend the lease five more years through June 30, 2026. A total lease liability was recorded in the amount of \$308,248. The lease has an interest rate of 3.50%. The District is required to make monthly payments of \$3,153 to \$3,346. As of June 30, 2023 the value of the lease liability was \$111,906. The building has a 10 year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$308,248 and had accumulated depreciation of \$215,774.

The future principal and interest lease payments as of June 30, 2023 were as follows:

Business-Type Activities:

Ending June 30.	<u>Principal</u>	Interest	<u>Total</u>		
2024 2025	\$ 35,235 37,273	\$ 3,361 2,095	\$	38,596 39,368	
2026	 39,398	 757		40,155	
Total	\$ 111,906	\$ 6,213	\$	118,119	

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the acquisition of capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2023 are comprised of the following:

\$164,231, fiscal year 2020 Agreement for the acquisition of photo copiers for a term of five (5) years due in monthly principal installments ranging from \$2,746 through \$2,986 through November 20, 2024.

\$ 49,566
Total \$ 49,566

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal					
Year Ending	Ca	pital Financ	ing Agr	eements	
<u>June 30,</u>	June 30, Principal Inter		<u>Principal</u> <u>Interest</u>		<u>Total</u>
2024	\$	34,725	\$	1,215	\$ 35,940
2025		14,841		134	 14,975
Total	\$	49,566	\$	1,349	\$ 50,915

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2023 are comprised of the following issues:

\$3,141,000, 2010 Bonds, due in annual installments of \$225,000 to \$231,000 through August 15, 2025, interest at 4.00%

\$686,000

\$5,135,000, 2016 Refunding Bonds, due in annual installments of \$460,000 to \$535,000 through August 15, 2030, interest at 1.98%

3,980,000

Total \$4,666,000

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

Governmental Activities:

Fiscal					
Year Ending		<u>Serial</u>	Bond	<u>ls</u>	
<u>June 30,</u>	Ī	Principal		<u>Interest</u>	<u>Total</u>
2024	\$	685,000	\$	97,190	\$ 782,190
2025		700,000		78,883	778,883
2026		716,000		60,209	776,209
2027		490,000		45,936	535,936
2028		500,000		36,135	536,135
2029-2031		1,575,000		47,174	 1,622,174
	\$	4,666,000	\$	365,527	\$ 5,031,527

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4 % of Equalized Valuation Basis (Municipal)
Less: Net Debt Issued and Debt Authorized But Not Issued

\$ 78,461,974 4,666,466

Remaining Borrowing Power

73,795,508

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, July 1, 2022	Additions	Deletions	Balance, June 30, 2023	Due Within One Year
Governmental Activities: Bonds Payable Unamortized Premium on Refunding Bonds Payable, Net	\$ 5,546,000 2,144 5,548,144		\$ (880,000) (2,144) (882,144)	\$ 4,666,000 	\$ 685,000 - 685,000
Capital Financing Agreements Compensated Absences Net Pension Liability	83,065 823,581 3,843,661	\$ 49,849 	(33,499) (15,000) (418,748)	49,566 858,430 5,011,295	34,725 50,000
Governmental Activity Long-Term Liabilities	\$ 10,298,451	\$ 1,636,231	\$ (1,349,391)	<u>\$ 10,585,291</u>	\$ 769,725
Business-Type Activities: Leases Payable	145,188		(33,282)	111,906	35,235
Business-Type Activity Long-Term Liabilities	<u>\$ 145,188</u>	\$ -	\$ (33,282)	\$ 111,906	\$ 35,235

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the 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 restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

Fiscal							
Year Ended	District	Er	nployee	A	mount		Ending
<u>June 30,</u>	<u>Contributions</u>	Con	tributions	Rei	mbursed	- :	Balance
2023	None	\$	33,018	\$	30,457	\$	257,473
2022	None		30,148				257,473
2021	None		26,621		66,037		218,709

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.

<u>Federal and State Awards</u> – 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, 2023, 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, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

NOTE 4 OTHER INFORMATION (Continued)

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) Annual Comprehensive Financial Report (ACFR) 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.

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) Annual Comprehensive Financial Report (ACFR) 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.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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 or TPAF 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 or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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.

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 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 exdividend 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.

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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91%. The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2022 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 more than the actuarial determined amount. For local 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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 unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal			
Year Ended		On-behalf	
June 30,	<u>PERS</u>	<u>TPAF</u>	<u>DCRP</u>
2023	\$ 418,748	\$ 5,100,398	\$ 4,737
2022	379,975	5,033,706	22,400
2021	343,331	3,637,716	15,409

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$1,611, \$1,515 and \$1,829, 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 \$1,061,833 during the fiscal year ended June 30, 2023 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 both 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$5,011,295 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was .03321 percent, which was an increase of .00076 percent from its proportionate share measured as of June 30, 2021 of .03245 percent.

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$347,740 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	C	eferred Outflows Resources	Deferred Inflows of Resources	
Difference Between Expected and				
Actual Experience	\$	36,169	\$	31,896
Changes of Assumptions		15,527		750,389
Net Difference Between Projected and Actual				
Earnings on Pension Plan Investments		207,413		
Changes in Proportion and Differences Between				
District Contributions and Proportionate Share				
of Contributions		297,133		48,240
Total	\$	556,242	\$	830,525

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year	
Ending	
<u>June 30,</u>	<u>Total</u>
2023	\$ (358,175)
2024	(136,086)
2025	(40,132)
2026	259,566
2027	544
Thereafter	-
	\$ (274,283)

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price 2.75% Wage 3.25%

Salary Increases: 2.75-6.55%

Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4 OTHER INFORMATION (Continued)

D. <u>Employee Retirement Systems and Pension Plans</u> (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, 2022) 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 rates 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 PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target <u>Allocation</u>	Long-Term Expected Real <u>Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

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

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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 7.00 percent, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>		Current Discount Rate <u>7.00%</u>		1% Increase <u>8.00%</u>	
District's Proportionate Share of the PERS Net Pension Liability	\$	6,438,046	\$	5,011,295	\$	3,797,072

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District's net pension liability at June 30, 2022 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.

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 employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,674,250 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$62,210,189. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .12058 percent, which was a decrease of .00223 percent from its proportionate share measured as of June 30, 2021 of .12281 percent.

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:

Price 2.75% Wage 3.25%

Salary Increases: 2.75-5.65%

Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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 TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

		Long-Term
	Target	Expected Real
Asset Class	Allocation	Rate of Return
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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)

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 7.00%, 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 (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1%	Current	1%	
	Decrease	Discount Rate	Increase	
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>	
State's Proportionate Share of				
the TPAF Net Pension Liability				
Attributable to the District	\$ 72,942,769	\$ 62,210,189	\$ 53,169,339	

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-asyou-go basis. Therefore, the plan has no assets accumulated in a qualified 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 multiple-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.

NOTE 4 OTHER INFORMATION (Continued)

E. <u>Post-Retirement Medical Benefits</u> (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

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, 2021:

Active Plan Members Inactive Plan Members or Beneficiaries Currently Receiving Benefits	213,148 151,669
Total	<u>364,817</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan 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 plan. 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.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

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, 2023, 2022 and 2021 were \$1,339,862, \$1,176,077 and \$1,140,004, 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, 2021 through June 30, 2022. 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.

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,004,970. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$50,818,534. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .10034 percent, which was an increase of .00156 from its proportionate share measured as of June 30, 2021 of .09878 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	TPAF
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years	Based on Years
	of Service	of Service

Preretirement mortality rates were based on the Pub-2010 Health "Teachers" (TPAF) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the plan upon retirement.

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)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This 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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)		
Balance, June 30, 2021 Measurement Date	\$	59,273,321	
Changes Recognized for the Fiscal Year:			
Service Cost		2,747,704	
Interest on the Total OPEB Liability		1,346,747	
Differences Between Expected and Actual Experience		2,374,488	
Changes of Assumptions		(13,632,528)	
Gross Benefit Payments		(1,333,993)	
Contributions from the Member		42,795	
Net Changes	\$	(8,454,787)	
Balance, June 30, 2022 Measurement Date	\$	50,818,534	

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

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 3.54%, 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 (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1%	Current	1%	
	Decrease	Discount Rate	Increase	
	(2.54%)	(3.54%)	<u>(4.54%)</u>	
State's Proportionate Share of				
the OPEB Liability				
Attributable to the District	\$ 59,731,841	\$ 50,818,534	\$ 43,674,964	

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:

	Healthcare					
	1	%	C	ost Trend		1%
	Deci	rease		Rates		<u>Increase</u>
State's Proportionate Share of						
the OPEB Liability						
Attributable to the District	\$ 42	,004,625	\$	50,818,534	\$	62,396,139

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

F. Tax Abatements

For the year ended December 31, 2022, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law") and the New Jersey Housing and Mortgage financing Act (NJHMFA).

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements (Continued)

The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. The Developer agreed to contribute \$500,000 to the Borough toward the cost of construction of a Community Center or other public purpose. For the year ended December 31, 2022 the Borough abated property taxes totaling \$854,707 under the LTTE program of which \$563,625 represents the portion attributable to the District.

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, 2021 the Borough abated property taxes totaling \$127,137 under the NJHMFA program of which \$83,839 represents the portion attributable to the District.

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United Stated declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$1,495,745 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II BUDGETARY COMPARISON SCHEDULES

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 31,686,602		\$ 31,686,602	\$ 31,686,602	
Tuition from Other LEA's				74,733	\$ 74,733
Tuition from Individuals	33,945		33,945	31,000	(2,945)
Transportation Fees				73,232	73,232
Interest	-		500	490,921	490,921
Interest on Capital Reserve	500		500	220.412	(500)
Miscellaneous	143,285		143,285	339,412	196,127
Total Local Sources	31,864,332		31,864,332	32,695,900	831,568
State Sources					
Special Education Aid	1,108,291		1,108,291	1,108,291	
Security Aid	59,165		59,165	59,165	
Transportation Aid	99,501		99,501	99,501	
Extraordinary Aid	170,279		170,279	518,560	348,281
Lead Testing for Schools Aid				3,340	3,340
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted)				5,030,604	5,030,604
On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				69,794	69,794
On-behalf TPAF Post Retirement Medical				1,339,862	1,339,862
Contribution (Nonbudgeted) On-behalf TPAF Long Term Disability Insurance				1,339,862	1,539,862
Reimbursed TPAF Social Security Contributions				1,011	1,011
(Nonbudgeted)	-	-	-	1,061,833	1,061,833
(**************************************					
Total State Sources	1,437,236		1,437,236	9,292,561	7,855,325
Federal Sources					
FEMA				10,463	10,463
Medicaid Reimbursement Program	10,201		10,201	6,305	(3,896)
Total Federal Sources	10,201	-	10,201	16,768	6,567
Total Revenues	33,311,769	-	33,311,769	42,005,229	8,693,460
CVIDA DAVE EVERANDE E					
CURRENT EXPENDITURES Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	429,574	\$ (50,000)	379,574	379,043	531
Grades 1-5	3,204,919	(77,051)	3,127,868	3,082,245	45,623
Grades 6-8	2,048,552	(169,438)	1,879,114	1,809,640	69,474
Grades 9-12	3,137,756	(110,512)	3,027,244	3,027,244	-
Regular Programs - Home Instruction					
Salaries of Teachers	18,000	24,497	42,497	42,497	-
Purchased Professional/Educational Services Regular Programs - Undistributed Instruction		308	308	308	-
Purchased Technical Services	25,750	(1,650)	24,100	23,324	776
Other Purchased Services	164,950	(4,298)	160,652	151,312	9,340
General Supplies	433,521	143,630	577,151	494,424	82,727
Textbooks	44,563	(2,050)	42,513	27,582	14,931
Other Objects	16,420	409	16,829	3,996	12,833
Total Regular Programs	9,524,005	(246,155)	9,277,850	9,041,615	236,235
Special Education					
Learning and/or Language Disabilities	200 062	(122 505)	275 250	275 250	
Salaries of Teachers Other Salaries for Instruction	398,863 76,436	(123,505) 83,958	275,358 160,394	275,358 160,394	-
Other Salaries for Instruction General Supplies	4,500	(2,332)	2,168	1,791	377
основа виррноз	7,500	(2,332)	2,100	1,771	311
Total Learning and/or Language Disabilities	479,799	(41,879)	437,920	437,543	377

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers General Supplies	\$ 1,152,783 5,330		\$ 1,575,210 17,769	\$ 1,575,210 17,218	\$ 551
General Supplies		12,439	17,709	17,216	φ JJ1
Total Resource Room/Resource Center	1,158,113	434,866	1,592,979	1,592,428	551
Preschool Disabilities - Part-Time					
Salaries of Teachers	178,937	-	178,937	178,937	-
Other Salaries for Instruction	66,497	15,982	82,479	82,479	-
General Supplies	2,500	(829)	1,671	1,206	465
Total Preschool Disabilities - Part-Time	247,934	15,153	263,087	262,622	465
Total Special Education	1,885,846	408,140	2,293,986	2,292,593	1,393
Basic Skills/Remedial					
Salaries of Teachers	613,997	(24,036)	589,961	589,860	101
General Supplies	2,000	(413)	1,587	1,567	20
Total Basic Skills/Remedial	615,997	(24,449)	591,548	591,427	121
Bilingual Education					
Salaries of Teachers	158,654	_	158,654	158,654	_
General Supplies	1,350	3,104	4,454	4,432	22
Total Bilingual Education	160,004	3,104	163,108	163,086	22
School Sponsored Cocurricular Activities					
Salaries	285,684	(124)	285,560	236,697	48,863
Other Objects	44,660	7,732	52,392	47,164	5,228
Total School Sponsored Cocurricular Activities	330,344	7,608	337,952	283,861	54,091
School Sponsored Athletics					
Salaries	425,466	(71.156)	425,466	416,281	9,185
Purchased Services	95,119 63,013	(71,156) 1,022	23,963 64,035	11,900 62,306	12,063 1,729
Supplies and Materials Other Objects	37,125	1,022	37,125	14,255	22,870
Transfers to Cover Deficit	57,125	71,619	71,619	70,362	1,257
Total School Sponsored Athletics	620,723	1,485	622,208	575,104	47,104
Other Instructional Programs - Instruction					
Salaries	39,777		39,777	23,821	15,956
Total Other Instructional Programs - Instruction	39,777	_	39,777	23,821	15,956
Total Instruction	13,176,696	149,733	13,326,429	12,971,507	354,922

	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 Tuition to Other LEA's Within the State-Special	\$ 75,000 644,900		\$ 75,000 644,900	\$ 64,478 593,440	
Tuition to County Vocational Schools-Regular	335,214	\$ (44,842)	290,372	269,387	51,460 20,985
Tuition to County Vocational Schools-Special	129,500	44,842	174,342	168,157	6,185
Tuition to CSSD and Regional Day Schools	352,176	59,769	411,945	329,723	82,222
Tuition to APSSD-Within State	1,300,002	(95,244)	1,204,758	790,466	414,292
Tuition to APSSD-Outside State	12,300		12,300	5,000	7,300
Total Undistributed Expenditures - Instruction	2,849,092	(35,475)	2,813,617	2,220,651	592,966
Health Services	***				
Salaries	261,137		261,137	256,889	4,248
Purchased Professional/Technical Services	5,000	5,405	10,405	10,405	1 220
Other Purchased Services Supplies and Materials	2,700 10,055	(5,264)	2,700 4,791	1,480 4,169	1,220 622
				-	
Total Health Services	278,892	141	279,033	272,943	6,090
Other Support Services-Students-Speech, OT, PT & Related Services	245.204	51.214	214 400	205 570	11 100
Salaries Supplies and Materials	265,384	51,314 715	316,698	305,570	11,128
	2,400		3,115	2,913	202
Total Other Support Services-Students-Speech, OT, PT & Related Serv	267,784	52,029	319,813	308,483	11,330
Other Support Services-Students-Extra Serv					
Salaries	915,502	101,001	1,016,503	1,001,324	15,179
Purchased Professional/Educational Services	168,000	(46,415)	121,585	116,439	5,146
Other Objects	81,000	(5,897)	75,103	75,103	-
Total Other Support Services-Students-Extra Serv	1,164,502	48,689	1,213,191	1,192,866	20,325
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	427,270	41,039	468,309	467,646	663
Salaries of Secretarial and Clerical Assistants	53,978	(14,952)	39,026	39,025	1
Other Purchased Services	273	-	273		273
Supplies and Materials	9,337	-	9,337	3,420	5,917
Other Objects	10,835	2,060	12,895	10,480	2,415
Total Other Support Services-Students-Guidance	501,693	28,147	529,840	520,571	9,269
Other Support Services-Students-Child Study Teams					
Salaries of Other Professional Staff	1,244,123	-	1,244,123	1,132,822	111,301
Salaries of Secretarial and Clerical Assistants	87,412	-	87,412	78,987	8,425
Purchased Professional/Educational Services	937,308	(61,749)	875,559	505,820	369,739
Other Purchased Services	1,651	621	2,272	1,567	705
Supplies and Materials Other Objects	23,800 22,945	6,070 242	29,870 23,187	27,836 22,595	2,034 592
·					
Total Other Support Services-Students-Child Study Teams	2,317,239	(54,816)	2,262,423	1,769,627	492,796
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	394,671	70,417	465,088	465,088	-
Supplies and Materials	2,640	(1,530)	1,110	1,110	-
Other Objects	11,463	(8,343)	3,120	3,120	
Total Improvement of Instructional Services	408,774	60,544	469,318	469,318	
Educational Media/School Library					
Salaries	678,371	-	678,371	677,336	1,035
Other Purchased Services	53,000	-	53,000	50,461	2,539
Supplies and Materials	36,650	3,498	40,148	37,305	2,843
Total Educational Media/School Library	768,021	3,498	771,519	765,102	6,417
•					

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CUIDDENIT EVDENDYTUDES (C					
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services Salaries of Supervisors of Instruction	\$ 326,371	\$ (32,326) \$	294,045	\$ 294,045	
Salaries of Other Professional Staff	3 320,371	\$ (32,320) \$	294,043	\$ 254,043	
Salaries of Other Professional Staff Salaries of Secretarial/Clerical Assistants	29,734	-	29,734	29,733	\$ 1
Other Purchased Services	38,198	(25,194)	13,004	11,537	1,467
Office 1 dividased Services	30,176	(25,154)	15,004	11,557	1,407
Total Instructional Staff Training Services	394,303	(57,520)	336,783	335,315	1,468
Support Services - General Administration					
Salaries	312,119	3,157	315,276	315,276	_
Legal Services	75,000	(33,173)	41,827	13,784	28,043
Audit Fees	36,500	48,210	84,710	39,710	45,000
Architectural / Engineering Services	30,000	36,411	66,411	25,195	41,216
Other Purchased Professional Services	48,500	2,872	51,372	34,003	17,369
Communications / Telephone	57,550	-	57,550	28,982	28,568
Misc Purchased Services	9,000	-	9,000	6,559	2,441
General Supplies	5,450	125	5,575	4,922	653
Miscellaneous Expenditures	19,490	58,460	77,950	37,733	40,217
BOE Membership Dues and Fees	17,521	1,565	19,086	18,894	192
DOD Monitoriship Bues and Food		1,505	12,000		
Total Support Services - General Administration	611,130	117,627	728,757	525,058	203,699
Support Services - School Administration					
Salaries of Principals/Assistant Principals/Program Directors	600,712	42,754	643,466	641,901	1,565
Salaries of Secretarial and Clerical Assistants	438,513	(10,169)	428,344	428,344	-,505
Other Purchased Services	9,150	(621)	8,529	3,229	5,300
Supplies and Materials	21,800	360	22,160	17,483	4,677
Other Objects	16,810	928	17,738	14,121	3,617
Total Support Services - School Administration	1,086,985	33,252	1,120,237	1,105,078	15,159
•					
Central Services					
Salaries	523,521	11,691	535,212	535,212	
Purchased Technical Services	49,520	(12,994)	36,526	8,342	28,184
Misc. Purchased Services	4,650	212	4,862	4,862	-
Supplies and Materials	9,750	1,257	11,007	10,756	251
Miscellaneous Expenditures	6,420	29,934	36,354	2,764	33,590
Total Central Services	593,861	30,100	623,961	561,936	62,025
Admin. Info. Technology					
Other Purchased Services	2,500	_	2,500		2,500
	44,300	920	45,220	35,220	10,000
Supplies and Materials Other Objects	5,500	9 20	5,500	33,220	5,500
Total Admin. Info. Technology	52,300	920	53,220	35,220	18,000
Required Maintenance for School Facilities					
Salaries	310,035	(6,199)	303,836	230,507	73,329
Cleaning, Repair and Maintenance Services	190,000	(3,677)	186,323	163,667	22,656
General Supplies	114,000	23,359	137,359	128,194	9,165
Total Required Maintenance for School Facilities	614,035	13,483	627,518	522,368	105,150

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 756,05	1 \$ 65,331	\$ 821,382	\$ 816,767	\$ 4,615
Salaries of Non-Instructional Aides	118,63		79,820	79,819	1
Purchased Professional/Technical Services	42,50		41,950	38,953	2,997
Cleaning, Repair and Maintenance Services	-	=			-
Rental of Land & Bldg. Other than Lease Purchase Agreement	55,00	0 2,600	57,600	53,801	3,799
Other Purchased Property Services	64,40	0 1,891	66,291	59,047	7,244
Insurance	272,71		292,597	292,597	-
Miscellaneous Purchased Services	28,59	,	24,249	22,416	1,833
General Supplies	66,42		53,634	52,996	638
Energy (Electricity)	215,00		215,000	191,221	23,779
Energy (Natural Gas)	257,10	5 (28,547)	228,558	121,791	106,767
Total Custodial Services	1,876,42	9 4,652	1,881,081	1,729,408	151,673
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	84,60	0 2,035	86,635	84,975	1,660
Total Care and Upkeep of Grounds	84,60	0 2,035	86,635	84,975	1,660
Security					
Purchased Professional/Technical Services	-	13,000	13,000	_	13,000
General Supplies		5,000	5,000	900	4,100
Total Security	_	18,000	18,000	900	17,100
Total Security			18,000		17,100
Student Transportation Services Salaries for Pupil Transportation (Other Than	01.01	(77 (10)	10.600	10.000	
Between Home and School) Contracted Services (Other Than Between Home and	91,24	5 (77,612)	13,633	13,633	-
School) - Vendors	31,20	0 (27,481)	3,719	2,669	1,050
Contracted Services (Between Home and School) - Joint Agreements	´-	109,847	109,847	109,847	-
Contracted Services (Spec. Ed Students) - Vendors	43,00	0 (33,100)	9,900	9,900	-
Contracted Services (Spec. Ed Students) - Joint Agreements	529,00	0 97,790	626,790	626,790	
Total Student Transportation Services	694,44	5 69,444	763,889	762,839	1,050
Unallocated Employee Benefits					
Social Security Contributions	460,00	0 412	460,412	460,412	_
Other Retirement Contributions - PERS	407,00		428,336	396,107	32,229
Other Retirement Contributions - Regular	33,50		33,500	4,737	28,763
Unemployment Compensation	-	-	-		-
Workers Compensation	293,09	0 (135,402)	157,688	117,142	40,546
Health Benefits	4,644,47		4,620,435	4,352,161	268,274
Tuition Reimbursement	22,00		24,803	12,905	11,898
Other Employee Benefits	280,00	0 (21,748)	258,252	233,026	25,226
Total Unallocated Employee Benefits	6,140,06	7 (156,641)	5,983,426	5,576,490	406,936
On-behalf TPAF Pension Benefits Contribution (Nonbudgeted) On-behalf TPAF Pension - NCGI Premium (Nonbudgeted)				5,030,604 69,794	(5,030,604) (69,794)
On-behalf TPAF Post Retirement Medical Contribution (Nonbudgeted) On-behalf TPAF Long Term Disability Insurance Reimbursed TPAF Social Security Contributions				1,339,862 1,611	(1,339,862) (1,611)
(Nonbudgeted)			-	1,061,833	(1,061,833)
Total On-Behalf				7,503,704	(7,503,704)
Total Undistributed Expenditures	20,704,15	2 178,109	20,882,261	26,262,852	(5,380,591)
Total Current Expenditures	33,880,84	8 327,842	34,208,690	39,234,359	(5,025,669)

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CAPITAL OUTLAY Equipment Grades 9-12 Custodial Services	\$ 7,750	\$ 63,063 12,395	\$ 70,813 12,395	\$ 33,295 12,395	\$ 37,518
Total Equipment	7,750	75,458	83,208	45,690	37,518
Facilities Acquisition and Construction Services Architectural/Engineering Services Construction Services Lease Purchase Agreements - Principal Infrastructure SDA Debt Service Assessment	150,000 1,350,000	(130,314) 1,176,292 34,472 30,324	19,686 2,526,292 34,472 30,324 10,651	19,686 1,978,168 34,472 - 10,651	548,124 - 30,324
Total Facilities Acquisition and Construction					
Services	1,510,651	1,110,774	2,621,425	2,042,977	578,448
Interest Deposit to Capital Reserve	500	(500)		-	
Total Capital Outlay	1,518,901	1,185,732	2,704,633	2,088,667	615,966
Total Expenditures	35,399,749	1,513,574	36,913,323	41,323,026	(4,409,703)
Net Change in Fund Balances	(2,087,980)	(1,513,574)	(3,601,554)	682,203	4,283,757
Fund Balances, Beginning of Year	12,013,320		12,013,320	12,013,320	
Fund Balances, End of Year	\$ 9,925,340	\$ (1,513,574)	\$ 8,411,766	\$ 12,695,523	\$ 4,283,757
Recapitulation of Fund Balance Restricted Fund Balance Capital Reserve Capital Reserve - Designated for Subsequent Year's Expenditures Maintenance Reserve Emergency Reserve Unemployment Compensation Reserve Excess Surplus Excess Surplus - Designated for Subsequent Year's Expenditures Committed Fund Balance				\$ 1,707,873 6,000,000 700,000 241,040 257,473 892,538 307,202	
Year End Encumbrances Assigned Fund Balance Year End Encumbrances				467,668 245,466	
Designated for Subsequent Year's Expenditures Unassigned Fund Balance				851,596 1,024,667	
Fund Balance - Budgetary Basis				12,695,523	
Reconciliation to Governmental Fund Statements (GAAP) 2022/2023 State Aid Not Recognized on a GAAP Basis				(600,211)	
Fund Balance per Governmental Funds (GAAP)				\$ 12,095,312	

	Original <u>Budget</u>	Adjustments	Final Budget	Actual	Variance Final Budget Actual
REVENUES					
Intergovernmental					
State	\$ 94,283	\$ 104,626	\$ 198,909	\$ 198,909	
Federal	395,169	338,342	733,511	733,511	
Local	-	327,529	327,529	322,734	\$ (4,795)
Total Revenues	489,452	770,497	1,259,949	1,255,154	(4,795)
EXPENDITURES					
Instruction					
Salaries	95,526	72,794	168,320	168,320	_
Purchased Professional and Technical Services	, -,	29,682	29,682	29,682	_
Other Purchased Services		-	25,002	27,502	_
Tuition	279,143	50,963	330,106	330,106	_
General Supplies	277,143	22,180	22,180	22,180	
Textbooks	18,000	(12,706)	5,294	5,294	_
Co-Curricular/Extra-Curricular Activities	10,000	183,317	183,317	183,317	_
Athletic Activities	-	37,431	37,431	37,431	-
Total Instruction	392,669	383,661	776,330	776,330	_
Support Services					
Other Salaries		1,025	1,025	1,025	_
Purchased Professional and Technical Services	20,500	40,657	61,157	61,157	-
Purchased Professional and Educational Services	52,000	18,221	70,221	70,221	-
					-
Other Purchased Professional Services	24,283	56,826	81,109	81,109	-
Other Purchased Services	-	61,599	61,599	61,599	-
Supplies and Materials	-	49,535	49,535	49,535	-
Miscellaneous Expenditures		8,666	8,666	8,666	-
Scholarship Awards		28,800	28,800	28,800	
Total Support Services	96,783	265,329	362,112	362,112	
Capital Outlay					
Construction Services		57,547	57,547	57,547	
Non-Instructional Equipment	_	63,960	63,960	53,960	10,000
Ton histactional Equipment					10,000
Total Capital Outlay	_	121,507	121,507	111,507	10,000
1					
Total Expenditures	489,452	770,497	1,259,949	1,249,949	10,000
•		<u> </u>			
Net Change in Fund Balances	-	-	-	5,205	5,205
r in i n i i cv	265.004		265.004	265.004	
Fund Balances, Beginning of Year	265,084	-	265,084	265,084	-
Fund Balances, End of Year	\$ 265,084	\$ -	\$ 265,084	\$ 270,289	\$ 5,205
Recapitulation of Fund Balance					
Restricted Fund Balances					
Scholarships				\$ 157,755	
Student Activities				112,534	
				\$ 270,289	

NOTES TO THE R	EQUIRED SUPPLEM	IENTARY INFORM	MATION - 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, 2023

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 <u>Fund</u>	Special Revenue <u>Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibit C-1, C-2).	\$ 42,005,229	\$ 1,255,154
Differences - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2022		10,000
State aid payments recognized for GAAP purposes,		
not recognized for budgetary purposes - June 30, 2022	573,490	
State aid payments recognized for budgetary purposes,		
not recognized for GAAP purposes - June 30, 2023	(600,211)	
Total revenues as reported on the Statement of Revenues, Expenditures		
and Changes in Fund Balances - Governmental Funds (Exhibit B-2).	\$ 41,978,508	\$ 1,265,154
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the		
budgetary comparison schedule (Exhibit C-1, C-2)	\$ 41,323,026	\$ 1,249,949
oudgetally companion senteute (Eminon e 1, e 2)	Ţ 11,525,626	Ψ 1,2.5,5.5
Differences - Budget to GAAP:		
5		
Encumbrances for goods ordered but not received are reported in the year		
the order is placed for budgetary purposes, but in the year the goods are received		
for financial reporting purposes		
Encumbrances, June 30, 2022	-	10,000
Total expenditures as reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	\$ 41,323,026	\$ 1,259,949
	Ψ,υ=υ,υ=υ	Ψ 2,000,3010

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 Ten Fiscal Years*

	 2023		2022		2021		2020		2019		2018		2017		2016		2015	2014	
District's Proportion of the Net Position Liability (Asset)	.03321 %	ó	.03245 %	ó	.03138 9	%	.03133 %	ó	.03067	%	.03258 4	ò	.03327	<u>.</u>	.03258 &		.03268 4	.03167	
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,011,295	\$	3,843,661	\$	5,117,997	\$	5,644,698	\$	6,038,861	\$	7,584,508	\$	9,853,322	\$	7,313,933	\$	6,117,881	\$ 6,053,426	
District's Covered Payroll	\$ 2,374,014	\$	2,391,114	\$	2,358,618	\$	2,195,191	\$	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	211.09%		160.75%		216.99%		257.14%		277.24%		346.09%		427.98%		323.56%		275.60%	272.50%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%		70.33%		58.32%		56.27%		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.

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

Public Employees Retirement System

Last Ten Fiscal Years

	2023	2022		2021 2020		2019		2018	2017	2016	2015	2014	
Contractually Required Contribution	\$ 418,748	\$	379,975	\$ 343,331	\$ 304,722	\$	305,072	\$ 301,835	\$ 295,557	\$ 280,115	\$ 269,378	\$	238,653
Contributions in Relation to the Contractually Required Contribution	 418,748	_	379,975	343,331	304,722		305,072	301,835	 295,557	280,115	269,378		238,653
Contribution Deficiency (Excess)	\$ 	\$	_	\$ -	\$ -	<u>\$</u>	-	\$ -	\$ -	\$ -	\$ -	\$	-
District's Covered Payroll	\$ 3,103,399	\$	2,374,014	\$ 2,391,114	\$ 2,358,618	\$	2,195,191	\$ 2,178,195	\$ 2,191,469	\$ 2,302,288	\$ 2,260,483	\$ 3	2,219,849
Contributions as a Percentage of Covered Payroll	13.49%		16.01%	14.36%	12.92%		13.90%	13.86%	13.49%	12.17%	11.92%		10.75%

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 Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 62,210,189	\$ 59,038,796	\$ 79,528,001	\$ 72,910,487	\$ 72,443,014	\$ 77,542,932	\$ 89,122,953	\$ 74,298,218	\$ 57,698,736	\$ 55,389,935	
Total	\$ 62,210,189	\$ 59,038,796	\$ 79,528,001	\$ 72,910,487	\$ 72,443,014	\$ 77,542,932	\$ 89,122,953	\$ 74,298,218	\$ 57,698,736	\$ 55,389,935	
District's Covered Payroll	\$ 14,099,252	\$ 14,112,204	\$ 13,674,290	\$ 13,343,878	\$ 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%	0%	0%	0%	0%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	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.

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, 2023

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 Six Fiscal Years*

	2023		2022		2021		2020		2019		2018	
Total OPEB Liability												
Service Cost	\$	2,747,704	\$	3,185,409	\$	1,782,778	\$	1,676,969	\$	1,821,753	\$	2,198,627
Interest on Total OPEB Liability		1,346,747		1,537,612		1,462,640		1,753,286		1,849,497		1,594,434
Changes of Benefit Terms		-		(63,089)								
Differences Between Expected and Actual Experience		2,374,488		(9,606,184)		10,702,738		(6,499,118)		(3,634,559)		
Changes of Assumptions		(13,632,528)		58,478		11,934,093		604,658		(5,075,137)		(6,659,362)
Gross Benefit Payments		(1,333,993)		(1,211,208)		(1,137,394)		(1,244,877)		(1,182,583)		(1,023,783)
Contribution from the Member		42,795		39,309	-	34,474		36,902		40,872		37,698
Net Change in Total OPEB Liability		(8,454,787)		(6,059,673)		24,779,329		(3,672,180)		(6,180,157)		(3,852,386)
Total OPEB Liability - Beginning		59,273,321		65,332,994		40,553,665		44,225,845		50,406,002	-	54,258,388
Total OPEB Liability - Ending	\$	50,818,534	\$	59,273,321	\$	65,332,994	\$	40,553,665	\$	44,225,845	\$	50,406,002
District's Proportionate Share of OPEB Liability	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
State's Proportionate Share of OPEB Liability		50,818,534		59,273,321		65,332,994		40,553,665		44,225,845		50,406,002
Total OPEB Liability - Ending	\$	50,818,534	\$	59,273,321	\$	65,332,994	\$	40,553,665	\$	44,225,845	\$	50,406,002
District's Covered Payroll	\$	16,473,266	\$	16,503,318	\$	16,032,908	\$	15,539,069	\$	14,952,105	\$	14,785,613
District's Proportionate Share of the												
Total OPEB Liability as a Percentage of its												
Covered Payroll		0%		0%		0%		0%		0%		0%

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

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.

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

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, 2023

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



			DEA					_	 Chapter 192			Chapte	r 193			To
	Part B <u>Basic</u>		Preschool <u>Program</u>	Nonpublic <u>Textbooks</u>	Nonpublic Nursing	Nonpublic Security		Nonpublic Technology	ompensatory <u>Education</u>		amination/ ssification	Correct Speec		plemental struction		Exhibit <u>E-1A</u>
REVENUES State Federal	\$ 313,9	45 \$		\$ 5,294	\$ 21,504 \$	39,360	\$	3,486	\$ 32,515	\$	21,614	\$	6,603	\$ 10,986	\$	141,362 337,520
Local					 -	_		-	 _		<u>.</u>		-	 _		
Total Revenues	\$ 313,9	45	23,575	\$ 5,294	\$ 21,504 \$	39,360	\$	3,486	\$ 32,515	\$	21,614	\$	6,603	\$ 10,986	\$	478,882
EXPENDITURES Instruction Purchased Professional and Technical Services Tuition General Supplies	\$ 29,6 218,1 8,0	16 \$	23,575				\$	_							\$	29,682 241,691 8,039
Textbooks			-	\$ 5,294	 -	-			 _		-		-	 _		5,294
Total Instruction	255,8	37	23,575	5,294	 -	-		_	 -				-	 _	***************************************	284,706
Support Services Purchased Professional and Technical Services Purchased Professional and Educational Services Other Purchased Professional Services Supplies and Materials	26,7 31,3 	20	-		\$ 21,504 \$	39,360	-	3,486	\$ 32,515	\$	21,614 5	\$	6,603	\$ 10,986		70,221 81,109 42,846
Total Support Services	58,1	<u> 80</u>	-		 21,504	39,360		3,486	 32,515		21,614		6,603	 10,986	-	194,176
Total Expenditures	\$ 313,9	<u>45</u> \$	23,575	\$ 5,294	\$ 21,504 \$	39,360	<u>\$</u>	3,486	\$ 32,515	\$	21,614	\$	6,603	\$ 10,986	\$	478,882
Net Change in Fund Balances	-		-		-	-		-	-		-		-	-		-
Fund Balances, Beginning of Year	_		-		 			-	 	*****	-			 _		
Fund Balances, End of Year	<u>s -</u>	<u> </u>		<u>s</u> -	\$ 	-	<u>\$</u>		\$ 	\$		\$		\$ 	\$	

83

			American Rescue Plan - ESSER III Programs										
	Exhibit E-1 <u>Subtotal</u>	Title I <u>Part A</u>	ESEA Consolidate Title II Part A	ed Grants <u>Title III</u>	Title IV		SSER III	Learnin and E	lerated 1g Coach ducator 1901t	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day		To Exhibit <u>E-1B</u>
REVENUES State Federal Local	\$ 141,362 337,520	\$ 65,366	\$ 7,932 \$	4,150	\$ 10,000	\$	98,055	\$	25,407	\$ 27,850	\$ 24,027	\$	141,362 600,307
Total Revenues	\$ 478,882	\$ 65,366	\$ 7,932 \$	4,150	\$ 10,000	\$	98,055	\$	25,407	\$ 27,850	\$ 24,027	-	741,669
EXPENDITURES Instruction Salaries for Instruction Purchased Professional and Technical Services	- \$ 29,682	\$ 58,005	\$	2,920		\$	56,868			\$ 27,000	\$ 23,527	\$	168,320
Other Purchased Services Tuition General Supplies Textbooks	241,691 8,039 5,294	7,361		-	\$ - 	\$	1,187			850 	500	-	29,682 - 241,691 17,937 5,294
. Total Instruction	284,706	65,366		2,920			58,055			27,850	24,027		462,924
Support Services Other Salaries Purchased Professional and Technical Services Purchased Professional and Educational Services Other Purchased Professional Services Other Purchased Services Supplies and Materials	70,221 81,109 - 42,846		7,932	1,230	\$ 9,564	\$	40,000	\$	1,025 2,850 20,031 1,501		s -		1,025 52,414 70,221 81,109 29,193 44,783
Total Support Services	194,176		7,932	1,230	10,000		40,000		25,407				278,745
Total Expenditures	\$ 478,882	\$ 65,366	\$ 7,932 \$	4,150	\$ 10,000	\$	98,055	\$	25,407	\$ 27,850	\$ 24,027	\$	741,669
Net Change in Fund Balances	-	-	-	-	-		-		-	-	-		-
Fund Balances, Beginning of Year		-		-	-	***** concentration	-		-			-	
Fund Balances, End of Year	<u>\$</u>	\$	<u>ss</u>		\$ <u>-</u>	\$		\$		<u>s -</u>	\$	<u>\$</u>	

REVENUES	Exhibit E-1A <u>Subtotal</u>	<u>ACSERS</u>	SDA Emergent and Capital <u>Maintenance</u>	CRRSA-ESSER II Learning Acceleration		Local Donations	<u>s</u>	Student Activities	Sch	olarships	Erna Folkens <u>Bequest</u>	Varsity Club		To Exhibit <u>E-1C</u>
State	\$ 141,362		\$ 57,547										\$	198,909
Federal	600,307	\$ 125,700	¥ 37,317	\$ 662									•	726,669
Local	-	-	-	-	\$	59,	315 \$	194,050	\$	30,195	\$ 133	\$ 39,041		322,734
Total Revenues	\$ 741,669	\$ 125,700	\$ 57,547	\$ 662	\$	59,	315 \$	194,050	\$	30,195	\$ 133	\$ 39,041	\$	1,248,312
EXPENDITURES														
Instruction														
Salaries for Instruction	\$ 168,320		\$ -	\$ -									\$	168,320
Purchased Professional and Technical Services	29,682		-											29,682
Other Purchased Services														-
Tuition	241,691	\$ 88,415												330,106
General Supplies	17,937			512										18,449
Textbooks	5,294													5,294
Co-Curricular/Extra-Curricular Activities	-						\$	183,317						183,317
Athletic Activities				•				_		-	-	\$ 37,431		37,431
Total Instruction	462,924	88,415		512	\$		_	183,317		-		37,431		772,599
Support Services														
Other Salaries	1,025		-											1,025
Purchased Professional and Technical Services	52,414	7,990		150			603							61,157
Purchased Professional and Educational Services	70,221	.,												70,221
Other Purchased Professional Services	81,109													81,109
Other Purchased Services	29,193	29,295												58,488
Supplies and Materials	44,783	, -			\$	4	752							49,535
Miscellaneous Expenditures					•	',					\$ 8,666			8,666
Scholarship Awards	_	-	-	_				-	\$	28,800		-		28,800
Soliotaiship Timarus									-	20,000		1		
Total Support Services	278,745	37,285		150		5,	355	<u>-</u>		28,800	8,666			359,001
Capital Outlay														
Construction Services	_		57,547											57,547
Non-Instructional Equipment	_	-	-			53.	960	-		_	_	_		53,960
Tion movement equipment			***************************************											
Total Capital Outlay			57,547		_	53,	960				-			111,507
Total Expenditures	\$ 741,669	\$ 125,700	\$ 57,547	\$ 662	<u>\$</u>	59,	315 \$	183,317	\$	28,800	\$ 8,666	\$ 37,431	\$	1,243,107
Net Change in Fund Balances	-		-	-			-	10,733		1,395	(8,533)	1,610		5,205
Fund Balances, Beginning of Year	-		-	-				85,454		156,360	8,533	14,737		265,084
Fund Balances, End of Year	\$ -	\$ -	\$	\$ -	<u>\$</u>		<u>- \$</u>	96,187	\$	157,755	\$ -	\$ 16,347	\$	270,289

85

		Exhibit E-1B Subtotal	American Rescu IDEA Par Basic		-	Grand <u>Total</u>
REVENUES					_	
State	\$	198,909			\$	198,909
Federal		726,669	\$	6,842		733,511
Local	-	322,734				322,734
Total Revenues	\$	1,248,312	\$	6,842	\$	1,255,154
EXPENDITURES						
Instruction						
Salaries for Instruction	\$	168,320			\$	168,320
Purchased Professional and Technical Services Other Purchased Services		29,682	\$	-		29,682
Tuition		330,106		-		330,106
General Supplies		18,449		3,731		22,180
Textbooks		5,294		5,751		5,294
Co-Curricular/Extra-Curricular Activities		183,317				183,317
Athletic Activities		37,431				37,431
Total Instruction		772,599		3,731		776,330
Support Services						
Other Salaries		1,025				1,025
Purchased Professional and Technical Services		61,157				61,157
Purchased Professional and Educational Services		70,221				70,221
Other Purchased Professional Services		81,109				81,109
Other Purchased Services		58,488		3,111		61,599
Supplies and Materials		49,535		,		49,535
Miscellaneous Expenditures		8,666				8,666
Scholarship Awards		28,800				28,800
Total Support Services		359,001		3,111		362,112
Capital Outlay						
Construction Services		57,547				57,547
Non-Instructional Equipment		53,960		_		53,960
Non-instructional Equipment		33,700				33,700
Total Capital Outlay		111,507		-		111,507
Total Expenditures	\$	1,243,107	\$	6,842	\$	1,249,949
Net Change in Fund Balances		5,205		-		5,205
Fund Balances, Beginning of Year		265,084				265,084
fund Balances, End of Year	\$	270,289	\$		\$	270,289

PARK RIDGE BOARD OF EDUCATION SPECIAL REVENUE FUND SCHEDULE OF PRESCHOOL AID EXPENDITURES BUDGETARY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023

		Modified	Expenditu	ires to Date		nexpended Project Balance,
Number	Issue/Project Title	Appropriation	Prior Years	Current Year	-	ne 30, 2023
3/13/2018	High School Hot Water Heating Conversion and HVAC Improvements	\$ 3,598,466	3,427,687	\$ 6,230	\$	164,549
		\$ 3,598,466	3,427,687	\$ 6,230	\$	164,549
		Reconciliation to	GAAP Basis			
·		Project Balance, J	une 30, 2023		\$	164,549
		Less Unfunded Au Debt Authorized				(466)
		Fund Balance, June	e 30, 2023 - GAAP	Basis	\$	164,083
		Recapitulation of	Fund Balance (Def	īcit)		
		Restricted for Cap Available for C	·		\$	164,083
		Total Fund Balance	e - Restricted for Ca	apital Projects	\$	164,083

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, 2023

Expenditures and Other Financing Uses Capital Outlay:	
Construction Services	\$ 6,230
Total Expenditures and Other Financing Uses	 6,230
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,230)
Fund Balance - Beginning of Year	\$ 170,313
Fund Balance - End of Year	\$ 164,083
Reconciliation to GAAP	
Fund Balance, End of Year - Budgetary Basis	\$ 164,083
Fund Balance, June 30, 2023 - GAAP	\$ 164,083

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, 2023

	<u>P</u> :	rior Periods	Cu	rrent Year	<u>Totals</u>		Revised Authorized <u>Cost</u>
Revenues and Other Financing Sources							
Capital Note Proceeds	\$	3,598,000		84	\$ 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		292,039			292,039		299,175
Construction Services		3,135,648	\$	6,230	3,141,878		3,280,300
Supplies and Materials				-	 		18,991
Total Expenditures		3,427,687		6,230	 3,433,917	,	3,598,466
Excess of Revenue Over Expenditures	\$	170,313	\$	(6,230)	\$ 164,083	\$	
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		June 2023					
Percentage Completion		95.43%					

PROPRIETARY FUNDS

NON-MAJOR ENTERPRISE FUNDS

PARK RIDGE BOARD OF EDUCATION ENTERPRISE FUNDS - NON-MAJOR COMBINING STATEMENT OF NET POSITION AS OF JUNE 30, 2023

ASSETS	SAT Re Progra		Summer Basketball <u>Program</u>	Volleyball Clinic <u>Program</u>	Summer Music <u>Program</u>	Laptop Insurance <u>Program</u>	Summer Lacrosse Program	Summer Football/ Cheer Program	Summer Baseball Softball Soccer <u>Program</u>	Wrestling <u>Program</u>	Total Non-Major Enterprise <u>Funds</u>
Cash and Cash Equivalents	\$	980	\$ 7,610	\$ 1,359	\$ 4,408	\$ 150,276	\$ 663	\$ 922	\$ 13,699 \$	130	\$ 180,047
Total Assets		980	7,610	1,359	4,408	150,276	663	922	13,699	130	180,047
LIABILITIES											
Current Liabilities Unearned Revenue			4,300		2,120				12,600		19,020
Total Liabilities			4,300	-	2,120	-	-		12,600	-	19,020
NET POSITION											
Unrestricted		980	3,310	1,359	2,288	150,276	. 663	922	1,099	130	161,027
Total Net Position	\$	980	\$ 3,310	\$ 1,359	\$ 2,288	\$ 150,276	\$ 663	<u>\$ 922</u>	\$ 1,099	130	\$ 161,027

PARK RIDGE BOARD OF EDUCATION ENTERPRISE FUND - NON-MAJOR COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

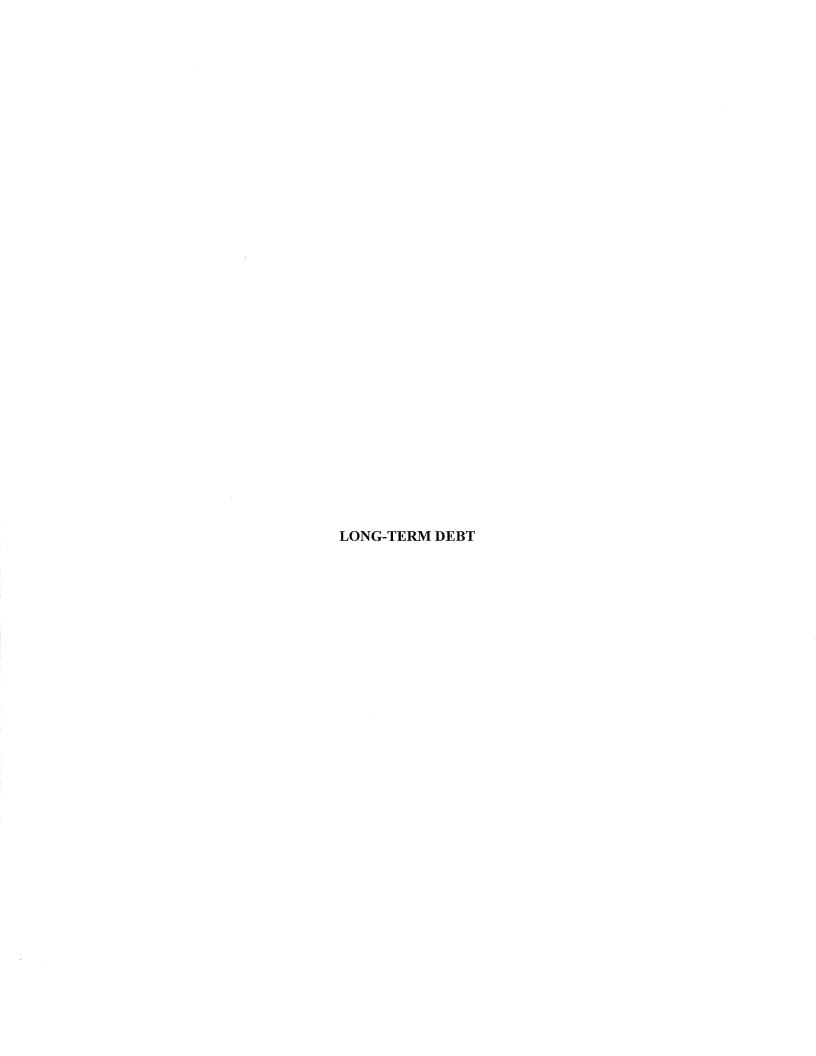
OPERATING REVENUES	SAT Review Summer Basketball Program Program		Volleyball Clinic Summer Mu <u>Program</u> <u>Program</u>		Laptop Insurance <u>Program</u>	Summer Lacrosse Program	Summer Football/ Cheer Program	Summer Baseball Softball Soccer <u>Program</u>	Wrestling <u>Program</u>	Total Non-Major Enterprise <u>Funds</u>	
Charges for Services Program Fees	\$	5,770	\$ 18,730	\$ 4,590	\$ 1,650	\$ 3,530	<u>\$</u>	<u>\$</u>	\$ 8,935	<u>\$</u> -	\$ 43,205
Total Operating Revenues		5,770	18,730	4,590	1,650	3,530			8,935		43,205
OPERATING EXPENSES Salaries and Wages Supplies and Materials		12,600 202	18,139	4,400	1,550	25,633			8,621		45,310 25,835
Total Operating Expenses		12,802	18,139	4,400	1,550	25,633			8,621		71,145
Operating Income (Loss)		(7,032)	591	190	100	(22,103)	-	-	314	-	(27,940)
Total Net Position, Beginning of Year		8,012	2,719	1,169	2,188	172,379	663	922	785	130	188,967
Total Net Position, End of Year	\$	980	\$ 3,310	\$ 1,359	\$ 2,288	\$ 150,276	\$ 663	\$ 922	\$ 1,099	\$ 130	\$ 161,027

PARK RIDGE BOARD OF EDUCATION ENTERPRISE FUND - NON-MAJOR COMBINING STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	SAT Review Program	Summer Basketball <u>Program</u>	Volleyball Clinic <u>Program</u>	Summer Music <u>Program</u>	Laptop Insurance Program	Summer Lacrosse Program	Summer Football/ Cheer Program	Summer Baseball Softball Soccer <u>Program</u>	Wrestling <u>Program</u>	Total Non-Major Enterprise <u>Funds</u>
Cash Flows from Operating Activities Cash Received from (Paid to) Customers	\$ 5,770	\$ 4,745	\$ -	\$ 2,120	\$ 3,530	\$ -	\$ -	\$ 12,600	\$ -	\$ 28,765
Cash Payments for Employees Salaries & Benefits	(12,600)	(18,139)	(4,400)	(1,550)	-	-	-	(8,621)	-	(45,310)
Cash Payments to Suppliers for Goods and Services	(202)				(25,633)	-				(25,835)
Net Cash Provided (Used) by Operating Activities	(7,032)	(13,394)	(4,400)	570	(22,103)			3,979		(42,380)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,032)	(13,394)	(4,400)	570	(22,103)	-	-	3,979	-	(42,380)
Cash and Cash Equivalents, Beginning of Year	8,012	21,004	5,759	3,838	172,379	663	922	9,720	130	222,427
Cash and Cash Equivalents, End of Year	\$ 980	\$ 7,610	\$ 1,359	\$ 4,408	\$ 150,276	\$ 663	\$ 922	\$ 13,699	\$ 130	\$ 180,047
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	\$ (7,032)	\$ 591	\$ 190	\$ 100	\$ (22,103)	\$ -	\$	\$ 314	\$	(27,940)
Changes in Assets and Liabilities										
Increase/(Decrease) in Unearned Revenue	-	(13,985)	(4,590)	470				3,665		(14,440)
Total Adjustments		(13,985)	(4,590)	470				3,665		(14,440)
Net Cash Provided (Used) by Operating Activities	\$ (7,032)	\$ (13,394)	\$ (4,400)	<u>\$ 570</u>	\$ (22,103)	\$ -	\$ -	\$ 3,979	\$ -	\$ (42,380)

FIDUCIARY FUNDS

NOT APPLICABLE



PARK RIDGE BOARD OF EDUCATION LONG-TERM DEBT SCHEDULE OF SERIAL BONDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Date of Amount of **Annual Maturities** Interest Balance, Balance, June 30, 2023 <u>Date</u> June 30, 2022 **Issue** <u>Issue</u> <u>Issue</u> Amount Rate **Increased Decreased** Refunding Bonds \$ \$ 205,000 7/1/2010 \$ 2,155,000 205,000 3,141,000 % School Bonds 10/28/2010 8/15/2023 225,000 4.00 8/15/2024 230,000 4.00 8/15/2025 231,000 4.00 911,000 225,000 \$ 686,000 Refunding Bonds 12/15/2016 5,135,000 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 1.98 535,000 1.98 450,000 3,980,000 8/15/2030 4,430,000 880,000 5,546,000 \$ 4,666,000 Paid by Budget Appropriation 880,000

PARK RIDGE BOARD OF EDUCATION LONG-TERM DEBT SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Description</u>	Interest <u>Rate</u>	Amount of Original Issue	Balance, <u>July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	Balance, June 30, 2023
2019 Lease of 13 Copier Machines	3.72%	\$ 164,231	\$ 83,065	- \$	33,499	\$ 49,566
			\$ 83,065 \$	- \$	33,499	\$ 49,566

EXHIBIT I-2A

LONG-TERM DEBT SCHEDULE OF LEASES PAYABLE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Interest <u>Rate</u>	Amount of Original Issue		Balance, <u>July 1, 2022</u>		<u>Issued</u>	<u>Retired</u>	Balance, <u>June 30, 2023</u>		
Business-Type Activities										
OWL House Program Building Lease	3.50%	\$	308,248	\$	145,188		 33,282	\$	111,906	
				\$	145,188	\$ -	\$ 33,282	\$	111,906	

PARK RIDGE BOARD OF EDUCATION LONG-TERM DEBT DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES		Original <u>Budget</u>	<u>Adjustments</u>		Final <u>Budget</u>	<u>Actual</u>	Variance Final <u>Budget to Actual</u>
Local Sources Local Tax Levy State Sources	\$	729,861		\$	729,861	\$ 729,861	
State Aid Type II		268,667	-		268,667	 268,667	-
Total Revenues		998,528			998,528	 998,528	-
EXPENDITURES Regular Debt Service							
Principal Interest		880,000 118,531			880,000 118,531	880,000 118,530	\$ 1
merest		116,331		-	110,331	 110,330	J I
Total Expenditures		998,531	-		998,531	 998,530	1
Net Change in Fund Balance		(3)	-		(3)	(2)	1
Fund Balance, Beginning of Year		3	-		3	 3	
Fund Balance, End of Year	\$	Management of the Control of the Con	\$ -	. \$	-	\$ 1	\$ 1
	Recar	oitulation of Fu	ind Balance				
		cted for Debt S ailable for Deb	Service: ot Service Expenditu	res		\$ 1	

STATISTICAL SECTION

This part of the Park Ridge Board of Education's annual comprehensive 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 district's overall financial health.

<u>Contents</u>	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the district'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 district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report	

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

relates to the services the district provides and the activities it performs.

J-16 to J-20

PARK RIDGE BOARD OF EDUCATION NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 6,319,245	\$ 6,799,817	\$ 7,363,362	\$ 8,084,286	\$ 9,130,501	\$ 10,097,596	\$ 11,460,979	\$ 16,713,320	\$ 17,872,446	\$ 19,546,007
Restricted	4,083,327	4,793,492	6,491,403	7,184,879	6,207,814	7,639,162	7,755,093	6,218,832	8,545,291	9,099,719
Unrestricted	(5,443,076)	(5,643,391)	(5,171,056)	(5,889,199)	(5,548,866)	(5,864,655)	(3,865,214)	(3,337,983)	(3,595,042)	(2,753,884)
Total Governmental Activities Net Position	\$ 4,959,496	\$ 5,949,918	\$ 8,683,709	\$ 9,379,966	\$ 9,789,449	\$ 11,872,103	\$ 15,350,858	\$ 19,594,169	\$ 22,822,695	\$ 25,891,842
Business-Type Activities										
Net Investment in Capital Assets Restricted	\$ 17,526	\$ 21,183	\$ 17,604	\$ 14,319	\$ 11,260	\$ 8,207	\$ 20,287	\$ (4,940)	\$ (3,556)	\$ 84,904
Unrestricted	426,557	475,893	552,975	596,499	756,470	1,067,767	1,130,033	1,189,643	1,312,685	1,222,711
Total Business-Type Activities Net Position	\$ 444,083	\$ 497,076	\$ 570,579	\$ 610,818	\$ 767,730	\$ 1,075,974	\$ 1,150,320	\$ 1,184,703	\$ 1,309,129	\$ 1,307,615
District-Wide										
Net Investment in Capital Assets	\$ 6,336,771	\$ 6,821,000	\$ 7,380,966	\$ 8,098,605	\$ 9,141,761	\$ 10,105,803	\$ 11,481,266	\$ 16,708,380	\$ 17,868,890	\$ 19,630,911
Restricted	4,083,327	4,793,492	6,491,403	7,184,879	6,207,814	7,639,162	7,755,093	6,218,832	8,545,291	9,099,719
Unrestricted	(5,016,519)	(5,167,498)	(4,618,081)	(5,292,700)	(4,792,396)	(4,796,888)	(2,735,181)	(2,148,340)	(2,282,357)	(1,531,173)
Total District Net Position	\$ 5,403,579	\$ 6,446,994	\$ 9,254,288	\$ 9,990,784	\$ 10,557,179	\$ 12,948,077	\$ 16,501,178	\$ 20,778,872	\$ 24,131,824	\$ 27,199,457

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB No. 68 "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Note 3 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases".

Source: District financial statements

97

PARK RIDGE BOARD OF EDUCATION CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Unaudited)
(accrual basis of accounting)

		Fiscal Year Ended June 30,																		
		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023
	xpenses																			
G	overnmental Activities																			
	Instruction		_		_		_		_		_		_		_		_		_	
	Regular	\$ 11,480,847	\$	14,279,696	\$	14,394,352	\$	16,522,589	\$	17,656,163	\$	14,954,928	\$	14,283,285	\$	16,451,588	\$	15,175,407	\$	13,983,893
	Special Education	4,037,621		4,393,862		4,479,826		4,989,645		5,284,485		5,366,865		4,446,265		4,893,702		5,178,423		5,672,324
	Other Instruction	631,304		684,296		766,748		965,770		1,257,524		1,259,879		1,309,531		1,231,558		1,086,494		1,227,567
	School Sponsored Activities And Athletics	841,350		949,245		984,177		1,132,243		1,206,587		1,133,889		993,181		1,182,485		1,324,539		1,283,062
	Support Services:																			
	Student & Instruction Related Services	5,086,264		5,537,667		6,345,060		6,953,733		7,500,709		7,316,042		7,914,070		8,584,787		8,147,452		8,200,044
	General Administration	672,470		773,459		750,946		1,089,002		811,427		731,517		851,351		928,285		732,846		734,412
	School Administrative Services	1,292,750		1,906,929		1,747,378		1,720,877		2,024,646		1,668,043		1,542,298		1,790,004		1,495,439		1,562,371
	Central Services and Info. Technology	660,876		760,004		721,620		823,432		839,943		859,240		814,094		929,476		879,990		817,805
	Plant Operations and Maintenance	2,127,481		2,221,454		2,290,641		2,797,096		2,567,200		3,830,457		3,425,958		3,831,109		3,705,729		3,958,045
	Student Transportation	647,292		592,189		560,717		589,310		682,658		722,441		562,650		468,463		692,667		821,353
	Interest and Other Charges On Long-Term Debt	403,744		383,236		364,523		301,913		285,182		318,478	-	281,152		203,449		180,308		151,127
To	otal Governmental Activities Expenses	27,881,999	-	32,482,037		33,405,988		37,885,610		40,116,524	-	38,161,779		36,423,835		40,494,906		38,599,294		38,412,003
D.	usiness-Type Activities:																			
	Food Service	246,871		224,669		225,896		217,127		217,318		208,854		166,527		55,104		262,495		217,570
98	Before and After School Child Care Program	249,217		265,433		258,970		288,533		299,714		289,217		299,488		98,384		151,959		326,242
	OWL House Program	- 12,221		200, 100		200,510		184,930		198,558		252,176		257,220		215,808		245,110		314,841
	SAT Review	8,430		8,566		11,432		11,023		12,274		15,871		13,669		10,580		12,891		12,802
	Summer Basketball Program	5,168		,		1,600		9,737		15,450		17,695		21,385		,		6,200		18,139
	Volleyball Clinic Program	4,367		1,551		2,510		3,578		6,250		6,500		6,750				-,		4,400
	Summer Music Program	3,590		3,600		3,740		4,900		4,412		4,050		4,100				1,950		1,550
	Summer Lacrosse Program	3,370		5,000		5,887		7,200		2,000		2,110		3,735				1,625		1,550
	Summer Football/Cheer Program					3,746		2,700		6,470		102		2,400				1,023		-
						3,740		2,700		980								2.040		
	Summer Baseball, Softball, Soccer Program											3,860		2,060				3,840		8,621
	Laptop Insurance Program			6,218		629		1,596		9,541		274		9,500		11,023		-		25,633
	Wrestling Program	_				<u>-</u>		-						2,000						
To	otal Business-Type Activities Expense	517,643		510,037		514,410		724,124		772,967		800,709		788,834		390,899		686,070		929,798
To	otal District Expenses	\$ 28,399,642	\$	32,992,074	\$	33,920,398	\$	38,609,734	\$	40,889,491	\$	38,962,488	\$	37,212,669	\$	40,885,805	\$	39,285,364	\$	39,341,801
Pı	rogram Revenues																			
G	overnmental Activities:																			
	Charges For Services:																			
	Instruction (Regular)	\$ -			\$	43,849	\$	39,000	\$	33,900	\$	66,000	\$	59,020	\$	15,150	\$	43,400	\$	31,000
	Special Education	73,533	\$	90,416		47,755		33,774		156,739		200,395		125,460		69,325		70,858		63,363
	School Sponsored Activities And Athletics															176,980		253,110		233,091
	Student and Instruction Related Services									29,400		46,791		40,032		40,912		40,912		11,370
	Transportation	* *** **				0.40				60,689		105,254		103,873		57,480		64,619		73,232
	Operating Grants And Contributions	3,461,172		6,454,886		8,106,105		10,282,311		11,083,613		8,958,584		8,259,148		11,548,510		9,067,079		7,464,016
	Capital Grants And Contributions	9,317		76,049		10,000				-	-		_	4,795		45,389	_	73,468		121,507
To	otal Governmental Activities Program Revenues	3,544,022		6,621,351		8,207,709		10,355,085		11,364,341		9,377,024		8,592,328		11,953,746		9,613,446		7,997,579
	-								-						-		-	-	******	

PARK RIDGE BOARD OF EDUCATION CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30.									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges For Services										
Food Service	\$ 205,627	\$ 171,351	\$ 176,259	\$ 169,298	\$ 163,387	\$ 164,768	\$ 110,704	\$ 1,568	\$ 70,245	\$ 121,977
Before and After School Child Care Program	336,329	323,257	317,978	325,542	366,266	328,384	262,298	37,037	129,477	318,879
OWL House Program				140,300	297,600	449,470	387,700	274,800	292,000	362,600
SAT Review	10,385	12,950	13,870	13,740	11,817	8,480	8,970	13,020	10,330	5,770
Summer Basketball Program	5,300		1,600	9,920	15,820	18,318	22,255		6,633	18,730
Volleyball Clinic Program	4,520	1,650	4,215	2,110	6,365	6,467	7,150		-	4,590
Summer Music Program	3,790	3,810	3,970	5,180	4,840	4,310	4,340		2,090	1,650
Summer Lacrosse Program			6,075		2,135	2,190	14,262		1,745	-
Summer Football Program			3,775	2,840	7,085		2,540		-	-
Summer Basketball, Softball, Soccer Program					1,010	3,960	2,300		3,995	8,935
Laptop Insurance Program	31,165	7,591	17,931	9,815	11,719	47,563	10,000	53,249	7,400	3,530
Wrestling Program							2,130			· <u>-</u>
Operating Grants And Contributions	40,135	42,421	42,240	40,988	41,835	40,043	28,531	38,083	316,581	81,623
Capital Grants And Contributions	<u> </u>			_				· -	· -	•
Total Business Type Activities Program Revenues	637,251	563,030	587,913	719,733	929,879	1,073,953	863,180	417,757	840,496	928,284
Total District Program Revenues	\$ 4,181,273	\$ 7,184,381	\$ 8,795,622	\$ 11,074,818	\$ 12,294,220	\$ 10,450,977	\$ 9,455,508	\$ 12,371,503	\$ 10,453,942	\$ 8,925,863
Net (Expense)/Revenue										
Governmental Activities	\$ (24,337,977)	\$ (25,860,686)	\$ (25,198,279)	\$ (27,530,525)	\$ (28,752,183)	\$ (28,784,755)	\$ (27,831,507)	\$ (28,541,160)	\$ (28,985,848)	\$ (30,414,424)
Business-Type Activities	119,608	52,993	73,503	(4,391)	156,912	273,244	74,346	26,858	154,426	
Business-Type Activities	119,000	32,773	73,303	(4,391)	130,912	213,244		20,838	134,420	(1,514)
Total District-Wide Net Expense	\$ (24,218,369)	\$ (25,807,693)	\$ (25,124,776)	\$ (27,534,916)	\$ (28,595,271)	\$ (28,511,511)	\$ (27,757,161)	\$ (28,514,302)	\$ (28,831,422)	\$ (30,415,938)
General Revenues and Other Changes in Net Position										
General Revenues and Other Changes in Net Position										
Governmental Activities:	0 01 (00 000	0 05 (57 0 0								
Property Taxes Levied For General Purposes	\$ 24,682,977	\$ 25,657,068	\$ 26,475,355	\$ 27,153,268	\$ 27,964,298	\$ 29,025,581	\$ 29,606,050	\$ 30,458,899	\$ 31,068,077	\$ 31,686,602
Property Taxes Levied For Debt Service	778,009	787,036	785,461	787,213	837,113	686,857	718,422	748,889	710,201	729,861
Unrestricted Grants And Contributions	171,905	202,471	207,230	237,825	247,015	213,137	222,527	1,438,996	229,863	236,775
Miscellaneous Income	114,717	204,533	464,024	93,106	113,240	976,834	235,392	170,844	176,233	830,333
Transfers	-		-	(44,630)	-	(35,000)	-	(30,000)	30,000	
Total Governmental Activities	25,747,608	26,851,108	27,932,070	28,226,782	29,161,666	30,867,409	30,782,391	32,787,628	32,214,374	33,483,571
Business-Type Activities:										
Transfers				44.620		25.000		20.000	(20,000)	
Transfers	-		-	44,630	-	35,000	*	30,000	(30,000)	
Tatal Business Turns Assistation				44.620		25.000		20.000	(20.000)	
Total Business-Type Activities	-	_		44,630		35,000		30,000	(30,000)	
Total District-Wide	\$ 25,747,608	\$ 26,851,108	\$ 27,932,070	\$ 28,271,412	\$ 29,161,666	\$ 30,902,409	\$ 30,782,391	\$ 32,817,628	\$ 32,184,374	\$ 33,483,571
Change in Net Position										
Governmental Activities	\$ 1,409,631	\$ 990,422	\$ 2,733,791	\$ 696,257	\$ 409,483	\$ 2,082,654	\$ 2,950,884	\$ 4,246,468	\$ 3,228,526	\$ 3,069,147
Business-Type Activities	119,608	52,993	73,503	40,239	156,912	308,244	74,346	56,858	124,426	(1,514)
× × × ·					,		,			
Total District	\$ 1,529,239	\$ 1,043,415	\$ 2,807,294	\$ 736,496	\$ 566,395	\$ 2,390,898	\$ 3,025,230	\$ 4,303,326	\$ 3,352,952	\$ 3,067,633

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,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
General Fund											
Restricted	\$ 4,678,074	\$ 5,551,415	\$ 7,818,312	\$ 8,361,472	\$ 6,927,299	\$ 8,543,074	\$ 8,617,722	\$ 6,684,680	\$ 8,902,204	\$ 10,106,126	
Committed								1,125,472	918,954	467,668	
Assigned	413,099	609,367	470,855	556,161	1,457,455	814,070	2,495,061	1,461,029	582,751	1,097,062	
Unassigned	282,672	300,908	293,847	324,690	372,292	385,467	356,022	992,585	1,035,921	424,456	
Total General Fund	\$ 5,373,845	\$ 6,461,690	\$ 8,583,014	\$ 9,242,323	\$ 8,757,046	\$ 9,742,611	\$ 11,468,805	\$ 10,263,766	\$ 11,439,830	\$ 12,095,312	
All Other Governmental Funds											
Restricted	\$ 354,787	\$ 92,104	\$ 43,438	\$ 101,087	\$ 70,682	\$ 443,014	\$ 479,865	\$ 501,314	\$ 435,400	\$ 434,373	
Assigned											
Unassigned		_			(215,360)					_	
Total All Other Governmental Funds	\$ 354,787	\$ 92,104	\$ 43,438	\$ 101,087	\$ (144,678)	\$ 443,014	\$ 479,865	\$ 501,314	\$ 435,400	\$ 434,373	

Note 1 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

Source: District financial Statements

100

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.										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Revenues											
Property Tax Levy	\$ 25,460,986	\$ 26,444,104	\$ 27,260,816	\$ 27,940,481	\$ 28,801,411	\$ 29,712,438	\$ 30,324,472		\$ 31,778,278	\$ 32,416,463	
Tuition Charges	73,533	90,416	91,604	72,774	220,039	313,186	224,512	125,387	155,170	105,733	
Transportation Fees						105,254	103,873	57,480	64,619	73,232	
Miscellaneous	127,848	210,633	469,694	97,174	187,437	981,814	257,564	401,195	464,044	1,163,067	
State Sources	3,260,737	3,792,301	4,198,098	4,648,254	5,216,756	5,853,088	6,226,259	8,658,030	9,277,458	9,733,416	
Federal Sources	359,209	389,754	480,054	465,085	460,578	466,710	442,160	721,573	1,188,255	750,279	
Total Revenue	29,282,313	30,927,208	32,500,266	33,223,768	34,886,221	37,432,490	37,578,840	41,171,453	42,927,824	44,242,190	
Expenditures											
Instruction											
Regular Instruction	10,903,123	12,237,361	11,750,046	12,667,281	13,985,619	13,443,145	13,304,676	14,426,466	15,999,490	15,499,725	
Special Education Instruction	3,990,586	4,046,856	4,004,274	4,303,216	4,701,184	5,042,278	4,242,725	4,492,557	5,399,026	6,090,538	
Other Instruction	628,631	595,649	641,859	766,248	1,007,880	1,129,060	1,218,806	1,091,908	1,152,147	1,363,080	
School Sponsored Activities and Athletics	841,350	930,811	938,573	1,003,488	1,077,787	1,096,557	993,325	1,153,148	1,397,825	1,389,944	
Support Services:											
Student and Inst. Related Services	5,048,402	5,096,509	5,623,822	5,867,529	6,322,294	6,743,896	7,487,233	7,798,573	8,628,951	9,010,779	
General Administration	660,286	719,271	686,758	819,134	742,073	690,816	816,017	875,959	729,862	736,920	
School Administrative Services	1,287,362	1,732,226	1,522,189	1,436,618	1,676,265	1,542,694	1,554,386	1,639,070	1,648,547	1,750,002	
Central Services and Info. Technology	659,561	720,674	653,942	683,129	729,267	765,023	794,037	859,988	948,602	889,985	
Plant Operations And Maintenance	2,036,240	2,048,448	2,083,979	2,356,120	2,255,943	2,838,035	2,484,157	2,816,955	2,808,502	2,847,574	
Student Transportation	638,926	570,464	525,229	554,281	630,751	718,416	531,840	411,497	646,313	768,965	
Capital Outlay	2,189,873	747,393	791,077	906,574	1,094,574	4,380,991	1,794,971	2,033,669	1,445,490	2,205,753	
Debt Service:											
Principal	2,397,269	1,285,536	976,935	1,001,016	1,142,036	834,016	855,114	4,476,604	897,316	913,499	
Interest and Other Charges	406,889	387,153	369,372	278,629	251,590	224,832	295,564	248,649	145,603	120,971	
Advance Refunding Escrow		-		49,772				<u> </u>	-		
Total Expenditures	31,688,498	31,118,351	30,568,055	32,693,035	35,617,263	39,449,759	36,372,851	42,325,043	41,847,674	43,587,735	
Excess (Deficiency) of Revenues											
Over (Under) Expenditures	(2,406,185)	(191,143)	1,932,211	530,733	(731,042)	(2,017,269)	1,205,989	(1,153,590)	1,080,150	654,455	

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Capital Lease / Lease Purchase Proceeds (Non-Budgeted)	\$ 116,159	\$ 1,016,305	\$ 140,447							
Bond Proceeds										
Capital Note Proceeds						\$ 3,598,000				
Premium on Capital Note						27,526	29,185			
Permanently Financed Project Note	1,400,000									
Refunding Bond Proceeds				5,135,000						
Premium on Refunding Bonds										
Payment to Refunded Escrow Agent				(5,085,228)						
Transfers In	1,816,612			181,083	-	27,526	71,145	2,427,963	30,000	-
Transfers Out	(1,816,612)	-		(44,630)		(62,526)	(71,145)	(2,457,963)		_
Total Other Financing Sources (Uses)	1,516,159	1,016,305	140,447	186,225		3,590,526	29,185	(30,000)	30,000	
Net Change in Fund Balances	\$ (890,026)	\$ 825,162	\$ 2,072,658	\$ 716,958	\$ (731,042)	\$ 1,573,257	\$ 1,235,174	\$ (1,183,590)	\$ 1,110,150	\$ 654,455
Debt Service as a Percentage of										
Noncapital Expenditures	9.51%	5.51%	4.52%	4.03%	4.04%	3.02%	3,33%	11.73%	2.58%	2,50%
Proficapital Experiences	7.31/0	3.31/0	4.32/0	4,0370	4.0476	3.0270	3.3370	11./3/0	2.3070	2,3076

^{*} 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)

Fiscal Year Ended June 30	<u>Tuition</u>	Interest on <u>Deposits</u>	Refunds / Voided <u>Checks</u>	Admission Receipts for <u>Sports</u>	Rentals / Use of <u>Facilities</u>	Energy <u>Credits</u>	Sale of <u>Computers</u>	Transportation <u>Fees</u>	<u>Other</u>	<u>Total</u>
2014	\$ 73,533	\$ 38,066	6,163	\$ 5,813	\$ 8,640	\$ 23,5	98	\$ 1,540	\$ 30,897	\$ 188,250
2015	90,416	13,833	3 14,622	29,833		89,3	39		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		342,4	82 356,838	3 105,254	38,406	1,395,274
2020	224,512	158,073	49,147	7,741	11,350			103,873	9,081	563,777
2021	125,387	30,375	120,599			19,2	28	57,480	642	353,711
2022	155,170	36,045	92,362			21,6	25	64,619	26,201	396,022
2023	105,733	490,921	-			15,0	21 272,000	73,232	52,391	1,009,298

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	Name of the last o	Commercial	 Industrial	 Apartment	To	al Assessed Value	_ Pu	blic Utilities	Net \	Valuation Taxable	timated Actual ounty Equalized) Value	Total Direct School Tax Rate ^a
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
2020	10,637,900	1,396,037,600		169,405,800	3,815,600	19,792,100		1,599,689,000		1,377,677		1,601,066,677	1,876,885,270	1.922
2021	19,702,100	1,397,339,015		138,305,800	3,815,600	19,792,100		1,578,954,615		1,394,583		1,580,349,198	1,845,042,027	1.993
2022	19,072,000	1,394,015,215		138,305,800	3,815,600	19,792,100		1,575,000,715		1,346,005		1,576,346,720	1,914,325,769	2.037
2023	18.851.300	1.394.277.603		135,186,800	3.815.600	19.792.100		1.571.923.403		1.346.005		1.573.269.408	2.136.107.872	2.096

Source: County Abstract of Ratables

104

a Tax rates are per \$100

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

Total Direct Rate **Overlapping Rates Total Direct** Local and Overlapping School Municipality County of Calendar **Year District** Park Ridge **Bergen** Tax Rate 2014 \$0.560 \$2.431 \$1.619 \$0.252 2.500 2015 1.672 0.565 0.263 2016 1.740 0.581 0.287 2.608 2017 1.783 0.619 0.300 2.702 0.284 2.767 2018 1.833 0.650 2.844 2019 1.877 0.685 0.282 1.922 0.288 2020 0.716 2.926 1.993 0.294 3.020 2021 0.733 2022 3.089 2.037 0.760 0.292 2023 2.096 0.764 0.325 3.185

Source: Park Ridge Borough Tax Collector

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

	202	23	201	4
	Taxable	% of Total	 Taxable	% of Total
	Assessed	District Net	Assessed	District Net
Taxpayer	 Value	Assessed Value	 Value	Assessed Value
Park Ridge Health Care Properties, LLC	\$ 18,750,000	1.19%		
Hertz Corp.			\$ 33,985,200	2.12%
Sony Corp.			30,000,000	1.87%
SA Park Ridge LLC			24,000,000	1.50%
225 Brae, LLC NJ	16,410,000	1.04%		
Sartak Holdings Inc	15,400,000	0.98%	20,850,000	1.30%
JLM Park Ridge LLC (Marriott)	9,300,000	0.59%	12,000,000	0.75%
Landmark AR Park Ridge, LLC	10,000,000	0.64%		
Park Ridge Hye Partners			7,410,600	0.46%
Ridge Manor Apts. LLC	4,730,000	0.30%	4,041,100	0.25%
Park Ridge Hye Partners	4,676,500	0.30%		
PR III / CP Park Ridge Urb Ren LLC	4,181,800	0.27%		
PRAH Associates LLC	3,715,500	0.24%		
Erich Uhlmann	-	0.00%	3,271,700	0.20%
Park Ridge Terrace Apts LLC	3,271,700	0.21%	3,036,400	0.19%
S/K Park Ridge Assoc.	 -	<u>0.00%</u>	 2,800,000	<u>0.17%</u>
	\$ 90,435,500	<u>5.75</u> %	\$ 141,395,000	<u>8.83</u> %

SOURCE: Tax Assessor's records

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

Fiscal		Collected within	the Fiscal Year	
Year		of the I	Levy	Collections in
Ended	Taxes Levied for		Percentage	Subsequent
_June 30,	the Fiscal Year	Amount	of Levy	Years
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%	
2020	30,324,472	30,324,472	100%	
2021	31,207,788	31,207,788	100%	
2022	31,778,278	31,778,278	100%	
2023	32,416,463	32,416,463	100%	

Source: District records

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

	Governmental Activities							Business-Type Activities						
Fiscal Year Ended June 30,	General Obligation Bonds	Capital Financing Agreements		er Financing greements		apital Notes		Leases Payable	T	otal District	Population	<u>.</u>	P	er Capita
2014	\$ 11,370,000	\$ 54,614	\$	326,891					\$	11,751,505	8,795		\$	1,336
2015	10,690,000	30,045		762,229						11,482,274	8,812			1,303
2016	9,995,000	142,633		508,153						10,645,786	8,800			1,210
2017	9,751,000	115,693		254,077						10,120,770	8,797			1,150
2018	8,891,000	87,734								8,978,734	8,756			1,025
2019	8,086,000	58,718			\$	3,598,000				11,742,718	8,695			1,351
2020	7,261,000	28,604				3,598,000				10,887,604	8,633			1,261
2021	6,411,000						\$	176,599		6,587,599	9,434			698
2022	5,546,000	83,065						145,188		5,774,253	9,426	*		613
2023	4,666,000	49,566						111,906		4,827,472	9,426	*		512

Source: District records

108

^{*} Estimated

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	De	ductions	В	Vet General onded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2014	\$ 11,370,000			\$	11,370,000	0.71%	1,293
2015	10,690,000				10,690,000	0.67%	1,213
2016	9,995,000	\$	2,001		9,992,999	0.63%	1,136
2017	9,751,000		72,683		9,678,317	0.61%	1,100
2018	8,891,000		70,682		8,820,318	0.55%	1,007
2019	8,086,000		27,526		8,058,474	0.50%	927
2020	7,261,000		29,186		7,231,814	0.45%	838
2021	6,411,000		29,189		6,381,811	0.40%	676
2022	5,546,000		3		5,545,997	0.35%	588
2023	4,666,000		1		4,665,999	0.30%	495

Source: District records

PARK RIDGE BOARD OF EDUCATION COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT FOR YEAR ENDED DECEMBER 31, 2022

(Unaudited)

MUNICIPAL DEBT (1)	
Park Ridge Board of Education (as of June 30, 2023)	\$ 4,666,466
Borough of Park Ridge	 23,261,497
Total Direct Debt	 27,927,963
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Bergen County: (2) and (3)	
County of Bergen (A)	14,838,118
Bergen County Utilities Authority-Waste Water (B)	 2,111,950
Total Overlapping Debt	 16,950,068
Total Direct and Overlapping Debt	\$ 44,878,031

- (A) The debt for this entity was apportioned by dividing the Municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Park Ridge 2022 Annual Debt Statement
- (2) BCUA 2022 Audit
- (3) Bergen County 2022 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2020	\$ 1,864,439,394
2021	1,903,272,197
2022	2,116,936,445
	\$ 5,884,648,036
Average equalized valuation of taxable property	\$ 1,961,549,345
Debt limit (4 % of average equalization value)	78,461,974
Total Net Debt Applicable to Limit	4,666,466
Legal debt margin	\$ 73,795,508

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 70,744,383	\$ 70,099,412	\$ 71,403,481	\$ 72,958,750	\$ 73,440,804	\$ 73,173,975	\$ 73,560,456	\$ 74,404,457	\$ 75,175,043	\$ 78,461,974
Total Net Debt Applicable to Limit	11,370,713	10,690,713	9,995,713	9,751,713	12,490,179	11,684,466	10,859,466	6,411,466	5,546,466	4,666,466
Legal Debt Margin	\$ 59,373,670	\$ 59,408,699	\$ 61,407,768	\$ 63,207,037	\$ 60,950,625	\$ 61,489,509	\$ 62,700,990	\$ 67,992,991	\$ 69,628,577	\$ 73,795,508
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.07%	15.25%	14.00%	13.37%	17.01%	15.97%	14.76%	8.62%	7.38%	5.95%

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)

Year Ended December 31,	Unemployment <u>Rate</u>	County Per Capita <u>Income</u>	<u>Population</u>
2014	4.90%	\$ 73,883	8,795
2015	4.00%	77,323	8,812
2016	3.80%	78,836	8,800
2017	3.60%	81,024	8,797
2018	3.60%	85,191	8,756
2019	3.20%	88,241	8,695
2020	2.60%	91,972	8,633
2021	8.40%	97,343	9,434
2022	5.50%	97,343 (E)	9,426 (E)
2023	3.20%	97,343 (E)	9,426 (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)

		2023	2	2014
		Percentage of		Percentage of
		Total Municipal		Total Municipal
Employer	Employees	Employment	Employees	Employment

INFORMATION NOT AVAILABLE

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Instruction										
Regular	141	141	138	139	139	138	141	141	142	143
Special Education	48	49	53	51	51	51	51	52	52	52
Other Instruction	7	6	5	7	7	7	7	7	7	7
Support Services:										
Student and Instruction Related Services	13	11	11	11	9	9	9	9	9	9
General Administration	5	5	5	5	5	5	5	5	5	5
School Administrative Services	12	12	12	12	14	14	14	14	14	14
Other Administrative Services	6	6	7	7	7	7	7	7	7	7
Central Services	6	6	9	9	9	9	9	9	9	9
Plant Operations And Maintenance	15	15	15	15	16	16	16	16	16	16
Child Care (EXTRA's)	8	8	8	8	8	8	. 8	8	8	8
Total	261	259	263	264	265	264	267	268	269	270

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating xpenditures	Cost	t Per Pupil	Percentage Change	Teaching Staff	Elementary	Junior/Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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	33,129,063		26,803	-2.51%	138	1:8	1:9	1,214	1,164	2.45%	95.88%
2020	1,245	33,427,202		26,849	0.17%	141	1:8	1:9	1,232	1,200	1.48%	97.40%
2021	1,229	35,566,121		28,939	7.78%	141	1:9	1:10	1,227	1,157	-0.41%	94.30%
2022	1,241	39,359,265		31,716	9.59%	142	1:9	1:10	1,202	1,141	-2.04%	94.93%
2023	1,216	40,347,512		33,181	4.62%	143	1:9	1:10	1,181	1,126	-1.75%	95.34%

Sources: District records

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

District Building Elementary East Brook Square Feet Square Fee		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Square Feet 31,675 31,67											
Square Feet 31,675 31,878 Compare High 200 32,605 32,605 32,605 32,605 32,605 32,605 32,605 32,605 32,605 32,605											
Capacity (students) 388 388 388 388 388 388 388 388 388 38											
Enrollment 360 360 360 360 360 360 360 360 360 360 320 318 318	1								•		
Number of Schools at June 30, 2023 Square Feet Squar											
Square Feet 32,605 407	Enrollment	360	360	360	360	360	360	360	320	318	318
Square Feet 32,605 407	West Ridge										
Enrollment 365 365 365 365 365 365 365 365 365 365 365 365 350 322 322	Square Feet	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605	32,605
Square Feet 93,253 93,25	Capacity (students)	407	407	407	407	407	407	407	407	407	407
Square Feet 93,253 93	Enrollment	365	365	365	365	365	365	365	350	322	322
Capacity (students) 584	Junior / Senior High School										
Capacity (students) 584	Square Feet	93,253	93,253	93.253	93.253	93.253	93.253	93.253	93.253	93.253	93.253
Enrollment 590 590 590 590 590 590 590 590 670 549 549 Other Board Office - Square Feet Trailers - Square Feet 1,850 1,850 1,850 1,850 1,850 1,850 1,850 1,850 1,850 2,800 2											
Board Office - Square Feet 1,850		590	590	590	590	590	590	590	670	549	549
Board Office - Square Feet 1,850	Other										
Trailers - Square Feet 1,850 2,800											
Square Feet 2,800		1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Elementary = 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Square Feet	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	
Elementary = 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Number of Schools at June 30, 2023										
Junior / Senior High School = 1 1 1 1 1 1 1 1 1 1 1 1		2	2	2	2	2	2	2	2	2	2
	•	1		1	1	1	1	1	1	1	1
Other = 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Other =	2	2	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

	Project # (s)	_	2014		2015	_	2016	 2017	 2018	_	2019	 2020		2021	 2022		2023
*School Facilities																	
East Brook Elementary School	201530	\$	69,061	\$	70,375	\$	65,553	\$ 73,181	\$ 72,702	\$	129,281	\$ 87,447	\$	176,376	\$ 85,204	\$	74,794
West Ridge Elementary School	201529		76,809		66,248		61,709	90,684	86,407		105,226	65,829		139,390	97,748		79,513
High School	201531		216,802		226,572		212,076	288,802	277,395		391,935	405,612		382,733	346,304		368,061
District-Wide			-	_	_		-	 •	 -		-	 -	_	-	 	_	-
Total School Facilities		\$	362,672	\$	363,195	\$	339,338	\$ 452,667	\$ 436,504	\$	626,442	\$ 558,888	\$	698,499	\$ 529,256	\$	522,368

^{*}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, 2023 (Unaudited)

	Coverage	<u>Deductible</u>
School Package Policy - National Union Blanket Building & Contents General Liability	\$ 52,010,660	\$ 5,000 * 2,500 *
General Aggregate Products Completed Operations Personal and Advertising Injury Each Occurrence Fire Legal Liability Medical Expense	2,000,000 2,000,000 1,000,000 1,000,000 1,000,000 5,000	
Flood - Other than Zone A Flood - Zone A	5,000,000 1,000,000	50,000 500,000
Commercial Auto Policy - National Union	1,000,000	1,000 * (Comp/Collision)
Umbrella Liability Policy - National Union Umbrella Liability Policy - Allied World/Hudson Evanston	9,000,000 30,000,000	
Excess Umbrella Liability Policy - Firemen's Fund	25,000,000 (Shared limit among all Boards)	
Boiler & Machinery - National Union	52,010,660	5,000 *
Public Official Bonds - RLI Surety Business Administrator/Board Secretary/Treasurer	260,000	
Environmental Impairment Liability - Market	20,000,000 (Group Aggregate)	
Each Impairment: Aggregate Limit per Named Insured: Mold Deductible:	2,000,000 4,000,000	25,000 50,000
School Board Legal Liability - Greenwich Employment Related Practices Deductible: School Board Legal Deductible	1,000,000	20,000 10,000
Crime - National Union Employee Dishonesty includes Faithful Performance Forgery & Alteration	500,000 250,000	5,000 5,000
Computer Fraud & Funds Transfer Fund	250,000	5,000
Workers' Compensation Safety National BI by Accident - Each Accident: BI by Disease - Each Employee: BI by Disease - Policy Limit: Employers Liability Retained Limit:	1,000,000 1,000,000 1,000,000 500,000	
Cyber Liability Policy - Cowbell/National Specialty Policy Aggregate: Security Breach Expense: Security Breach Liability: Computer & Funds Transfer Fraud: Public Relations: Business Interruption: Ransom Payments: Cyber Extortion: Social Engineering:	1,000,000 1,000,000 1,000,000 1,000,000 50,000 1,000,000 1,000,000 50,000	25,000 25,000 25,000 25,000 6 hours 25,000 25,000 25,000

^{*} Note: GI Deductible \$10,000 - NESBIG pays \$7,500, BOE pays \$2,500 Property/Boiler Deductible \$25,000 - NESBIG pays \$20,000, BOE pays \$5,000 Auto Deductible \$10,000 - NESBIG pays \$7,500, BOE pays \$2,500

Source: Park Ridge School District records.

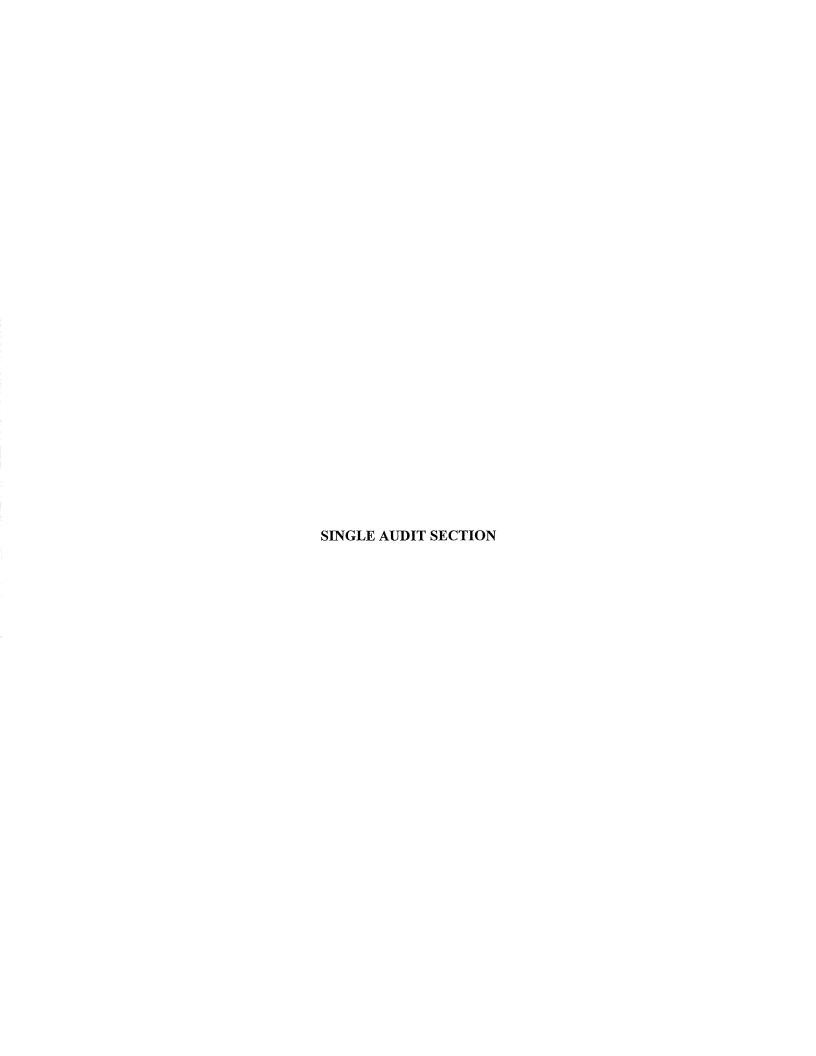


EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA GARY J. VINCI, CPA, RMA, PSA JEFFREY C. BLISS, CPA, RMA, PSA PAUL J. LERCH, CPA, RMA, PSA JULIUS B. CONSONI, CPA, PSA ANDREW D. PARENTE, CPA, RMA, PSA ELIZABETH A. SHICK, CPA, RMA, PSA ROBERT W. HAAG, CPA, RMA, PSA DEBRA GOLLE, CPA MARK SACO, CPA ROBERT LERCH, CPA, PSA CHRISTOPHER M. VINCI, CPA, PSA CHRISTINA CUIFFO, CPA, PSA JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in <u>Government Auditing Standards</u> 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, 2023 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 February 26, 2024.

Report on 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) as a basis for designing 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 <u>deficiency in internal control</u> 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 <u>material weakness</u> 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 <u>significant deficiency</u> 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.

Report on 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 financial statements. 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 <u>Government Auditing Standards</u> 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 <u>Government Auditing Standards</u> 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 February 26, 2024.

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 <u>Government Auditing Standards</u> in considering the Park Ridge Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

LERCH, Vinci & Bliss CCP

Jeffrey C. Bliss

Public School Accountant PSA Number CS00932

Fair Lawn, New Jersey February 26, 2024

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA GARY J. VINCI, CPA, RMA, PSA JEFFREY C. BLISS, CPA, RMA, PSA PAUL J. LERCH, CPA, RMA, PSA JULIUS B. CONSONI, CPA, PSA ANDREW D. PARENTE, CPA, RMA, PSA ELIZABETH A. SHICK, CPA, RMA, PSA ROBERT W. HAAG, CPA, RMA, PSA DEBRA GOLLE, CPA MARK SACO, CPA ROBERT LERCH, CPA, PSA CHRISTOPHER M. VINCI, CPA, PSA CHRISTINA CUIFFO, CPA, PSA JOHN CUIFFO, CPA, PSA

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Park Ridge Board of Education's compliance with the types of compliance requirements identified as subject to audit in the <u>U.S. Office of Management and Budget (OMB) Compliance Supplement</u> and the <u>New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement</u> that could have a direct and material effect on each of the Park Ridge Board of Education's major federal and state programs for the fiscal year ended June 30, 2023. The Park Ridge Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Park Ridge Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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 <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. <u>Code of Federal Regulations Part 200</u>, <u>Uniform Administrative Requirements</u>, <u>Cost Principles</u>, and <u>Audit Requirements for Federal Awards</u> (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, <u>Single Audit Policy for Recipients of Federal Grants</u>, <u>State Grants and State Aid</u>. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Park Ridge Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Park Ridge Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Park Ridge Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Park Ridge Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Park Ridge Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, <u>Government Auditing Standards</u>, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Park Ridge Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Park Ridge Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Park Ridge Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

A <u>deficiency in internal control over compliance</u> 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 federal or state program on a timely basis. A <u>material weakness in internal control over compliance</u> is a deficiency, or combination of deficiencies, in internal control over compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. <u>A significant deficiency in internal control over compliance</u> is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. 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 Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park Ridge Board of Education, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 26, 2024, 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 federal awards as required by the U.S. Uniform Guidance and 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 federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, Vivei & Bliss, CLP

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

Jeffrey C. Bliss

Public School Accountant PSA Number CS00932

Fair Lawn, New Jersey February 26, 2024

PARK RIDGE BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Federal				Balance, Jun	e 30, 2022	Accounts Rec	Unearned Rev			Balance, Jun	e 30, 2023	Memo
	AL Number	FAIN Number	Grant Period	Award Amount	(Account Receivable)	Unearned Revenue	Carryover Amount	Carryover Amount	Cash Received	Budgetary Expenditures	(Account <u>Receivable)</u>	Unearned Revenue	GAAP Receivable
U.S. Department of Education Passed-through State Department of Education			garan kepindan dan				Control of the Contro						
National School Lunch Program	10.555	221311204311000	7/1/21-6/30/22	\$ 288,992	\$ (20,289)				\$ 20,289				
Cash Assistance Cash Assistance	10.555 10.555	221NJ304N1099 231NJ304N1099	7/1/22-6/30/23	16,519	\$ (20,289)				15,399		\$ (1,120)		\$ (1,120)
COVID Supply Chain Assistance Grant Non-Cash Assistance (Food Distribution)		231NJ344N8903 231NJ304N1099	7/1/22-6/30/23 7/1/22-6/30/23	39,288 8,400					39,288 8,400	39,288 8,400	-		-
Special Milk Program	10.556	231NJ304N1099	7/1/22-6/30/23	9,804					9,265	9,804	(539)		(539)
Special Milk Program	10,556	221NJ304N1099	7/1/21-6/30/22	8,372	(774)				774				
Total U.S. Department of Agriculture					(21,063)	-		-	93,415	74,011	(1,659)		(1,659)
U.S. Department of Education													
Passed-through State Department of Education		~											
I.D.E.A. Part B, Basic I.D.E.A. Part B, Basic	84.027A 84.027A	H027A210100 H027A200100	7/1/21-9/30/22 7/1/22-9/30/23	321,418 325,369	(66,101)	\$ 36,950	\$ 36,950 (36,950)	\$ (36,950) 36,950	29,151 290,983	313,945	(71,336)	48,374	(22,962)
American Rescue Plan - I.D.E.A. Part B, Basic	84.027X	H027A210100	7/1/21-9/30/22	63,520	(10,342)	6,842	(50,550)	30,730	10,342	6,842	- (71,550)	- 40,574	-
I.D.E.A. Part B, Preschool	84.173A	H173 A210114	7/1/21-9/30/22	21,308	(1,002)	1,002	1,002	(1,002)	22.676	22 575	-	-	-
I.D.E.A. Part B, Preschool	84.173A	H173A200114	7/1/22-9/30/23	22,573	-		(1,002)	1,002	23,575	23,575			
Total Special Education Cluster IDEA					(77,445)	44,794		_	354,051	344,362	(71,336)	48,374	(22,962)
Title III	84.365	S365A210030	7/1/21-9/30/22	4,594	(2,537)	2,000	2,000	(2,000)	537		-		-
Title III	84.365	S365A210030	7/1/22-9/30/23	3,920			(2,000)	2,000	3,455	4,150	(2,465)	1,770	(695)
Total Title III					(2,537)	2,000	-	-	3,992	4,150	(2,465)	1,770	(695)
Title IV	84.424	S424A210031	7/1/21-9/30/22	10,000	(120)	-			120 9,819	10,000	(101)	-	- (101)
Title IV	84.424	S424A200031	7/1/22-9/30/23	10,000					9,819	10,000	(181)	-	(181)
Title I Title I	84.010 84.010	S010A210030 S010A200030	7/1/21-9/30/22 7/1/22-9/30/23	77,553 65,866	(11,314)	-			11,314 57,395	65,366	(8,471)	500	(7,971)
Title II - Part A	84.367A	S367A210029	7/1/21-9/30/23	14,740	(6,749)	6,749	6,749	(6,749)	31,393	05,500	(0,4/1)	-	(7,971)
Title II - Part A	84.367A	S367A200029	7/1/22-9/30/23	16,545			(6,749)	6,749	6,850	7,932	(16,444)	15,362	(1,082)
Total ESEA Programs					(20,720)	8,749	_	-	89,490	87,448	(27,561)	17,632	(9,929)
Elementary and Secondary School Emergency Relief Fund (ESSER):													
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	299,745	(77,647)	17,497			60,150		(17,497)	17,497	-
ESSER II - Learning Acceleration American Rescue Plan (ARP) - ESSER III	84.425D 84.425U	S425D200027 S425U210027	3/13/20-9/30/23 3/13/20-9/30/24	25,000 673,658	(662) (673,658)	662 595,002			458 176,711	662 98,055	(204) (496,947)	- 496,947	(204)
American Rescue Plan (ARP) - ESSER III American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U 84.425U	S425U210027 S425U210027	3/13/20-9/30/24	102,317	(673,638)	101,997			176,711	25,407	(84,700)	76,590	(8,110)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			27,850	27,850	(12,150)	12,150	-
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U 84.425U	S425U210027 S425U210027	3/13/20-9/30/24 3/13/20-9/30/24	40,000 45,000	(40,000) (45,000)	30,973	_	_	29,723 45,000	24,027	(10,277)	6,946	(3,331)
American rescue rian (Arr) - 101 33 intendi ricann Support Statting	04.44JU	34230210027	3113140-7130144	45,000	(43,000)	-			45,000		-		
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(979,284)	786,131	-	-	357,509	176,001	(621,775)	610,130	(11,645)

PARK RIDGE BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Federal				Balance, Ju-	ne 30, 2022	Accounts Rec	Unearned Rev			Balance, Ju	ne 30, 2023	Memo
	AL <u>Number</u>	FAIN <u>Number</u>	Grant <u>Period</u>	Award <u>Amount</u>	(Account <u>Receivable)</u>	Unearned <u>Revenue</u>	Carryover Amount	Carryover Amount	Cash <u>Received</u>	Budgetary Expenditures	(Account <u>Receivable)</u>	Unearned <u>Revenue</u>	GAAP <u>Receivable</u>
Additional or Compensatory Special Education and Related Services Additional or Compensatory Special Education and Related Services	21.027 21.027	SLFRFDOE1SES SLFRFDOE1SES	7/1/21-6/30/22 7/1/22-6/30/23	\$ 209,757 125,700		-		-	\$ 104,822 62,683	\$ 125,700	\$ (63,017)	-	\$ (63,017)
Total ACSERS					(104,822)		-	-	167,505	125,700	(63,017)		(63,017)
Total U.S. Department of Education - Special Revenue Fund					\$ (1,182,271)	\$ 839,674	\$ -	\$	968,555	733,511	(783,689)	\$ 676,136	(107,553)
General Fund U.S Department of Homeland Security FEMA - Public Assistance Grants - Hurricane IDA	97.036	N/A	N/A	10,463					10,463	10,463			
Total U.S. Department of Homeland Security - General Fund						_			10,463	10,463			
U.S Department of Health and Human Services Special Ed. Medicaid Reimbursement	93.778	2005NJ5MAP	7/1/22-6/30/23	6,305					6,305	6,305			<u></u>
Total U.S. Department of Health and Human Services - General Fund					_			-	6,305	6,305	_		
Total General Fund								-	16,768	16,768			
Total Federal Financial Assistance					\$ (1,203,334)	\$ 839,674	<u>\$</u>	\$ -	\$ 1,078,738	\$ 824,290	\$ (785,348)	\$ 676,136	\$ (109,212)

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

PARK RIDGE BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		FOR THE P	ISCAL TEAR ENDED	30NE 30, 2023				Balance, Jun	ne 30, 2023	М	emo
State Grantor/Program Title	Grant or State Project Number	Grant <u>Period</u>	Award <u>Amount</u>	Balance, July 1, 2022	Cash <u>Received</u>	Budgetary <u>Expenditures</u>	Refund of Prior Years' Balances	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund											
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 886,177	\$ (61,434) \$	61,434						
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,108,291	3 (01,757) 3	1,036,865	\$ 1,108,291		\$ (71,426)			\$ 1,108,291
Security Aid	22-495-034-5120-089	7/1/21-6/30/22	59,165	(4,101)	4,101	1,100,251		(71,120)			- 1,100,271
Security Aid	23-495-034-5120-089	7/1/22-6/30/23	59,165	-	55,352	59,165	_	(3,813)	_	_	59,165
Total State Aid Public Cluster			,	(65,535)	1,157,752	1,167,456	-	(75,239)	-	-	1,167,456
Lead Testing for Schools Aid	23-495-034-5120-495	7/1/22-6/30/23	3,340		3,340	3,340					3,340
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	99,501	(6,898)	6,898						-
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	99,501		93,089	99,501		(6,412)			99,501
Extraordinary Aid	22-495-034-5120-014	7/1/21-6/30/22	501,057	(501,057)	501,057						-
Extraordinary Aid	23-495-034-5120-014	7/1/22-6/30/23	518,560		-	518,560		(518,560)			518,560
School Security Grant	22E00117	9/1/21-8/31/22	66,603	(66,603)	66,603			-		-	
On-Behalf TPAF Pension Benefits	23-495-034-5094-002	7/1/22-6/30/23	5,030,604		5,030,604	5,030,604					5,030,604
On-Behalf TPAF - Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	69,794		69,794	69,794					69,794
On-Behalf TPAF - Post Retirement Medical Contributions	23-495-034-5094-001	7/1/22-6/30/23	1,339,862		1,339,862	1,339,862					1,339,862
On-Behalf TPAF - Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	1,611		1,611	1,611		/·-\			1,611
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,061,833		1,009,120	1,061,833		(52,713)		\$ (52,713)	1,061,833
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	1,018,031	(51,281)	51,281						-
Total General Fund State Aid				(691,374)	9,331,011	9,292,561		(652,924)		(52,713)	9,292,561
Special Revenue Fund											
Nonpublic Handicapped Services											
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	48,355	22,755			22,755				-
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	52,496		52,496	21,614			\$ 30,882		21,614
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	10,230	5,078			5,078				. -
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	10,602		10,602	6,603			3,999		6,603
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	19,824	5,947			5,947				-
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	15,529		15,529	10,986			4,543		10,986
Total Handicapped Services (Chapter 193 Cluster)				33,780	78,627	39,203	33,780	-	39,424	-	39,203
Nonpublic Auxiliary Services											
Comp Education	22-100-034-5120-067	7/1/21-6/30/22	27,770	4,927			4,927				-
Comp Education	23-100-034-5120-067	7/1/22-6/30/23	36,568		36,568	32,515	-		4,053		32,515
N.J. Nonpublic Aid											
Nonpublic Textbooks	23-100-034-5120-064	7/1/22-6/30/23	5,478	-	5,478	5,294			184		5,294
Nonpublic Nursing	23-100-034-5120-070	7/1/22-6/30/23	21,504	-	21,504	21,504			-		21,504
Nonpublic Nursing	22-100-034-5120-070	7/1/21-6/30/22	23,744	7			7				-
Nonpublic Security	23-100-034-5120-084	7/1/22-6/30/23	39,360	-	39,360	39,360			-		39,360
Nonpublic Security	22-100-034-5120-084	7/1/21-6/30/22	37,100	50			50			-	-
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	3,486	-	3,486	3,486	-	-	-	-	3,486
		011 for 11-1-1-			-m	****					<i></i>
SDA Emergent Needs and Capital Maintenance Grant		7/1/22-6/30/23	57,547	-	57,547	57,547		-			57,547
Total Special Revenue Fund				38,764	242,570	198,909	38,764	-	43,661		198,909
Debt Service Fund											
	23-495-034-5120-125	2/1/22 //20/22	2(0.((2		268,667	268,667					268,667
Type II Debt Service Aid	23-495-034-5120-125	7/1/22-6/30/23	268,667		268,667	268,667					268,667
Total Debt Service Fund					268,667	268,667			-		268,667
State Department of Agriculture											
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	6,805	(467)	467	-		-		-	-
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	808		750	808	-	(58)		(58)	808
				(467)	1,217	808	-	(58)		(58)	808
Total State Financial Assistance Subject to Single Audit Determ	nination			(653,077)	9,843,465	9,760,945	38,764	(652,982)	43,661	(52,771)	9,760,945

PARK RIDGE BOARD OF EDUCATION SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

								Balance, Jur	ne 30, 2023	IV	1emo
State Grantor/Program Title	Grant or State <u>Project Number</u>	Grant <u>Period</u>	Award Amount	Balance, July 1, 2022	Cash <u>Received</u>	Budgetary Expenditures	Refund of Prior Years' <u>Balances</u>	(Accounts Receivable)	Due to Grantor	GAAP <u>Receivable</u>	Cumulative Total Expenditures
State Financial Assistance Not Subject to Major Program Determination General Fund											
On-Behalf TPAF Pension Benefits	23-495-034-5094-002	7/1/22-6/30/23	5,030,604		\$ (5,030,604)	\$ (5,030,604)					\$ (5,030,604)
On-Behalf TPAF - Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	69,794		(69,794)	(69,794)					(69,794)
On-Behalf TPAF - Post Retirement Medical Contributions	23-495-034-5094-001	7/1/22-6/30/23	1,339,862		(1,339,862)	(1,339,862)					(1,339,862)
On-Behalf TPAF - Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	1,611		(1,611)	(1,611)	-				(1,611)
Total State Financial Assistance Subject to Major Program	Determination		<u> </u>	(653,077)	\$ 3,401,594	\$ 3,319,074	38,764	\$ (652,982)	\$ 43,661	\$ (52,771)	\$ 3,319,074

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, 2023

NOTE 1 REPORTING ENTITY

The Park Ridge Board of Education (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

NOTE 4 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 \$26,721 for the general fund and an increase of \$10,000 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

		<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	16,768	\$ 9,265,840	\$ 9,282,608
Special Revenue Fund		733,511	198,909	932,420
Debt Service Fund			268,667	268,667
Food Service Fund		74,011	 808	 74,819
Total Financial Assistance	<u>\$</u>	824,290	\$ 9,734,224	\$ 10,558,514

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, 2023

NOTE 5 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 6 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 \$1,061,833 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$5,100,398, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,339,862 and TPAF Long-Term Disability Insurance in the amount of \$1,611 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 8 DE MINIMIS INDIRECT COST RATE

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

PARK RIDGE BOARD OF EDUCATION SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued:		Unmodified	
Internal control over financial reporting:			
1) Material weakness(es) identified?		yes	Xno
2) Significant deficiencies identified that are not to be material weaknesses?	considered	yes	X none reported
Noncompliance material to the basic financial statements noted?		yes	Xno
Federal Awards Section			
Internal Control over major programs:			
1) Material weakness(es) identified?		yes	Xno
2) Significant deficiencies identified that are not to be material weaknesses?	considered	yes	X none reported
Type of auditors' report on compliance for major	r programs:	Unmodified	
Any audit findings disclosed that are required to in accordance with U.S. Uniform Guidance?	be reported	yes	Xno
Identification of major federal programs:			
AL Number(s):	FAIN Number:	Name of Federal Pro	ogram or Cluster:
84.027A 84.027X 84.173A	H027A210100 H027X210100 H173A210114	Part B Basic and ID	an - Individuals with Disabilities
Dollar threshold used to distinguish between Ty	pe A and Type B programs:	\$750,000_	,
Auditee qualified as low-risk auditee?	•	yes	X no

PARK RIDGE BOARD OF EDUCATION SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I - Summary of Auditor's Results

State Awards Section

Internal Control over major programs:	
1) Material weakness(es) identified?	yesXno
2) Significant deficiencies identified that are not considered to be material weaknesses?	yesXnone 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?	Xno
Identification of major programs:	
State Grant/Project Number(s):	Name of State Program:
23-495-034-5120-014	Extraordinary Aid
23-495-034-5094-003	Reimbursed TPAF Social Security Contributions
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, 2023

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, 2023

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

There are none.

PARK RIDGE BOARD OF EDUCATION SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2023-001

Our audit revealed sufficient documentation was not provided for audit to support certain costs included for reimbursement on the application for Extraordinary Aid.

State Program Information

Extraordinary Aid

495-034-5120-014

Criteria or Specific Requirement

State Grant Compliance Supplement – Eligibility

Conditions

Extraordinary Aid application included costs for a one to one aide for which documentation was not provided to support amount included for reimbursement.

Questioned Costs

Unknown.

Context

The cost for one student's one to one aide in the amount of \$44,265 was not supported with proper documentation.

Effect

Noncompliance with requirements of Extraordinary Aid.

Cause

Unknown.

Recommendation

Documentation be maintained on file and made available for audit to support costs included for reimbursement on the Application for Extraordinary Aid.

Views of Responsible Officials and planned Corrective Action Plan

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

PARK RIDGE BOARD OF EDUCATION SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.