

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

Teaneck, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Teaneck Board of Education
Teaneck, New Jersey
For The Fiscal Year Ended June 30, 2015**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



TEANECK PUBLIC SCHOOLS

One Merrison Street
Teaneck, New Jersey 07666

December 3, 2015

Dr. Ardie D. Walser, President
Members of the Board of Education
Teaneck Public Schools
1 Merrison Street
Teaneck, New Jersey 07666

Dear Board Members:

The Comprehensive Annual Financial Report of the Teaneck Public Schools (district) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 positions 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.

The Government 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. Teaneck Public School's MD&A can be found immediately following the *"Independent Auditor's Report."*

The Comprehensive Annual Financial Report is presented in four sections: 1) introductory; 2) financial; 3) statistical; and 4) 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 Auditor's Report, the 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. Office of Management and Budget

Circular A-133. “Audits of State and Local Governments and Non-Profit Organizations,” and the New Jersey OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.” Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Teaneck School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB), as established by GASB No. 14. All funds and account groups of the district are included in this report. The Teaneck 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 preschool through grade 12. These include advanced placement, regular and vocational, as well as special education for students with disabilities through the age of 21. The district completed the 2014/15 fiscal year with an enrollment of 4,193 students. The following details the changes in the student enrollment of the district over the last 10 years.

OFFICIAL ENROLLMENT

(Based on the October 15th Application for State School Aid)

Fiscal Year	Student Enrollment	Percent Change
2014/15	4,071	-0.7%
2013/14	4,098	-0.8%
2012/13	4,133	-1.5%
2011/12	4,196	-2.6%
2010/11	4,308	+2.8%
2009/10	4,192	-2.1%
2008/09	4,284	-1.5%
2007/08	4,350	-2.9%
2006/07	4,482	-1.0%
2005/06	4,526	-0.1%

These counts exclude enrollments for in-district preschool students and nonpublic school students residing in the township. The counts include enrollment for charter school students residing in the township.

2. **ECONOMIC CONDITION AND OUTLOOK:** The economic environment for the past fiscal year has been characterized by many as the worst economic downturn since the Great Depression of the 1930’s. While the economy today is showing signs of positive economic growth, there are still many uncertainties for the future. According to the Bureau of Labor Statistics, the unemployment rate in Teaneck increased from 4.2% to 6.5% from 2008 to 2013. Per capita income for Bergen County increased to \$69,919 for 2012, the latest available year, compared to the revised New Jersey Department of Labor and Workforce Development income data of \$67,375 for 2008.

In accordance with the mandates by the State of New Jersey, the district's budget continues to include line-items for charter school expenditures. In fiscal year 2014/15, Teaneck students attended three charter schools, kindergarten through grade 8 (Teaneck Community Charter School, Englewood on the Palisades Charter School, and Bergen Arts and Science Charter School). The 2014/15 budget included \$5,000,000 expended for tuition and transportation to these charter schools.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 00.0% of the 2014/15 budget. The reliance on the local taxpayers to fund the majority of the district's budget will continue under the provisions of the School Funding Reform Act of 2008. According to the New Jersey Department of Education, Office of School Funding, the district's tax levy exceeds the Local Fair Share and the district's total budget exceeds the "adequacy model" used to calculate State aid.

3. MAJOR INITIATIVES: The District implemented a new Language Arts Literacy Program at grade one and made plans to expand the program to grades kindergarten and two for the 2015/16 school year. All instruction is aligned with Common Core Curriculum Standards (CCCS). Assessments were created to include PARCC-like questions in the areas of literacy and mathematics. Summer curriculum writing focused on ensuring that all students are able to demonstrate the knowledge and skills specified by the CCCS through adaptations for students with disabilities, for ELLs, and for students who are gifted and talented. We ensured that all curriculum documents include a pacing guide, a list of core instructional materials, benchmark assessments, interdisciplinary connections and identified 21st Century Themes and Skills, as required by the NJDOE. Technology projects were added to all curriculum documents. Technology projects may include research, analysis, writing, simulation, science experiments, use of technology tools and apps, etc. All curriculum documents also list recommended technology resources for teachers, such as instructional videos, primary source documents, tutorials for students, etc. The district also selected and implemented a new social studies program for sixth grade, and a new grade one program was selected for implementation in 2015/16. The District introduced the Academic Institutes at Teaneck High School in Business, Literature and Composition, Fine and Performing Arts, Social Sciences and Technology. Teaneck added an Advanced Placement course in Human Geography to its large selection. We were pleased to add 12 carts of Google Chrome Books to our schools and to update eight computer laboratories and three media centers.
4. INSTRUCTIONAL INITIATIVES: **GOAL 1:** Students attending the Teaneck Public Schools will acquire the skills, knowledge and understanding to be successful in the twenty first century. **GOAL 2:** Teachers and administrators in the Teaneck Public Schools will acquire the skills, knowledge and understanding necessary to support student achievement. **GOAL 3:** The environment in the Teaneck Public Schools will be safe and respectful, with students and adults appreciative of the unique contributions of members of the community. **GOAL 4:** The Teaneck Public Schools will communicate effectively with parents and with the community. **GOAL 5:** The

Teaneck Public Schools will provide funding for Goals 1-4 and sustain school facilities while respecting community resources.

5. FACILITIES INITIATIVES: During the 2010/11 school year the district implemented a five year plan for roof replacements for all of its eight (8) school buildings. To date, roofs have been replaced at Lowell School, Whittier School, Thomas Jefferson Middle School, Ben Franklin Middle School, Teaneck High School, and Eugene Field Administration Building. Roof replacements at Bryant School and Hawthorne School commenced during the 2014/15 school year and are scheduled for completion before the end of 2015. Funding from the New Jersey Schools Development Authority has been approved to cover up to 40% of the cost of replacement with the balance funded through a five-year Lease/Purchase agreement.
6. INTERNAL ACCOUNTING CONTROLS: Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. 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 judgements 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 district 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.

7. BUDGETARY CONTROLS: In addition to the internal controls, the district also 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 Board. Annual appropriated budgets are adopted by the Board 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015. These are re-appropriated

automatically into the following fiscal year, and as a result, increase the approved budget.

8. ACCOUNTING SYSTEM AND REPORTS: The district's accounting records reflect New Jersey statutes (N.J.S.A. 18A:4-14) that requires a uniform system of double-entry bookkeeping consistent with the generally accepted accounting principles (GAAP), established by GASB for use in all school districts. The accounting system of the district is organized on the basis of funds in accordance with the Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools. These funds are explained in Notes to the Financial Statement. The district continues to maintain a budgetary/finance software package which provides decentralized access to requisitions, purchase order status, account records, and program reporting. Appropriate internal controls are established for both purchasing and line-item expenditures.
9. DEBT ADMINISTRATION: As of June 30, 2015, the district has four (4) outstanding general obligation bond issues, two (2) outstanding Lease/Purchase obligations, and one (1) ESIP obligation bond issue.

The first general obligation issuance was in April of 2001 to finance construction projects at Teaneck High School, Ben Franklin Middle School, and Thomas Jefferson Middle School. The debt maturity was January of 2015 with an outstanding principal of \$550,000. The project is completed.

The second general obligation issuance was in February of 2002 and also matured in January of 2015. This was a refinancing of a previous bond issuance with an outstanding principal balance of \$390,000. The project is completed.

The third general obligation issue, financed in February of 2003, and refinanced in August of 2013, relates to the district's Early Retirement Pension Obligation. Previously, this obligation had been funded through the general current expenses budget. However, funding this obligation through debt service was made possible in fiscal year 2003 by an act of the New Jersey Legislature. This issue has an 18 year repayment schedule that matures in January of 2021. The outstanding principal balance is \$2,880,000.

The fourth general obligation issuance is the refinancing of callable bonds issued in April of 2001. The bonds were issued in July of 2006 and mature in January of 2031. The outstanding principal balance is \$9,115,000.

The first Lease/Purchase obligation was issued in March of 2011 to finance the first phase of roof replacement at Teaneck High School. The debt matures in June of 2016 and the outstanding principal balance of \$272,637.

The second Lease/Purchase obligation was issued in June of 2015 to finance the last phase of roof replacements at Bryant Elementary School, and Hawthorne Elementary School. The outstanding principal balance is \$1,250,000.


The Energy Savings Improvement Program (ESIP) obligation bonds were issued in March of 2012 with a maturity date of June 2027, and the outstanding principal balance is \$7,080,000. The bonds will finance the energy conservation measures throughout the district's schools. The reduction to utility costs accruing from these conservation measures will be used to repay the bonds, resulting in no cost to the taxpayers.

10. CASH MANAGEMENT: The investment policy of the district is guided in large part by State statute as detailed in the Notes to the Financial Statements. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA), which was enacted in 1970 to protect the Governmental Units from loss of funds on deposit with a failed banking institution. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured pursuant to the Act.
11. RISK MANAGEMENT: The district is a member of the Northeast Bergen County School Boards Insurance Group (NESBIG), a joint insurance pool comprised of 45 school districts, for the entire insurance coverage, including, but not limited to Workers' Comp, general liability, fidelity bonds, automobile liability, and comprehensive collision, hazard and theft insurance for property and contents.
12. INDEPENDENT AUDIT: New Jersey State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit Section of this report.
13. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Teaneck School Board 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,



Barbara Pinsak
Superintendent of Schools



Dennis R. Frohnappfel, Ed.D.
Interim SBA/Board Secretary

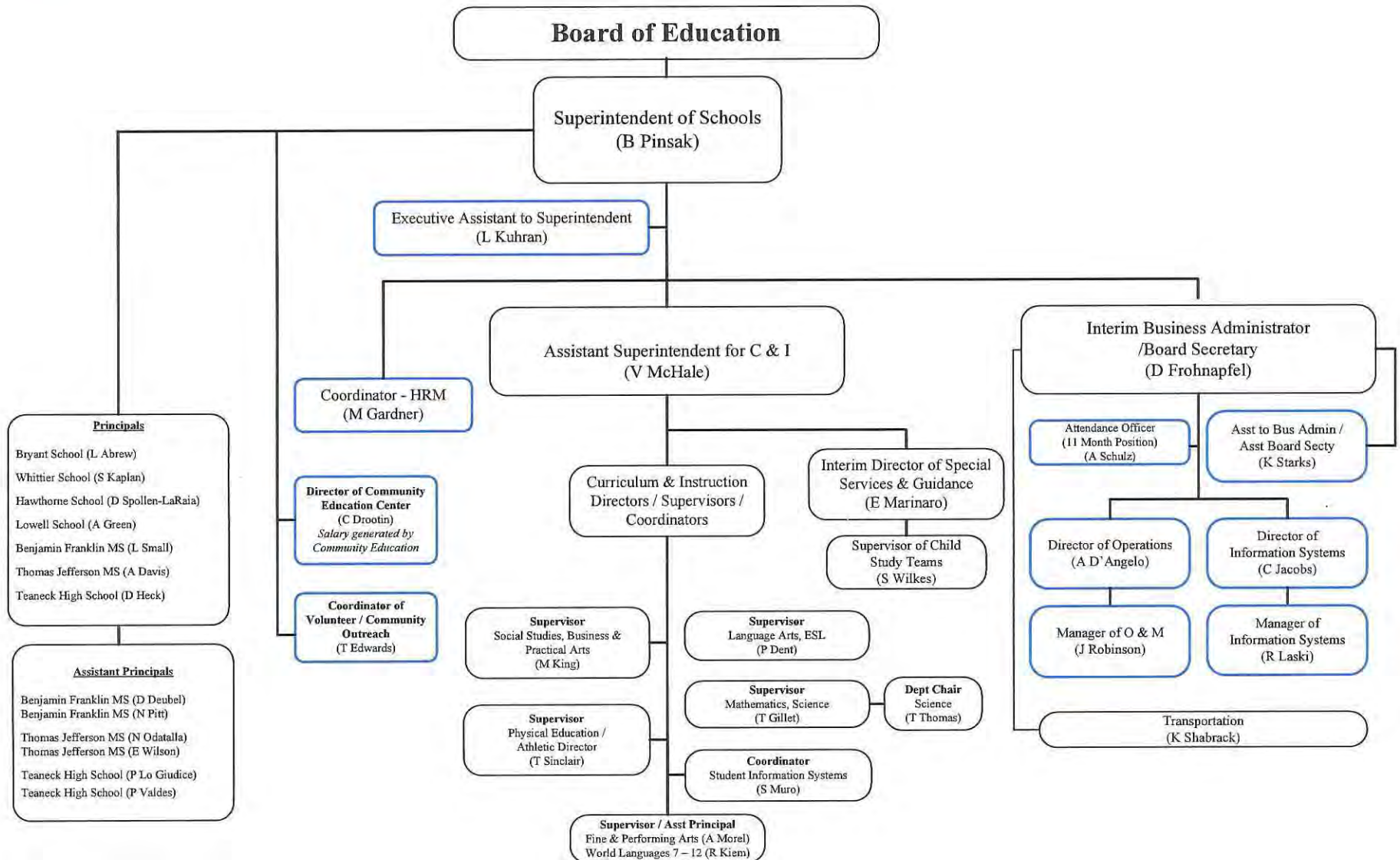


Teaneck Public Schools

Administrative Organizational Chart

2014 - 2015
District Administration

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TEANECK BOARD OF EDUCATION
Teaneck, New Jersey
ROSTER OF OFFICIALS
June 30, 2015

Members of the Board of Education

Term Expires

Dr. Ardie Walser, President	2017
Mrs. Gervonn Rice, Vice President	2015
Dr. David Diuguid	2016
Dr. David Gruber	2015
Mrs. Sarah Rappoport	2015
Mr. Sebastian Rodriguez	2016
Mr. Howard Rose	2017
Mrs. Clara Williams	2017
Ms. Shelley Worrell	2016

Local Officials

Barbara Pinsak, Superintendent of Schools

Mr. Robert S. Finger, Business Administrator/Board Secretary
July 1, 2014 to January 31, 2015

Dr. Dennis R. Frohnapfel, Interim Business Administrator/Board Secretary
January 28 to June 30, 2015

Karla Starks, Assistant to the Business Administrator/Assistant Board Secretary

Anthony Bianchi, Treasurer



TEANECK BOARD OF EDUCATION
Teaneck, New Jersey

CONSULTANTS and ADVISORS

Attorney

Machado Law Group
136 Central Avenue
Clark, New Jersey 07066

Audit Firm

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

Architect

DiCara/Rubino
30 Galesi Drive
Wayne, New Jersey 07470

Insurance Broker

Northeast Bergen School Boards Insurance Group
Burton/Kanwisher Agency
44 Bergen Street
Westwood, New Jersey 07675

Health Insurance Broker

Brown & Brown Benefit Advisors
24 Arnett Avenue
Lambertville, New Jersey 08530

Official Depository

Capital One Bank
44 Nathaniel Place
Englewood, New Jersey 07631

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Teaneck Board of Education's basic financial statements. The introductory section, fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations 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 Teaneck Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

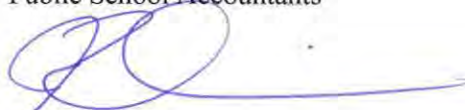
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2015 on our consideration of the Teaneck Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teaneck Board of Education's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 3, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

TEANECK BOARD OF EDUCATION

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

This section of the Teaneck Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

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

- The liabilities and deferred inflows of resources of the Teaneck Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$1,948,690 (net position deficit).
- The School District's total net position decreased \$3,818,152.
- Overall District revenues were \$110,138,673. General revenues accounted for \$82,684,153 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$27,454,520 or 25% of total revenues.
- The School District had \$113,956,825 in expenses; only \$27,424,520 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) and available net position 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 \$2,957,037 which represented a decrease of \$3,901,411.
- The General Fund fund balance (GAAP Basis) at June 30, 2015 was \$1,309,105 a decrease of \$4,324,542 when compared with the fund balance at June 30, 2014. The General Fund unassigned fund balance was in a deficit position of \$435,844 at June 30, 2015.
- The General Fund had \$95,111,308 in revenues and \$99,822,581 in expenditures, for the current fiscal year.
- The General Fund budgetary fund balance at the close of the current fiscal year was \$2,504,157 which represented a decrease of \$4,514,770 from the previous year. Unassigned budgetary fund balance decreased \$325,682 from the previous year to \$759,208, at June 30, 2015.
- The District's total outstanding long-term liabilities decreased by \$1,633,251 during the current fiscal year.

TEANECK BOARD OF EDUCATION

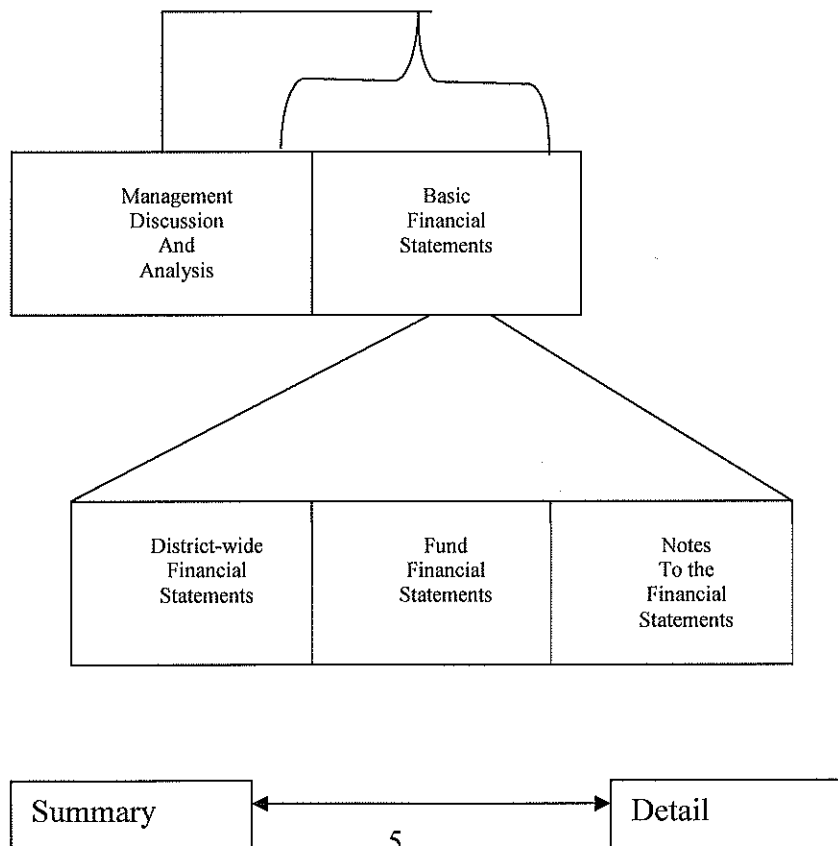
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

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.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The below figure shows how the various parts of this annual report are arranged and related to one another.



TEANECK BOARD OF EDUCATION

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

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.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular instruction, special Education and building maintenance	Activities the district operates similar to private businesses: Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as Scholarship, Payroll Agency, and Student Activities
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting And current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset, deferred inflows/outflows of resources and liability information	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources are expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred inflows/outflows of resources and liabilities, both financial and capital, and short-term and long-Term	All assets and liabilities both short-term and long-term funds do not currently contain capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

District-wide financial 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, deferred inflows/outflows of resources and liabilities. 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 and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

TEANECK BOARD OF EDUCATION

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

District-wide financial statements (continued)

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- 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 operations and maintenance. Property taxes and state aids 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 Fund and Community School programs are included under this category.

Fund financial statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.

TEANECK BOARD OF EDUCATION

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

Fund financial statements (continued)

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 two enterprise funds:

- Food Service (Cafeteria)
- Community School

• *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

Other Information

In addition to the basic 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 these funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,948,690 as of June 30, 2015.

TEANECK BOARD OF EDUCATION

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

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.

Statement of Net Position As of June 30, 2015 and 2014

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current Assets	\$ 5,372,604	\$ 7,877,824	\$ 552,176	\$ 497,280	\$ 5,924,780	\$ 8,375,104
Capital Assets	47,342,127	48,082,883	45,373	55,021	47,387,500	48,137,904
Total Assets	<u>52,714,731</u>	<u>55,960,707</u>	<u>597,549</u>	<u>552,301</u>	<u>53,312,280</u>	<u>56,513,008</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	257,525	284,323	-	-	257,525	284,323
Deferred Amounts on Net Pension Liability	836,284	-	-	-	836,284	-
Total Deferred Outflows	<u>1,093,809</u>	<u>284,323</u>	<u>-</u>	<u>-</u>	<u>1,093,809</u>	<u>284,323</u>
Total Assets and Deferred Outflows	<u>53,808,540</u>	<u>56,245,030</u>	<u>597,549</u>	<u>552,301</u>	<u>54,406,089</u>	<u>56,797,331</u>
Liabilities						
Other Liabilities	2,721,728	1,360,348	343,828	356,473	3,065,556	1,716,821
Long-Term Liabilities	51,577,797	53,211,048	-	-	51,577,797	53,211,048
Total Liabilities	<u>54,299,525</u>	<u>54,571,396</u>	<u>343,828</u>	<u>356,473</u>	<u>54,643,353</u>	<u>54,927,869</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue	-	-	6,729	-	6,729	-
Deferred Amounts on Net Pension Liability	1,704,697	-	-	-	1,704,697	-
Total Deferred Inflows	<u>1,704,697</u>	<u>-</u>	<u>6,729</u>	<u>-</u>	<u>1,704,697</u>	<u>-</u>
Total Liabilities and Deferred Inflows	<u>56,004,222</u>	<u>54,571,396</u>	<u>350,557</u>	<u>356,473</u>	<u>56,348,050</u>	<u>54,927,869</u>
Net Position						
Net Investment in Capital Assets	31,030,357	30,923,632	45,373	55,021	31,075,730	30,978,653
Restricted	324,625	571,338	-	-	324,625	571,338
Unrestricted	(33,550,664)	(29,821,336)	201,619	140,807	(33,349,045)	(29,680,529)
Total Net Position	<u>\$ (2,195,682)</u>	<u>\$ 1,673,634</u>	<u>\$ 246,992</u>	<u>\$ 195,828</u>	<u>\$ (1,948,690)</u>	<u>\$ 1,869,462</u>

TEANECK BOARD OF EDUCATION

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

Changes in Net Position For the Fiscal Years Ended June 30, 2015 and 2014

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 8,034	\$ 115,781	\$ 1,237,207	\$ 1,381,694	\$ 1,245,241	\$ 1,497,475
Operating Grants and Contributions	25,289,979	13,364,250	732,801	705,891	26,022,780	14,070,141
Capital Grants and Contributions	186,499				186,499	
General Revenues						
Property Taxes	82,351,466	80,716,841			82,351,466	80,716,841
Other	332,687	2,962,006	-	-	332,687	2,962,006
Total Revenues	<u>108,168,665</u>	<u>97,158,878</u>	<u>1,970,008</u>	<u>2,087,585</u>	<u>110,138,673</u>	<u>99,246,463</u>
Expenses						
Instruction						
Regular	45,216,191	33,856,291			45,216,191	33,856,291
Special Education	22,910,881	9,680,177			22,910,881	9,680,177
Other Instruction	5,104,799	3,273,279			5,104,799	3,273,279
Support Services						
Student and Instruction Related Serv.	15,985,738	17,404,977			15,985,738	17,404,977
School Administrative Services	4,797,201	3,040,882			4,797,201	3,040,882
General Administrative Services	1,346,018	1,014,942			1,346,018	1,014,942
Central and Other Support Services	2,162,372	1,481,017			2,162,372	1,481,017
Plant Operations and Maintenance	8,742,070	7,699,005			8,742,070	7,699,005
Pupil Transportation	5,090,466	4,403,688			5,090,466	4,403,688
Unallocated Employee Benefits		12,735,510			-	12,735,510
Unallocated Depreciation Expense		1,734,667			-	1,734,667
Interest on Long-Term Debt	682,245	820,419			682,245	820,419
Food Services			1,420,191	1,479,468	1,420,191	1,479,468
Community School	-	-	498,653	564,347	498,653	564,347
Total Expenses	<u>112,037,981</u>	<u>97,144,854</u>	<u>1,918,844</u>	<u>2,043,815</u>	<u>113,956,825</u>	<u>99,188,669</u>
Change in Net Position	(3,869,316)	14,024	51,164	43,770	(3,818,152)	57,794
Net Position, Beginning of Year	1,673,634	30,136,463	195,828	152,058	1,869,462	30,288,521
Prior Period Adjustment	-	(28,476,853)	-	-	-	(28,476,853)
Net Position, End of Year	<u>\$ (2,195,682)</u>	<u>\$ 1,673,634</u>	<u>\$ 246,992</u>	<u>\$ 195,828</u>	<u>\$ (1,948,690)</u>	<u>\$ 1,869,462</u>

TEANECK BOARD OF EDUCATION

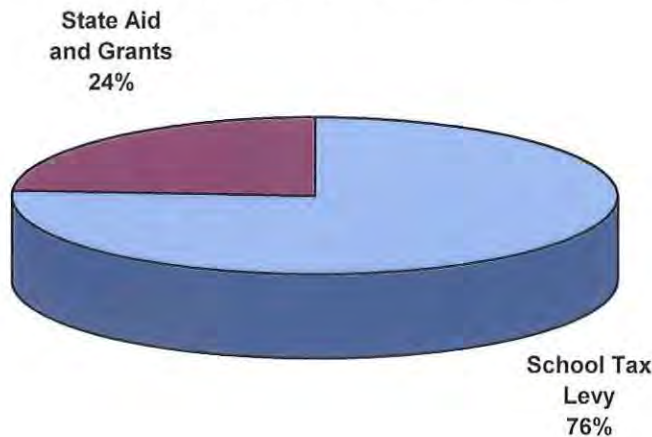
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$108,168,665 for the year ended June 30, 2015. Property taxes of \$82,351,466 represented 76% of revenues. Another significant portion of revenues is intergovernmental aid; total State, Federal and local aid was \$25,476,478. Another source of revenues is miscellaneous income which includes items such as prior year refunds, interest income and other miscellaneous items. The balance of the revenues is comprised of charges for tuition from other school districts.

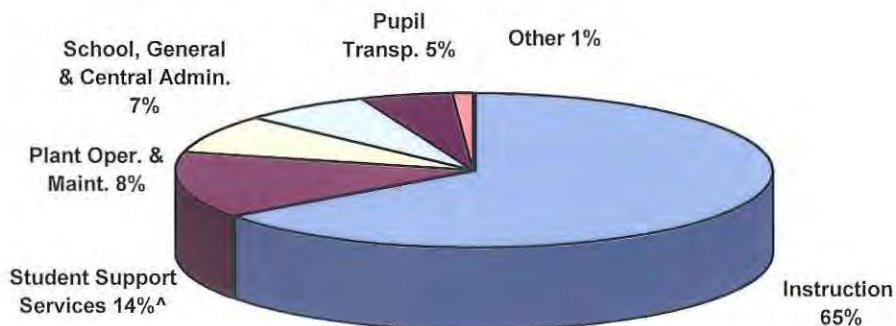
The total cost of all governmental activities programs and services was \$112,037,981. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$73,231,871 or 65% of total expenses. Support services totaled \$38,123,865 or 34% of total expenses.

Total governmental activities expenses surpassed revenues, decreasing net position \$3,869,316 from the previous year. This decrease is predominantly due to the District utilizing existing fund balances to finance operating costs.

Revenues by Source- Governmental Activities
For Fiscal Year 2015



Expenses by Type- Governmental Activities
For Fiscal Year 2015



TEANECK BOARD OF EDUCATION

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

Total Cost and Net Cost of Governmental Activities. The District's total cost of services was \$112,037,981 for the fiscal year ended June 30, 2015. After applying program revenues derived from charges for services of \$8,034 and operating and capital grants and contributions of \$25,476,478, the net cost of services of the District was \$86,553,469 for the fiscal year ended June 30, 2015. For the fiscal year ended June 30, 2015, the total cost of governmental activities reflects the implementation of the new accounting standard GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The effect of implementing GASB 68 was to recognize additional pension expenses of \$8,678,852 for the PERS and on-behalf TPAF pension systems and additional state aid revenues for on-behalf TPAF pension contributions of \$8,505,165 for fiscal year 2015.

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	\$ 45,216,191	\$ 33,856,291	\$ 34,246,857	\$ 32,412,110
Special Education	22,910,881	9,680,177	15,104,087	7,044,787
Other Instruction	5,104,799	3,273,279	3,685,395	3,273,279
Support Services				
Student and Instruction Related Svcs.	15,985,738	17,404,977	14,558,043	17,404,977
School Administrative Services	4,797,201	3,040,882	3,973,835	3,040,882
General Administrative Services	1,346,018	1,014,942	1,346,018	1,014,942
Central and Other Support Services	2,162,372	1,481,017	2,162,372	1,481,017
Plant Operations and Maintenance	8,742,070	7,699,005	7,780,092	6,685,630
Pupil Transportation	5,090,466	4,403,688	3,014,525	2,500,325
Unallocated Employee Benefits		12,735,510		6,251,788
Unallocated Depreciation Expense		1,734,667		1,734,667
Interest on Long-Term Debt	682,245	820,419	682,245	820,419
Total	\$ 112,037,981	\$ 97,144,854	\$ 86,553,469	\$ 83,664,823

Business-Type Activities – The District's total business-type activities revenues were \$1,970,008 for the fiscal year ended June 30, 2015. Charges for services accounted for \$1,237,207, or 63% of total revenues. Operating grants and contributions accounted for \$732,801 or 37% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,918,844 for the fiscal year ended June 30, 2015. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District (74%) and the operation of the after school child care and adult education programs (26%).

Total business-type activities revenues surpassed expenses by \$51,164 increasing net position from \$195,828 at June 30, 2014 to \$246,992 at June 30, 2015.

TEANECK BOARD OF EDUCATION

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing 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 \$2,957,037, a decrease of \$3,901,411 from the June 30, 2014 fund balance of \$6,858,448. This decrease is predominately attributable to General Fund expenditures exceeding revenues for the current period.

Revenues for the District's governmental funds were \$99,663,500, while total expenses were \$105,115,901. The net change in the fund balance for the year was a decrease of \$3,901,411, as previously noted.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a comparison of General Fund Revenues (GAAP basis) for the fiscal years ended June 30, 2015 and 2014:

	<u>Fiscal Year Ended June 30, 2015</u>	<u>Fiscal Year Ended June 30, 2014</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources				
Property Tax Levy	\$ 80,505,489	\$ 78,926,950	\$ 1,578,539	2%
Tuition	8,034	67,734	(59,700)	-88%
Interest	24,444	61,893	(37,449)	-61%
Miscellaneous	308,149	244,023	64,126	26%
State Sources	14,152,632	12,934,406	1,218,226	9%
Federal Sources	<u>112,560</u>	<u>64,178</u>	<u>48,382</u>	75%
Total General Fund Revenues	<u>\$ 95,111,308</u>	<u>\$ 92,299,184</u>	<u>\$ 2,812,124</u>	3%

Total General Fund revenues increased by \$2,812,124 or 3% over the previous year.

Local property taxes increased by \$1,578,539 or 2% for 2014-2015 to finance the District's operating costs. State revenues increased \$1,218,226 or 9%. The increase in State aid revenues is predominantly attributable to increases in the on-behalf contributions for TPAF pension and post retirement benefits made by the State for the District's teaching staff. Tuition revenue decreased due to lower enrollments of students sent from other districts. Miscellaneous revenues increased from the previous year due to additional amounts received from refunds for prior year expenditures.

TEANECK BOARD OF EDUCATION

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

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

	<u>Fiscal Year Ended June 30, 2015</u>	<u>Fiscal Year Ended June 30, 2014</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 63,912,680	\$ 45,476,876	\$ 18,435,804	41%
Support Services	34,658,388	33,993,419	664,969	2%
Capital Outlay	132,567	1,229,137	(1,096,570)	-89%
Debt Service	1,118,946	799,170	319,776	40%
Unallocated Employee Benefits	<u>-</u>	<u>12,735,510</u>	<u>(12,735,510)</u>	
Total Expenditures	<u>\$ 99,822,581</u>	<u>\$ 94,234,112</u>	<u>\$ 5,588,469</u>	6%

Total General Fund expenditures increased \$5,588,469 or 6% from the previous year. The District experienced increases in expenditures for special education program costs and student transportation as well as debt service related to new lease agreements. The decrease in capital outlay reflects the reduction of equipment purchases acquired through lease-purchase agreements in the prior year. The increase in debt service expenditures relates to the principal and interest repayments of new capital leases and lease-purchase agreements issued during the current and prior year.

In 2014-2015 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$4,324,542. As a result, total fund balance decreased to \$1,309,105 at June 30, 2015. After deducting restricted and assigned fund balances, the unassigned fund balance decreased from a fund deficit of \$300,390 at June 30, 2014 to a fund deficit of \$435,844 at June 30, 2015.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$2,535,710, for the year ended June 30, 2015. Federal sources accounted for 65% of the total Special Revenue Fund revenue for the year. Total Special Revenue Fund revenues increased \$94,884 from the previous year. State sources increased \$88,534, while Federal sources increased \$3,346 and local sources increased \$3,004.

Expenditures of the Special Revenue Fund were \$2,535,710. Instructional expenditures were \$1,461,414 and expenditures for student and instruction related services were \$1,037,536 for the year ended June 30, 2015. Transportation expenditures totaled \$20,752 and capital outlay expenditures totaled \$16,008.

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$491,071 resulting in a fund balance of \$1,647,899 at June 30, 2015. This increase is a result of capital lease proceeds received to finance the Bryant and Hawthorne Elementary Schools roof replacement projects.

TEANECK BOARD OF EDUCATION

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

Proprietary Funds

The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program as well the community school program activities. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the budgetary basis of revenue, expenditures and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the 2015 school year, the School District amended its General Fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the School Business Administrator, Superintendent and Board of Education. Transfers were necessitated by:

- Staffing changes based on student needs.
- Need for additional instructional supplies and equipment.
- Changes in appropriations to prevent budget overruns.

For the fiscal year ended June 30, 2015, General Fund budgetary revenues and other financing sources were less than expenditures and other financing uses decreasing budgetary fund balance by \$4,514,770 from the previous year. However, after deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$325,682 from \$1,084,890 at June 30, 2014 to \$759,208 at June 30, 2015.

TEANECK BOARD OF EDUCATION

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

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$47,387,500 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, construction in progress, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2014-15 amounted to \$1,733,024 for governmental activities and \$12,321 for business-type activities.

Capital Assets at June 30, 2015 and 2014

(Net of Accumulated Depreciation)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 1,601,471	\$ 1,601,471			\$ 1,601,471	\$ 1,601,471
Construction in Progress	2,145,191	1,525,050			2,145,191	1,525,050
Building and Building Improvements	41,548,821	42,767,074			41,548,821	42,767,074
Improvements Other Than Buildings	690,646	754,600			690,646	754,600
Machinery and Equipment	1,355,998	1,434,688	45,373	55,021	1,401,371	1,489,709
Total Capital Assets, Net	\$ 47,342,127	\$ 48,082,883	\$ 45,373	\$ 55,021	\$ 47,387,500	\$ 48,137,904

Additional information on the District's capital assets are presented in the "Notes to the Financial Statements".

LONG TERM LIABILITIES

At year end, the District's long-term liabilities amounted to \$51,577,797 and consisted of bonds payable of \$19,727,890 (including premiums), lease purchase agreements and capital lease obligations of \$2,165,970, compensated absences of \$3,089,126, and net pension liability of \$26,594,811. The District's total outstanding long-term liabilities decreased by \$1,633,251 during the current fiscal year.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2014-2015 budget. The primary factors included the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2015-2016. Budgeted expenditures in the General Fund increased approximately 1% to \$92,481,341 for fiscal year 2015-2016.

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 School Business Administrator/Board Secretary, Teaneck Board of Education, One Merrison Street, Teaneck, NJ 07666.

FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,451,416	\$ 371,419	\$ 2,822,835
Receivables, net	1,671,094	161,688	1,832,782
Inventories		18,879	18,879
Restricted Assets			
Cash and Cash Equivalents with Fiscal Agent	1,250,094		1,250,094
Capital Assets			
Not Being Depreciated	3,746,662		3,746,662
Being Depreciated, Net	<u>43,595,465</u>	<u>45,373</u>	<u>43,640,838</u>
Total Assets	<u>52,714,731</u>	<u>597,359</u>	<u>53,312,090</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	257,525		257,525
Deferred Amounts on Net Pension Liability	<u>836,284</u>	<u>-</u>	<u>836,284</u>
Total Deferred Outflows of Resources	<u>1,093,809</u>	<u>-</u>	<u>1,093,809</u>
Total Assets and Deferred Outflows of Resources	<u>53,808,540</u>	<u>597,359</u>	<u>54,405,899</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,593,442	107,935	1,701,377
Accrued Interest Payable	306,161		306,161
Intergovernmental Payables	38,340		38,340
Unearned Revenue	783,785	235,703	1,019,488
Noncurrent Liabilities			
Due Within One Year	3,540,516		3,540,516
Due Beyond One Year	<u>48,037,281</u>	<u>-</u>	<u>48,037,281</u>
Total Liabilities	<u>54,299,525</u>	<u>343,638</u>	<u>54,643,163</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		6,729	6,729
Deferred Amounts on Net Pension Liability	<u>1,704,697</u>	<u>-</u>	<u>1,704,697</u>
Total Deferred Inflows of Resources	<u>1,704,697</u>	<u>6,729</u>	<u>1,711,426</u>
Total Liabilities and Deferred Inflows of Resources	<u>56,004,222</u>	<u>350,367</u>	<u>56,354,589</u>
NET POSITION			
Net Investment in Capital Assets	31,030,357	45,373	31,075,730
Restricted for			
Capital Projects	324,592		324,592
Debt Service	33		33
Unrestricted	<u>(33,550,664)</u>	<u>201,619</u>	<u>(33,349,045)</u>
Total Net Position	<u>\$ (2,195,682)</u>	<u>\$ 246,992</u>	<u>\$ (1,948,690)</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 45,216,191		\$ 10,953,246	\$ 16,088	\$ (34,246,857)		\$ (34,246,857)
Special Education	22,910,881	\$ 8,034	7,798,760		(15,104,087)		(15,104,087)
Other Instruction	5,104,799		1,419,404		(3,685,395)		(3,685,395)
Support Services							
Student and Instruction Related Services	15,985,738		1,427,695		(14,558,043)		(14,558,043)
School Administrative Services	4,797,201		823,366		(3,973,835)		(3,973,835)
General Administrative Services	1,346,018				(1,346,018)		(1,346,018)
Central and Other Support Services	2,162,372				(2,162,372)		(2,162,372)
Plant Operations and Maintenance	8,742,070		791,567	170,411	(7,780,092)		(7,780,092)
Pupil Transportation	5,090,466		2,075,941		(3,014,525)		(3,014,525)
Interest and Other Charges on Long-Term Debt	682,245	-	-	-	(682,245)	-	(682,245)
Total Governmental Activities	112,037,981	8,034	25,289,979	186,499	(86,553,469)	-	(86,553,469)
Business-Type Activities							
Food Service	1,420,191	642,602	732,801			\$ (44,788)	(44,788)
Community School	498,653	594,605	-	-	-	95,952	95,952
Total Business-Type Activities	1,918,844	1,237,207	732,801	-	-	51,164	51,164
Total Primary Government	\$ 113,956,825	\$ 1,245,241	\$ 26,022,780	\$ 186,499	(86,553,469)	51,164	(86,502,305)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					80,505,489		80,505,489
Taxes Levied for Debt Service					1,845,977		1,845,977
Investment Earnings					24,538		24,538
Miscellaneous Income					308,149	-	308,149
Total General Revenues					82,684,153	-	82,684,153
Change in Net Position					(3,869,316)	51,164	(3,818,152)
Net Position, Beginning of Year (Restated)					1,673,634	195,828	1,869,462
Net Position, End of Year					\$ (2,195,682)	\$ 246,992	\$ (1,948,690)

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,797,962		\$ 653,421	\$ 33	\$ 2,451,416
Receivables					
Receivables From Other Governments	499,079	\$ 262,587	909,428		1,671,094
Due from Other Funds	133,376	-	-	-	133,376
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agents	-	-	1,250,094	-	1,250,094
 Total Assets	<u>\$ 2,430,417</u>	<u>\$ 262,587</u>	<u>\$ 2,812,943</u>	<u>\$ 33</u>	<u>\$ 5,505,980</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,039,493	\$ 40,199	\$ 426,027		\$ 1,505,719
Accrued Salaries and Wages	81,819	5,904			87,723
Due to Other Funds		133,376			133,376
Intergovernmental Payable - State		38,340			38,340
Unearned Revenue	-	44,768	739,017	-	783,785
 Total Liabilities	<u>1,121,312</u>	<u>262,587</u>	<u>1,165,044</u>	<u>-</u>	<u>2,548,943</u>
Fund Balances					
Restricted					
Capital Reserve	324,592				324,592
Capital Projects			1,647,899		1,647,899
Debt Service				\$ 33	33
Assigned					
Year End Encumbrances	317,147				317,147
ARRA/SEMI	18,320				18,320
Designated for Subsequent Year's Expenditures	1,084,890				1,084,890
Unassigned	(435,844)	-	-	-	(435,844)
 Total Fund Balances	<u>1,309,105</u>	<u>-</u>	<u>1,647,899</u>	<u>33</u>	<u>2,957,037</u>
 Total Liabilities and Fund Balances	<u>\$ 2,430,417</u>	<u>\$ 262,587</u>	<u>\$ 2,812,943</u>	<u>\$ 33</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

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

Amounts reported for governmental activities in the Statement of
Net Position (A-1) are different because: \$ 2,957,037

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. The cost
of the assets is \$72,856,939 and the accumulated depreciation
is \$25,514,812. 47,342,127

Amounts resulting from the refunding of debt are reported as
deferred outflows of resources on the statement of net position
and amortized over the life of the debt. 257,525

Certain amounts resulting from the measurement of the net pension liability are
reported as either deferred inflows or resources or deferred outflows of resources
on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 836,284	
Deferred Inflows of Resources	<u>(1,704,697)</u>	
		(868,413)

The District has financed capital assets through the issuance
of serial bonds and long-term lease obligations. The interest
accrual at year end is: (306,161)

Long-term liabilities, including bonds payable, are not due and
payable in the current period and therefore are not reported as
liabilities in the funds (see Note 2) (51,577,797)

Net Position of Governmental Activities \$ (2,195,682)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 80,505,489			\$ 1,845,977	\$ 82,351,466
Tuition	8,034				8,034
Interest	24,444		\$ 94		24,538
Miscellaneous	308,149	\$ 323,543	-	-	631,692
Total - Local Sources	80,846,116	323,543	94	1,845,977	83,015,730
State Sources	14,152,632	560,606	170,411		14,883,649
Federal Sources	112,560	1,651,561	-	-	1,764,121
Total Revenues	95,111,308	2,535,710	170,505	1,845,977	99,663,500
EXPENDITURES					
Current					
Regular Instruction	39,261,385	527,825			39,789,210
Special Education Instruction	20,300,449	933,589			21,234,038
Other Instruction	4,350,846				4,350,846
Support Services					
Student and Instruction Related Services	14,453,625	1,037,536			15,491,161
General Administrative Services	1,388,638				1,388,638
School Administrative Services	4,340,892				4,340,892
Central and Other Support Services	2,075,126				2,075,126
Plant Operations and Maintenance	7,334,229				7,334,229
Pupil Transportation	5,065,878	20,752			5,086,630
Debt Service					
Principal	795,634			1,415,000	2,210,634
Interest and Other Charges	323,312			498,917	822,229
Capital Outlay	132,567	16,008	843,693	-	992,268
Total Expenditures	99,822,581	2,535,710	843,693	1,913,917	105,115,901
Excess (Deficiency) of Revenues Over Expenditures	(4,711,273)	-	(673,188)	(67,940)	(5,452,401)
OTHER FINANCING SOURCES (USES)					
Lease-Purchase Agreement Proceeds	300,990				300,990
Capital Lease Proceeds			1,250,000		1,250,000
Transfers In	402,086		316,345		718,431
Transfers Out	(316,345)	-	(402,086)	-	(718,431)
Total Other Financing Sources and Uses	386,731	-	1,164,259	-	1,550,990
Net Change in Fund Balances	(4,324,542)	-	491,071	(67,940)	(3,901,411)
Fund Balance, Beginning of Year (Restated)	5,633,647	-	1,156,828	67,973	6,858,448
Fund Balance, End of Year	\$ 1,309,105	\$ -	\$ 1,647,899	\$ 33	\$ 2,957,037

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (3,901,411)**

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the period.

Capital Outlays	\$ 992,268	
Depreciation Expense	<u>(1,733,024)</u>	(740,756)

The issuance of long-term debt provides current financial resources to governmental funds, however, the transaction has no effect on net assets.

Lease-Purchase Agreements	(300,990)	
Capital Lease Obligations	<u>(1,250,000)</u>	(1,550,990)

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

Bond Principal	1,735,000	
Lease Purchase Agreement Principal	210,944	
Capital Lease Obligation Principal	<u>264,690</u>	2,210,634

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in the accrued interest is an addition in the reconciliation.

34,811

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Original Issuance Premium	131,971	
Amortization - Deferred Amount on Refunding of Debt	<u>(26,798)</u>	105,173

In the statement of activities, certain operating expenses, e.g., compensated absences and net pension liability are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

Decrease in Compensated Absences	146,910	
Increase in Net Pension Liability	<u>(173,687)</u>	(26,777)

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (3,869,316)**

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

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents		\$ 371,609	\$ 371,609
Intergovernmental Accounts Receivable	\$ 128,436		128,436
Other Accounts Receivables	33,252		33,252
Inventories	18,879	-	18,879
Total Current Assets	180,567	371,609	552,176
Noncurrent Assets			
Machinery and Equipment	401,778	9,607	411,385
Less: Accumulated Depreciation	(356,405)	(9,607)	(366,012)
Total Noncurrent Assets	45,373	-	45,373
Total Assets	225,940	371,609	597,549
LIABILITIES			
Current Liabilities			
Cash Overdraft	190		190
Accounts Payable	104,672	3,263	107,935
Unearned Revenue	13,529	222,174	235,703
Total Current Liabilities	118,391	225,437	343,828
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	6,729	-	6,729
Total Deferred Inflows of Resources	6,729	-	6,729
Total Liabilities and Deferred Inflows of Resources	125,120	225,437	350,557
NET POSITION			
Net Investment in Capital Assets	45,373	-	45,373
Unrestricted	55,447	146,172	201,619
Total Net Position	\$ 100,820	\$ 146,172	\$ 246,992

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

TEANECK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
OPERATING REVENUES			
Charges for Services			
Daily Sales-Reimbursable Programs	\$ 601,810		\$ 601,810
Special Functions	34,045		34,045
Vending Sales	6,747		6,747
Program Fees	-	\$ 594,605	594,605
Total Operating Revenues	642,602	594,605	1,237,207
OPERATING EXPENSES			
Salaries and Employee Benefits	615,232	395,550	1,010,782
Cost of Sales	526,897		526,897
Purchased Professional and Technical Services		21,877	21,877
Other Purchased Services	94,598	38,913	133,511
Contracted Services- Transportation		6,584	6,584
Communications/ Telephone	1,209	1,186	2,395
Insurance	29,462		29,462
Travel	2,560		2,560
Supplies and Materials	83,827	17,427	101,254
Miscellaneous	54,085	17,116	71,201
Depreciation	12,321	-	12,321
Total Operating Expenses	1,420,191	498,653	1,918,844
Operating Income (Loss)	(777,589)	95,952	(681,637)
NONOPERATING REVENUES			
State Sources			
School Lunch Program	14,875		14,875
Federal Sources			
School Breakfast Program	99,935		99,935
National School Lunch Program	617,991	-	617,991
Total Nonoperating Revenues	732,801	-	732,801
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,788)	95,952	51,164
Total Net Position, Beginning of Year	145,608	50,220	195,828
Total Net Position, End of Year	\$ 100,820	\$ 146,172	\$ 246,992

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 675,549	\$ 595,069	\$ 1,270,618
Cash Payments to Employees' Salaries and Benefits	(615,232)	(395,550)	(1,010,782)
Cash Payments to Suppliers for Goods and Services	(715,166)	(103,961)	(819,127)
Net Cash Provided by (Used for) Operating Activities	(654,849)	95,558	(559,291)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash Received from State and Federal Subsidy Reimbursements	637,423	-	637,423
Net Cash Provided by Noncapital Financing Activities	637,423	-	637,423
Cash Flows Capital and Related Financing Activities			
Purchase of Capital Assets	(2,673)	-	(2,673)
Net Cash (Used for) Capital and Related Financing Activities	(2,673)	-	(2,673)
Net Increase/(Decrease) in Cash and Cash Equivalents	(20,099)	95,558	75,459
Cash and Cash Equivalents, Beginning of Year	19,909	276,051	295,960
Cash and Cash Equivalents (Overdraft), End of Year	\$ (190)	\$ 371,609	\$ 371,419
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (777,589)	\$ 95,952	\$ (681,637)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation	12,321		12,321
USDA Commodities (Food Distribution Program)	94,935		94,935
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Other Accounts Receivable	28,536		28,536
(Increase)/Decrease in Inventories	(7,340)		(7,340)
Increase/(Decrease) in Accounts Payable	(25,970)	(858)	(26,828)
Increase/(Decrease) in Unearned Revenue	13,529	464	13,993
Increase/(Decrease) in Deferred Commodities Revenue	6,729	-	6,729
Total Adjustments	122,740	(394)	122,346
Net Cash Provided by (Used for) Operating Activities	\$ (654,849)	\$ 95,558	\$ (559,291)
Noncash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 101,664		

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**TEANECK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Private Purpose <u>Scholarships Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 127,571	\$ 671,677
Total Assets	<u>127,571</u>	<u>\$ 671,677</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 534,084
Flexible Spending Program		6,885
Due to Student Groups	<u>-</u>	<u>130,708</u>
Total Liabilities	<u>-</u>	<u>\$ 671,677</u>
NET POSITION		
Held in Trust for Other Purposes	<u>\$ 127,571</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

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

	Private Purpose Scholarships <u>Fund</u>
ADDITIONS	
Contributions	
Donations	\$ 11,881
Investment Earnings	
Interest	<u>281</u>
Total Additions	<u>12,162</u>
DEDUCTIONS	
Scholarships Awards	10,575
Miscellaneous Fee	<u>48</u>
Total Deductions	<u>10,623</u>
Change in Net Position	1,539
Net Position, Beginning of Year	<u>126,032</u>
Net Position, End of Year	<u>\$ 127,571</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Teaneck 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 nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Teaneck Board of Education this includes general operations, food service, before and after school child care, adult education and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

C. Basis of Presentation - Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *community school fund* accounts for the activities of the District's community school which provides for the operation of the before and after child care program, summer camp program and adult education programs.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by capital lease agreements for capital projects.

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	45
Building Improvements	20-45
Improvements Other than Buildings	20
Heavy Equipment	10-15
Office Equipment and Furniture	10-15
Computer Equipment	5-7

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

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

7. Compensated Absences

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

8. Pensions

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

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

9. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported gross of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3.)

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

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

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

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

ARRA/SEMI - This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance* (Continued)

Governmental Fund Statements (Continued)

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the community school enterprise fund 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.

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$51,577,797 difference are as follows:

Bonds Payable	\$ 19,075,000
Add: Issuance Premium (to be amortized over life of debt)	652,890
Lease Purchase Agreements	643,333
Capital Lease Obligations	1,522,637
Compensated Absences	3,089,126
Net Pension Liability	<u>26,594,811</u>
Net Adjustment to Reduce Fund Balance -	
Total Governmental Funds to Arrive at	
Net Position - Governmental Activities	<u>\$ 51,577,797</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 18, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$3,086,097. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$435,844 in the General Fund as of June 30, 2015 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2014/2015 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$435,844 in the General Fund is less than the delayed state aid payments.

C. 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.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

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

Balance, July 1, 2014		\$	503,365
Increased by:			
Deposit Approved by Board Resolution	\$	250,000	
Interest Earned		<u>1,714</u>	
Total Increases			<u>251,714</u>
			755,079
Withdrawals			
Approved in District Budget		<u>430,487</u>	
Total Withdrawals			<u>430,487</u>
Balance, June 30, 2015		\$	<u>324,592</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

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

NOTE 4 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. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$3,621,893 and bank and brokerage firm balances of the Board's deposits amounted to \$8,122,243. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 8,090,205
Uninsured and Collateralized	<u>32,038</u>
	<u>\$ 8,122,243</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 \$32,038 of the Board's bank balance were exposed to custodial credit risk as follows:

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department not in the Board's name	<u>\$ 32,038</u>
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Investments

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

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

<u>Investment Type:</u>	<u>Fair Value</u>
U.S. Government Securities Money Market Funds	<u>\$ 1,250,094</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2015, \$1,250,094 of the Board's investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department or agent but not in the Board's name	\$ <u>1,250,094</u>

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

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

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the Board's investments are in TD Asset Management U.S. Government Securities Money Market Fund. These investments are 100% of the District's total investments.

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

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds in the aggregate are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts				\$ 33,252	\$ 33,252
Intergovernmental					-
Federal		\$ 173,056		125,206	298,262
State	\$ 499,079	8,456	\$ 909,428	3,230	1,420,193
Local	-	81,075	-	-	81,075
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Total Receivables	\$ 499,079	\$ 262,587	\$ 909,428	\$ 161,688	\$ 1,832,782

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

NOTE 4 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:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Drawdowns	\$ 43,003
Grant Draw Downs Reserved for Encumbrances	1,765
Capital Projects Fund	
Unrealized School Facilities Grants	<u>739,017</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 783,785</u>

D. Capital Assets

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

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2015</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,601,471			\$ 1,601,471
Construction in Progress	1,525,050	\$ 620,141	-	2,145,191
Total Capital Assets, Not Being Depreciated	<u>3,126,521</u>	<u>620,141</u>	<u>-</u>	<u>3,746,662</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	60,561,489	153,151		60,714,640
Improvements Other Than Buildings	3,762,280			3,762,280
Machinery and Equipment	4,414,381	218,976	-	4,633,357
Total Capital Assets Being Depreciated	<u>68,738,150</u>	<u>372,127</u>	<u>-</u>	<u>69,110,277</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(17,794,415)	(1,371,404)		(19,165,819)
Improvements Other Than Buildings	(3,007,680)	(63,954)		(3,071,634)
Machinery and Equipment	(2,979,693)	(297,666)	-	(3,277,359)
Total Accumulated Depreciation	<u>(23,781,788)</u>	<u>(1,733,024)</u>	<u>-</u>	<u>(25,514,812)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,956,362</u>	<u>(1,360,897)</u>	<u>-</u>	<u>43,595,465</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,082,883</u>	<u>\$ (740,756)</u>	<u>\$ -</u>	<u>\$ 47,342,127</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2014	Increases	Decreases	Balance, June 30, 2015
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 408,712	\$ 2,673	-	\$ 411,385
Total Capital Assets Being Depreciated	<u>408,712</u>	<u>2,673</u>	<u>-</u>	<u>411,385</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(353,691)	(12,321)	-	(366,012)
Total Accumulated Depreciation	<u>(353,691)</u>	<u>(12,321)</u>	<u>-</u>	<u>(366,012)</u>
Total Capital Assets, Being Depreciated, Net	<u>55,021</u>	<u>(9,648)</u>	<u>-</u>	<u>45,373</u>
Business-Type Activities Capital Assets, Net	<u>\$ 55,021</u>	<u>\$ (9,648)</u>	<u>\$ -</u>	<u>\$ 45,373</u>

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

Governmental Activities:

Instruction	
Regular	\$ 47,511
Total Instruction	<u>47,511</u>
Support Services	
Student and Instruction Related Services	202,703
Transportation	2,738
Operations and Maintenance of Plant	<u>1,480,072</u>
Total Support Services	<u>1,685,513</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,733,024</u>
Business-Type Activities:	
Food Service Fund	\$ 12,321
Total Depreciation Expense-Business-Type Activities	<u>\$ 12,321</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments (Modify)

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Remaining Commitment</u>
Bryant Elementary School Roof Replacement	\$ 951,325
Hawthorne Elementary School Roof Replacement	714,403
Benjamin Franklin Middle School Roof Replacement	<u>35,787</u>
	<u>\$ 1,701,515</u>

E. Interfund Receivables, Payables, and Transfers

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

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 133,376</u>

The above balances are the result of covering cash balances which were in an overdraft position.

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

Interfund transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 316,345	\$ 316,345
Capital Projects Fund	<u>\$ 402,086</u>	<u>-</u>	<u>402,086</u>
	<u>\$ 402,086</u>	<u>\$ 316,345</u>	<u>\$ 718,431</u>

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

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Lease-Purchase Agreements and Capital Lease Obligations

The District is leasing copiers and computers (general supplies) totaling \$986,852 under lease-purchase agreements. The leases are for terms of five (5) years.

The District has also entered into capital lease obligations totaling \$2,536,000 for capital improvements to the Teaneck High School, Hawthorne and Bryant Elementary Schools roof projects. The lease terms are for five (5) years.

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

Fiscal Year Ending June 30	Governmental Activities		
	Lease-Purchase Agreements	Capital Leases	Total
2016	\$ 243,938	\$ 540,574	\$ 784,512
2017	243,938	261,829	505,767
2018	165,120	261,829	426,949
2019	30,635	261,829	292,464
2020	638	261,830	262,468
Total Minimum Lease Payments	684,269	1,587,891	2,272,160
Less: Amount Representing Interest	(40,936)	(65,254)	(106,190)
Present Value of Minimum Lease Payments	<u>\$ 643,333</u>	<u>\$ 1,522,637</u>	<u>\$ 2,165,970</u>

The capital assets acquired through capital leases are as follows:

	Governmental Activities
Building Improvements	<u>\$ 1,527,739</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets as well as Early Retirement Incentive Program Pension Obligations, (ERIP). The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$9,305,000, 2006 Refunding Bonds, due in annual installments of \$555,000 to \$580,000 through July 15, 2030, interest at 4.20% to 4.50%	\$9,115,000
\$8,180,000, 2012 School Energy Savings Obligation Refunding Bonds, due in annual installments of \$400,000 to \$805,000 through April 1, 2027, interest at 3.00% to 4.50%	7,080,000
\$3,325,000, 2013 Pension Refunding Bonds (ERIP), due in annual installments of \$450,000 to \$515,000 through April 1, 2020 interest at 1.20% to 3.50%	<u>2,880,000</u>
Total	<u>\$19,075,000</u>

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 1,430,000	\$ 732,384	\$ 2,162,384
2017	1,475,000	687,309	2,162,309
2018	1,510,000	639,231	2,149,231
2019	1,555,000	588,998	2,143,998
2020	1,625,000	530,014	2,155,014
2021-2025	6,545,000	1,796,269	8,341,269
2026-2030	4,380,000	472,576	4,852,576
2031	<u>555,000</u>	<u>12,487</u>	<u>567,487</u>
	<u>\$ 19,075,000</u>	<u>\$ 5,459,268</u>	<u>\$ 24,534,268</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 211,547,745
Less: Net Debt	<u>9,115,000</u>

Remaining Borrowing Power	<u>\$ 202,432,745</u>
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Under existing statutes Energy Savings Obligation Refunding Bonds and Pension Refunding Bonds are deductible from gross debt and therefore not included as part of net debt in the calculation of the District's remaining borrowing power under N.J.S.A. 18A:24-19.

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	<u>Balance,</u> <u>July 1, 2014</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2015</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 20,810,000		\$ 1,735,000	\$ 19,075,000	\$ 1,430,000
Add: Premium	<u>784,861</u>	<u>-</u>	<u>131,971</u>	<u>652,890</u>	<u>-</u>
	21,594,861	-	1,866,971	19,727,890	1,430,000
Lease Purchase Agreement	553,287	\$ 300,990	210,944	643,333	242,315
Capital Lease Obligations	537,327	1,250,000	264,690	1,522,637	514,952
Compensated Absences	3,236,036	-	146,910	3,089,126	200,000
Net Pension Liability	<u>27,289,537</u>	<u>173,687</u>	<u>868,413</u>	<u>26,594,811</u>	<u>1,153,249</u>
Governmental Activity Long-Term Liabilities	<u>\$ 53,211,048</u>	<u>\$ 1,724,677</u>	<u>\$ 3,357,928</u>	<u>\$ 51,577,797</u>	<u>\$ 3,540,516</u>

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims. In addition, the Group provides various types of insurance coverages for its members including commercial property, general liability and automobile liability coverages.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

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

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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

Funding Status and Funding Progress

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

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2015	\$ 1,171,003	\$ 1,876,458	
2014	1,075,875	1,527,102	
2013	1,079,708	2,341,359	1,785

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,876,458 and \$2,341,359, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,527,102 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,651,461 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

NOTE 5 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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$26,594,811 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .14205 percent, which was a decrease of .00074 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,344,690 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 836,284	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 1,584,906
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>-</u>	<u>119,791</u>
Total	<u>\$ 836,284</u>	<u>\$ 1,704,697</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (264,518)
2017	(264,518)
2018	(264,518)
2019	(264,518)
2020	131,708
Thereafter	<u>57,951</u>
	<u>\$ (868,413)</u>

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

PERS

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2033

Municipal Bond Rate * From July 1, 2033
and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 33,457,070</u>	<u>\$ 26,594,811</u>	<u>\$ 20,832,247</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability 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 reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,381,623 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$192,933,307. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

TPAF

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2027

Municipal Bond Rate * From July 1, 2027
and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 232,048,606</u>	<u>\$ 192,933,307</u>	<u>\$ 160,400,893</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$2,978,876, \$2,503,873 and \$2,647,486, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 6 RESTATEMENT

For the fiscal year ended June 30, 2014, the District overstated intergovernmental receivables in the district-wide statement of net position and the governmental fund financial statements for extraordinary aid. The result of this restatement is to reduce receivables with a corresponding reduction in the unrestricted component of net position of \$1,068,165 in the governmental activities statement of net position. In the governmental funds, intergovernmental receivables of the General Fund were reduced with a corresponding reduction in the unassigned component of fund balance of \$1,068,165 in the balance sheet.

In addition, for fiscal year ending June 30, 2014 the District did not properly record certain cancellation of lease-purchase agreements and did not properly record bond premiums received on refunding bonds issued during the previous fiscal year. The result of this restatement is to increase long-term liabilities of governmental activities in the statement of net position with a corresponding reduction in total net position of \$119,151 in the statement of net position.

On July 1, 2014, the Teaneck Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Teaneck Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$27,289,537.

In the District-wide financial statements, the result of these restatements is to reduce total net position of Governmental Activities at June 30, 2014 from \$30,150,487 as originally reported to \$1,673,634 as adjusted for the effects of the change in accounting principle and correction of an error. In the governmental fund financial statements, the results of these restatements is to reduce total fund balance of the General Fund at June 30, 2014 from \$6,701,812 as originally reported to \$5,633,647 as adjusted for the effects of a correction of an error.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 80,505,489		\$ 80,505,489	\$ 80,505,489	
Tuition - LEA	125,000		125,000	8,034	\$ (116,966)
Interest	10,000		10,000	22,730	12,730
Interest on Capital Reserve	1,000		1,000	1,714	714
Rentals			-	24,813	24,813
Miscellaneous	319,000	-	319,000	283,336	(35,664)
Total Local Sources	80,960,489	-	80,960,489	80,846,116	(114,373)
State Sources					
Transportation Aid	1,887,212		1,887,212	1,887,212	
Special Education Aid	2,567,656		2,567,656	2,567,656	
Security Aid	730,527		730,527	730,527	
PARCC Aid	105,420		105,420	40,420	(65,000)
Per Pupil Growth Aid	105,420		105,420	40,420	(65,000)
Extraordinary Aid	1,050,000		1,050,000	874,109	(175,891)
Non Public Transportation				155,604	155,604
Homeless Tuition				159,661	159,661
TPAF Pension - System Contributions - Normal Costs and Accrued Liability (Non-Budget)				1,750,516	1,750,516
TPAF Pension - System Contributions - NCGI Premium (Non-Budget)				125,942	125,942
TPAF Pension - Post Retirement Contributions (Non-Budget)				2,978,876	2,978,876
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,651,461	2,651,461
Total State Sources	6,446,235	-	6,446,235	13,962,404	7,516,169
Federal Sources					
Medicaid Reimbursement Program	63,080	-	63,080	94,240	31,160
SEMI/ARRA	-	-	-	18,320	18,320
Total Federal Sources	63,080	-	63,080	112,560	49,480
Total Revenues	87,469,804	-	87,469,804	94,921,080	7,451,276
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,211,584	\$ (82,368)	1,129,216	1,129,216	-
Grades 1-5	6,445,608	597,102	7,042,710	7,042,710	-
Grades 6-8	6,071,891	(135,766)	5,936,125	5,936,125	-
Grades 9-12	7,758,950	548,858	8,307,808	8,307,808	-
Regular Programs - Home Instruction					
Salaries of Teachers	1,523	(1,523)			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	36,599	239	36,838	36,838	-
Purchased Professional-Educational Svcs.	6,700	(4,371)	2,329	2,329	-
Purchased Technical Services	183,600	(60,888)	122,712	114,175	8,537
Other Purchased Services	223,700	(13,584)	210,116	202,381	7,735
General Supplies	1,456,922	(160,433)	1,296,489	1,061,601	234,888
General Supplies Acquired by Lease Purchase (Non Budget)				292,031	(292,031)
Textbooks	172,400	59,043	231,443	168,416	63,027
Other Objects	3,500	(1,400)	2,100	100	2,000
Total Regular Programs	23,572,977	744,909	24,317,886	24,293,730	24,156
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	871,497	370,091	1,241,588	1,241,588	-
Other Salaries for Instruction	294,240	123,261	417,501	417,501	
Purchased Professional-Educational Svcs.	1,450,232	(1,221,624)	228,608	228,608	
General Supplies	800	(132)	668	668	-
Total Learning / Language Disabilities	2,616,769	(728,404)	1,888,365	1,888,365	-

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 57,888	\$ 207,109	\$ 264,997	\$ 264,997	-
Other Salaries for Instruction	38,472	40,601	79,073	79,073	-
Purchased Professional-Educational Svcs.	-	66,885	66,885	66,885	-
Total Behavioral Disabilities	96,360	314,595	410,955	410,955	-
Multiple Disabilities					
Salaries of Teachers	167,930	363,892	531,822	531,822	-
Other Salaries for Instruction		339,700	339,700	339,700	-
Purchased Professional-Educational Svcs.		443,745	443,745	432,582	\$ 11,163
General Supplies	28,500	9,107	37,607	37,405	202
Total Multiple Disabilities	196,430	1,156,444	1,352,874	1,341,509	11,365
Resource Room / Resource Center					
Salaries of Teachers	3,873,394	475,062	4,348,456	4,348,456	-
Other Salaries for Instruction	76,945	173,027	249,972	249,972	-
Purchased Professional-Educational Svcs.		295,770	295,770	295,770	-
General Supplies	28,800	(15,015)	13,785	13,785	-
Total Resource Room / Resource Center	3,979,139	928,844	4,907,983	4,907,983	-
Autism					
Salaries of Teachers	448,439	(448,439)	-	-	-
General Supplies	10,000	(10,000)	-	-	-
Total Autism	458,439	(458,439)	-	-	-
Preschool Disabilities - Part - Time					
Salaries of Teachers	122,532	180,445	302,977	302,977	-
Other Salaries for Instruction	174,027	(16,734)	157,293	157,293	-
Total Preschool Disabilities - Part - Time	296,559	163,711	460,270	460,270	-
Preschool Disabilities - Full - Time					
Salaries of Teachers	554,197	(440,515)	113,682	113,682	-
Other Salaries for Instruction	76,945	14,775	91,720	91,720	-
Purchased Professional-Educational Svcs.		126,113	126,113	126,113	-
General Supplies	5,000	(2,925)	2,075	2,075	-
Total Preschool Disabilities - Full - Time	636,142	(302,552)	333,590	333,590	-
Home Instruction					
Salaries of Teachers	175,674	(92,257)	83,417	83,417	-
Purchased Professional-Educational Svcs.	50,000	(33,636)	16,364	16,364	-
Total Home Instruction	225,674	(125,893)	99,781	99,781	-
Total Special Education	8,505,512	948,306	9,453,818	9,442,453	11,365

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 1,905,916	\$ (64,011)	\$ 1,841,905	\$ 1,841,905	-
Total Basic Skills/Remedial	1,905,916	(64,011)	1,841,905	1,841,905	-
Bilingual Education					
Salaries of Teachers	409,274	9,625	418,899	418,899	-
Purchased Professional-Educational Svcs.	60,000	(2,213)	57,787	57,787	-
Total Bilingual Education	469,274	7,412	476,686	476,686	-
School Sponsored Co-Curricular Activities					
Salaries	185,441	38,884	224,325	224,325	-
Purchased Services	6,000	(2,969)	3,031	3,031	-
Supplies and Materials	13,000	4,048	17,048	17,048	-
Other Objects	7,500	1,379	8,879	8,879	-
Total School Sponsored Co-Curricular Activities	211,941	41,342	253,283	253,283	-
School Sponsored Athletics - Instruction					
Salaries	661,419	3,825	665,244	642,415	\$ 22,829
Purchased Services	76,000	(20,425)	55,575	51,331	4,244
Supplies and Materials	125,500	21,690	147,190	147,190	-
Other Objects	25,000	4,205	29,205	23,278	5,927
Transfers to Cover Deficit	70,000	-	70,000	70,000	-
Total School Sponsored Athletics - Instruction	957,919	9,295	967,214	934,214	33,000
Before and After School Programs - Instruction					
Salaries	86,072	(86,072)	-	-	-
Total Before and After School Programs - Instruction	86,072	(86,072)	-	-	-
Total - Instruction	35,709,611	1,601,181	37,310,792	37,242,271	68,521
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	1,224,502	105,026	1,329,528	1,328,687	841
Tuition to County Voc. School Dist.-Regular	611,931	(74,192)	537,739	537,739	-
Tuition to County Voc. School Dist.-Special	262,815	48,225	311,040	310,758	282
Tuition to CSSD & Reg. Day Schools	2,474,644	(681,019)	1,793,625	1,793,625	-
Tuition to Private Schools - Disabled Within State	2,412,137	482,659	2,894,796	2,816,455	78,341
Tuition to Priv. Sch. Disabled & Other LEAs - Spl. O/S State	504,169	180,883	685,052	667,216	17,836
Tuition - State Facilities	108,630	(49,625)	59,005	59,005	-
Tuition - Other	47,190	-	47,190	47,190	-
Total Undistributed Expenditures - Instruction	7,646,018	11,957	7,657,975	7,560,675	97,300

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 156,205	\$ 51,304	\$ 207,509	\$ 207,509	-
Purchased Professional and Technical Svcs.	55,000	(18,135)	36,865	36,865	-
Other Purchased Services	1,625	358	1,983	1,983	-
Total Attendance and Social Work Services	212,830	33,527	246,357	246,357	-
Health Services					
Salaries	730,260	20,338	750,598	750,598	-
Purchased Professional and Technical Svcs.	200,000	(9,061)	190,939	190,639	\$ 300
Other Purchased Services	2,500	(1,870)	630	630	-
Supplies and Materials	19,630	(11,617)	8,013	8,013	-
Total Health Services	952,390	(2,210)	950,180	949,880	300
Other Support Services - Students - Speech, OT, PT and Related Services					
Salaries	650,421	44,349	694,770	694,769	1
Purchased Professional-Educational Services	1,422,000	119,176	1,541,176	1,524,073	17,103
Supplies and Materials	8,000	(6,139)	1,861	1,861	-
Total Other Support Services - Students - Speech, OT, PT and Related Services	2,080,421	157,386	2,237,807	2,220,703	17,104
Other Support Services-Students-Extra Serv.					
Salaries	716,275	(178,071)	538,204	538,204	-
Purchased Professional-Educational Services	375,000	643,068	1,018,068	1,010,708	7,360
Supplies and Materials	2,000	(2,000)	-	-	-
Total Other Support Services-Extra Serv.	1,093,275	462,997	1,556,272	1,548,912	7,360
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	1,416,074	29,877	1,445,951	1,445,951	-
Salaries of Secretarial and Clerical Assistants	357,584	(120,067)	237,517	237,517	-
Other Salaries		78,557	78,557	78,557	-
Purchased Professional-Educational Services	2,500	(849)	1,651	1,651	-
Other Purchased Prof. and Tech. Services	10,000	(309)	9,691	9,691	-
Other Purchased Services	3,000	(3,000)	-	-	-
Supplies and Materials	30,510	(9,228)	21,282	21,282	-
Other Objects	220	(16)	204	204	-
Total Other Support Services-Students-Guidance	1,819,888	(25,035)	1,794,853	1,794,853	-
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	1,714,175	(110,805)	1,603,370	1,603,370	-
Salaries of Secretarial and Clerical Assistants	117,357	9,542	126,899	126,899	-
Purchased Professional-Educational Services	359,000	114,761	473,761	473,761	-
Other Purchased Prof. and Tech. Services	5,000	-	5,000	5,000	-
Other Purchased Services	11,825	(3,857)	7,968	7,872	96
Miscellaneous Purchased Services (Other than Resid. Costs)	7,000	(7,000)	-	-	-
Supplies and Materials	43,000	5,708	48,708	48,708	-
Other Objects	-	300	300	300	-
Total Other Support Services - Students - Child Study Team	2,257,357	8,649	2,266,006	2,265,910	96

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 508,589	\$ (29,232)	\$ 479,357	\$ 461,349	\$ 18,008
Salaries of Other Professional Staff	80,600	(40,600)	40,000	1,800	38,200
Salaries of Secretarial and Clerical Assistants	263,596	(50,622)	212,974	208,589	4,385
Other Salaries	4,000	-	4,000	754	3,246
Purchased Professional-Educational Services	216,348	(91,700)	124,648	75,875	48,773
Other Purchased Services	10,500	-	10,500	2,132	8,368
Supplies and Materials	14,500	(2,600)	11,900	5,537	6,363
Total Improvement of Instruction Services	<u>1,098,133</u>	<u>(214,754)</u>	<u>883,379</u>	<u>756,036</u>	<u>127,343</u>
Educational Media Services/School Library					
Salaries	446,166	98,170	544,336	543,951	385
Purchased Professional and Technical Services	55,000	-	55,000	40,403	14,597
Supplies and Materials	73,250	(7,541)	65,709	16,146	49,563
Total Educational Media Services/School Library	<u>574,416</u>	<u>90,629</u>	<u>665,045</u>	<u>600,500</u>	<u>64,545</u>
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	435,178	(14,462)	420,716	398,334	22,382
Salaries of Other Professional Staff	214,967	46,600	261,567	222,936	38,631
Salaries of Secretarial and Clerical Assistants	134,918	3,993	138,911	138,911	-
Purchased Professional-Educational Svcs.	34,515	8,720	43,235	3,773	39,462
Other Purchased Professional and Technical Services	8,550	(8,550)	-	-	-
Other Purchased Services	59,500	(9,412)	50,088	15,720	34,368
Supplies and Materials	15,700	(4,091)	11,609	2,833	8,776
Other Objects	3,250	2,000	5,250	5,118	132
Total Instructional Staff Training Services	<u>906,578</u>	<u>24,798</u>	<u>931,376</u>	<u>787,625</u>	<u>143,751</u>
Support Services General Administration					
Salaries	351,238	46,945	398,183	373,058	25,125
Legal Services	200,000	209,327	409,327	409,327	-
Audit Fees	50,000	(4,100)	45,900	45,900	-
Architectural/Engineering Services	15,000	17,000	32,000	-	32,000
Purchased Technical Services	15,000	-	15,000	-	15,000
Communications/Telephone	195,150	(151,707)	43,443	35,524	7,919
BOE Other Purchased Services	11,500	(584)	10,916	4,866	6,050
Miscellaneous Purchased Services	159,950	1,238	161,188	161,187	1
General Supplies	6,000	(5,054)	946	946	-
General Supplies Acquired by Lease Purchase (Non Budget)	-	-	-	8,959	(8,959)
BOE In-House Training/Meeting Supplies	5,000	(1,594)	3,406	3,406	-
Judgments Against the School District	65,000	(20,143)	44,857	44,857	-
Miscellaneous Expenditures	7,250	4,100	11,350	8,509	2,841
BOE Membership Dues and Fees	35,000	(6,087)	28,913	28,913	-
Total Support Services General Administration	<u>1,116,088</u>	<u>89,341</u>	<u>1,205,429</u>	<u>1,125,452</u>	<u>79,977</u>

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,810,071	\$ 4,152	\$ 1,814,223	\$ 1,814,223	
Salaries of Secretarial and Clerical Assistants	1,190,889	33,692	1,224,581	1,224,580	\$ 1
Other Purchased Service	47,700	(23,413)	24,287	15,287	9,000
Supplies and Materials	96,840	6,877	103,717	72,974	30,743
Other Objects	4,013	854	4,867	4,253	614
Total Support Services School Administration	3,149,513	22,162	3,171,675	3,131,317	40,358
Central Services					
Salaries	802,508	8,783	811,291	810,023	1,268
Purchased Professional Services	2,000		2,000		2,000
Purchased Technical Services	85,000	(23,092)	61,908	61,907	1
Misc. Purchased Services	60,450	(11,639)	48,811	44,229	4,582
Supplies and Materials	30,000	4,104	34,104	21,388	12,716
Interest on Lease Purchase Agreements	14,055	-	14,055	14,055	-
Miscellaneous Expenditures	2,000	-	2,000	1,774	226
Total Central Services	996,013	(21,844)	974,169	953,376	20,793
Admin. Info. Tech					
Salaries	528,960	1,324	530,284	517,372	12,912
Purchased Technical Services	100,000	(2,972)	97,028	96,713	315
Other Purchased Services	5,700	50	5,750	4,102	1,648
Supplies and Materials	55,500	(26,810)	28,690	16,120	12,570
Total Admin. Info. Tech.	690,160	(28,408)	661,752	634,307	27,445
Required Maintenance for School Facilities					
Salaries	603,964	30,660	634,624	634,624	-
Cleaning, Repair & Maintenance Services	378,500	41,764	420,264	303,345	116,919
General Supplies	130,000	90,451	220,451	208,595	11,856
Total Required Maintenance for School Facilities	1,112,464	162,875	1,275,339	1,146,564	128,775
Custodial Services					
Salaries	2,449,611	(787,827)	1,661,784	1,659,686	2,098
Salaries of Non-Instructional Aides	344,400	(18,935)	325,465	325,465	-
Purchased Professional and Technical Services	80,472	(65,650)	14,822	10,322	4,500
Cleaning, Repair & Maintenance Services	215,725	714,847	930,572	920,411	10,161
Other Purchased Property Services	100,000	(21,595)	78,405	66,762	11,643
Insurance	400,000	(10,338)	389,662	385,755	3,907
Miscellaneous Purchased Services	15,000	109,130	124,130	117,698	6,432
General Supplies	234,070	(3,012)	231,058	223,185	7,873
Energy (Natural Gas)	600,000	(291,995)	308,005	307,972	33
Energy (Electricity)	600,000	85,000	685,000	668,296	16,704
Other Objects	8,650	-	8,650	8,625	25
Interest-Energy Savings Impr. Prog. Bonds	282,700	-	282,700	282,700	-
Principal-Energy Savings Impr. Prog. Bonds	320,000	-	320,000	320,000	-
Total Custodial Services	5,650,628	(290,375)	5,360,253	5,296,877	63,376

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 369,221	\$ (61,840)	\$ 307,381	\$ 307,381	-
Total Care and Upkeep of Grounds	369,221	(61,840)	307,381	307,381	-
Security					
Salaries	21,436	-	21,436	20,158	\$ 1,278
Purchased Professional and Technical Services	58,000	23,761	81,761	81,761	-
Total Security	79,436	23,761	103,197	101,919	1,278
Student Transportation Services					
Salaries of Non-Instructional Aides	1,034		1,034	420	614
Salaries for Pupil Transportation (Between Home and School) - Regular	29,385	(2,893)	26,492	26,492	-
Salaries for Pupil Transportation (Between Home and School) - Special	23,727	(5,345)	18,382	18,382	-
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	41,376	1,517	42,893	42,893	-
Other Purchased Prof. and Technical Serv.	22,000	(11,625)	10,375	9,984	391
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	375,000	(27,014)	347,986	347,456	530
Contracted Services (Between Home and School) - Vendors	1,604,474	(371,483)	1,232,991	1,229,553	3,438
Contracted Services (Other Than Between Home and School) - Vendors	354,922	(133,762)	221,160	213,325	7,835
Contracted Services (Spec Ed) - Vendors	605,500	(32,422)	573,078	570,247	2,831
Contracted Services (Reg. Students) - ESCs & CTSAs	975,000	44,816	1,019,816	1,019,816	-
Contracted Services (Spl. Ed. Students)-ESCs & CTSAs	1,075,000	478,632	1,553,632	1,553,560	72
General Supplies	1,500	-	1,500	363	1,137
Total Student Transportation Services	5,108,918	(59,579)	5,049,339	5,032,491	16,848
Allocated Benefits					
Regular Programs - Instruction - Employee Benefits					
Health Benefits	4,393,185	-	4,393,185	4,377,547	15,638
Total Regular Programs - Instruction - Employee Benefits	4,393,185	-	4,393,185	4,377,547	15,638
Special Programs - Instruction - Employee Benefits					
Health Benefits	2,117,465	(65,715)	2,051,750	2,051,750	-
Total Special Programs - Instruction - Employee Benefits	2,117,465	(65,715)	2,051,750	2,051,750	-
Improvement of Instruction Services - Employee Benefits					
Health Benefits	350,000	-	350,000	350,000	-
Total Improvement of Instruction Services - Employee Benefits	350,000	-	350,000	350,000	-
Operation & Maintenance of Plant - Employee Benefits					
Health Benefits	400,000	-	400,000	400,000	-
Total Operation & Maintenance of Plant - Employee Benefits	400,000	-	400,000	400,000	-
Total Allocated Benefits - Employee Benefits	7,260,650	(65,715)	7,194,935	7,179,297	15,638

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits					
Group Insurance	\$ 362,576	\$ (77,296)	\$ 285,280	\$ 271,167	\$ 14,113
Social Security Contributions	1,028,648	(22,230)	1,006,418	993,643	12,775
Other Retirement Contributions - PERS	1,302,000	(150,943)	1,151,057	1,150,707	350
Unemployment Compensation	147,681	1,305	148,986	148,986	-
Workmen's Compensation	375,000	(36,056)	338,944	338,944	-
Health Benefits	2,167,473	106,919	2,274,392	2,274,392	-
Tuition Reimbursement	250,000	(246,600)	3,400	3,400	-
Other Employee Benefits	409,000	256,143	665,143	663,072	2,071
Total Unallocated Benefits	6,042,378	(168,758)	5,873,620	5,844,311	29,309
TPAF Pension - System Contributions					
Normal Costs and Accrued Liability (Non-Budget)				1,750,516	(1,750,516)
TPAF Pension - System Contributions - NCGI Premium (Non Budget)				125,942	(125,942)
TPAF Pension - Post Retirement Contributions (Non-Budget)				2,978,876	(2,978,876)
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,651,461	(2,651,461)
Total On-Behalf Contributions/Reimbursements	-	-	-	7,506,795	(7,506,795)
Total Undistributed Expenditures	50,216,775	149,564	50,366,339	56,991,538	(6,625,199)
Total Current Expenditures	85,926,386	1,750,745	87,677,131	94,233,809	(6,556,678)
CAPITAL OUTLAY EXPENDITURES					
Equipment					
Undistributed Expenditures					
Instruction		19,985	19,985	19,985	-
Support Service - Students - Child Study Team	15,000		15,000	4,599	10,401
Admin. Info. Tech.	75,000	-	75,000	44,910	30,090
Required Maintenance for School Facilities	-	63,073	63,073	63,073	-
Total Equipment	90,000	83,058	173,058	132,567	40,491
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services	114,142	-	114,142	105,170	8,972
Lease Purchase Agreements - Principal	264,690	1	264,691	264,690	1
Other Objects	128,662	-	128,662	128,662	-
Total Facilities Acquisition and Construction Serv.	507,494	1	507,495	498,522	8,973
Interest Deposit to Capital Reserve	1,000	-	1,000	-	1,000

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
Total Capital Outlay	\$ 598,494	\$ 83,059	\$ 681,553	\$ 631,089	\$ 50,464
Transfer of Funds to Charter Schools	5,058,019	-	5,058,019	4,957,683	100,336
Total Expenditures	91,582,899	1,833,804	93,416,703	99,822,581	(6,405,878)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,113,095)	(1,833,804)	(5,946,899)	(4,901,501)	1,045,398
Other Financing Sources (Uses)					
Lease-Purchase Proceeds (Non Budget)				300,990	300,990
Transfer In - Capital Projects Fund	402,086		402,086	402,086	-
Transfer Out - Capital Reserve to Capital Projects Fund	(316,345)	-	(316,345)	(316,345)	-
Total Other Financing Sources (Uses)	85,741	-	85,741	386,731	300,990
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(4,027,354)	(1,833,804)	(5,861,158)	(4,514,770)	1,346,388
Fund Balances, Beginning of Year	7,018,927	-	7,018,927	7,018,927	-
Fund Balances, End of Year	\$ 2,991,573	\$ (1,833,804)	\$ 1,157,769	\$ 2,504,157	\$ 1,346,388
Recapitulation					
Restricted					
Capital Reserve				\$ 324,592	
Assigned					
Year End Encumbrances				317,147	
ARRA-SEMI				18,320	
Designated for Subsequent Year's Expenditures				1,084,890	
Unassigned				759,208	
				2,504,157	
Reconciliation to Governmental Funds Statements (GAAP)					
2014/2015 State Aid Payments Not Recognized on GAAP Basis				(320,943)	
2014/2015 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(874,109)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,309,105	

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 236,841	\$ 361,791	\$ 598,632	\$ 560,606	\$ (38,026)
Federal	1,635,459	348,001	1,983,460	1,640,401	(343,059)
Local Sources					
Miscellaneous	-	542,501	542,501	321,370	(221,131)
Total Revenues	1,872,300	1,252,293	3,124,593	2,522,377	(602,216)
EXPENDITURES					
Instruction					
Salaries of Teachers	1,635,459	(1,257,970)	377,489	256,616	120,873
Purchased Professional/Educational Services		56,297	56,297	42,870	13,427
Purchased Technical Services		4,357	4,357	1,177	3,180
Tuition		909,293	909,293	909,293	-
General Supplies	9,940	246,143	256,083	214,112	41,971
Textbooks	27,260	6,165	33,425	31,863	1,562
Other Objects	-	7,213	7,213	5,416	1,797
Total Instruction	1,672,659	(28,502)	1,644,157	1,461,347	182,810
Student Support Services					
Salaries		643,045	643,045	520,699	122,346
Purchased Professional/Educational Services	199,641	224,452	424,093	328,772	95,321
Purchased Prof. and Technical Services		375	375		375
Purchased Property Services		17,100	17,100	10,908	6,192
Communications/Telephone		4,353	4,353	3,066	1,287
Rentals		7,458	7,458	3,636	3,822
Travel		40,771	40,771	15,154	25,617
Other Purchased Services		15,073	15,073		15,073
Supplies and Materials		65,783	65,783	19,089	46,694
Miscellaneous Expenditures	-	93,662	93,662	58,124	35,538
Total Student Support Services	199,641	1,112,072	1,311,713	959,448	352,265
Transportation					
Contracted Services	-	52,455	52,455	20,752	31,703
Unallocated Benefits					
Other Employee Benefits	-	99,770	99,770	64,822	34,948
Facilities Acquisition and Construction					
Instructional Equipment	-	16,498	16,498	16,008	490
Total Facilities Acq. & Construction	-	16,498	16,498	16,008	490
Total Expenditures	1,872,300	1,252,293	3,124,593	2,522,377	602,216
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**TEANECK BOARD OF EDUCATION
GENERAL AND SPECIAL REVENUE FUNDS
NOTES TO BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 94,921,080	\$ 2,522,377
Difference - 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, 2014 (net of cancellations)		15,098
Encumbrances, June 30, 2015		(1,765)
The last two State Aid payments are recognized as revenue for budgetary purposes. This differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenditure (GASB No. 33)		
State Aid payments recognized for GAAP purposes not recognized for Budgetary statements (2013/2014 State Aid)	1,385,280	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements (2014/2015 State Aid)	(1,195,052)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 95,111,308</u>	<u>\$ 2,535,710</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 99,822,581	\$ 2,522,377
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2014 (net of cancellations)		15,098
Encumbrances, June 30, 2015	-	(1,765)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 99,822,581</u>	<u>\$ 2,535,710</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

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

Public Employees Retirement System

Last Two Fiscal Years*
(Dollar amounts in thousands)

	<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.14205	%	0.14279	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 26,594,811		\$ 27,289,537	
District's Covered-Employee Payroll	\$ 9,132,014		\$ 9,766,548	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	291.23	%	279.42	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08	%	48.72	%

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

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

**TEANECK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

**Last Two Fiscal Years
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,171,003	\$1,075,875
Contributions in Relation to the Contractually Required Contribution	<u>1,171,003</u>	<u>1,075,875</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$9,132,014	\$9,766,548
Contributions as a Percentage of Covered-Employee Payroll	\$ 12.82 %	\$ 11.02 %

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

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

Teachers Pension and Annuity Fund

Last Two Fiscal Years*
(Dollar amounts in thousands)

	<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.00	%	0.00	%
District's Proportionate Share of the Net Pension Liability (Asset)	-		-	
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 192,933,307</u>		<u>\$ 183,130,122</u>	
Total	<u>\$ 192,933,307</u>		<u>\$ 183,130,122</u>	
District's Covered-Employee Payroll	\$ 33,506,107		\$ 34,862,168	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00	%	0.00	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64	%	33.76	%

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

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

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

Change of Benefit Terms: None.

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

SCHOOL LEVEL SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	IDEA Part <u>B- Basic</u>	IDEA Part B <u>Preschool</u>	NCLB <u>Title I</u>	NCLB <u>Title IIA</u>	NCLB <u>Title III</u>	NCLB Title III <u>Immigrant</u>	Total Exhibit <u>E-1a</u>	Total Exhibit <u>E-1b</u>	<u>Totals</u>
REVENUES									
Intergovernmental									
State							\$ 560,606		\$ 560,606
Federal	\$ 992,475	\$ 24,615	\$ 463,123	\$ 129,989	\$ 24,158	\$ 6,041			1,640,401
Other	-	-	-	-	-	-	-	\$ 321,370	321,370
Total Revenues	<u>\$ 992,475</u>	<u>\$ 24,615</u>	<u>\$ 463,123</u>	<u>\$ 129,989</u>	<u>\$ 24,158</u>	<u>\$ 6,041</u>	<u>\$ 560,606</u>	<u>\$ 321,370</u>	<u>\$ 2,522,377</u>
EXPENDITURES									
Instruction									
Salaries of Teachers			\$ 176,888	\$ 7,880	\$ 13,206			\$ 58,642	\$ 256,616
Purchased Prof and Educ Svcs			42,870						42,870
Purchased Technical Services								1,177	1,177
Tuition	\$ 909,293								909,293
General Supplies	24,296		146,688		6,459	\$ 6,041	\$ 16,869	13,759	214,112
Textbooks							31,863		31,863
Miscellaneous	-	-	-	-	-	-	-	5,416	5,416
Total Instruction	<u>933,589</u>	<u>-</u>	<u>366,446</u>	<u>7,880</u>	<u>19,665</u>	<u>6,041</u>	<u>48,732</u>	<u>78,994</u>	<u>1,461,347</u>
Support Services									
Salaries			47,494	300	1,856		307,892	163,157	520,699
Personal Svcs. -Emp. Benefits			17,165	626	1,152			45,879	64,822
Purchased Prof & Educ Svcs		\$ 24,615	4,750	95,425			203,982		328,772
Rentals								3,636	3,636
Contracted Svcs. -Transportation			10,019		1,090			9,643	20,752
Purchased Property Services								10,908	10,908
Communication/Telephone								3,066	3,066
Travel				14,658	395			101	15,154
Supplies and Materials	4,000		1,241	11,100				2,748	19,089
Miscellaneous	54,886	-	-	-	-	-	-	3,238	58,124
Total Support Services	<u>58,886</u>	<u>24,615</u>	<u>80,669</u>	<u>122,109</u>	<u>4,493</u>	<u>-</u>	<u>511,874</u>	<u>242,376</u>	<u>1,045,022</u>
Instructional Equipment	-	-	16,008	-	-	-	-	-	16,008
Total Facilities Acquisition	-	-	16,008	-	-	-	-	-	16,008
Total Expenditures	<u>\$ 992,475</u>	<u>\$ 24,615</u>	<u>\$ 463,123</u>	<u>\$ 129,989</u>	<u>\$ 24,158</u>	<u>\$ 6,041</u>	<u>\$ 560,606</u>	<u>\$ 321,370</u>	<u>\$ 2,522,377</u>

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>NonPublic Chapter 193</u>				<u>Nonpublic</u>	<u>Nonpublic</u>	<u>NonPublic Chapter 192</u>			<u>School</u>	<u>Total</u>
	<u>Exam. &</u>	<u>Corrective</u>		<u>Nonpublic</u>	<u>Textbook</u>	<u>Technology</u>	<u>Home</u>		<u>Compensatory</u>	<u>Based</u>	<u>Exhibit</u>
	<u>Class.</u>	<u>Speech</u>	<u>Supp. Instr.</u>	<u>Nursing</u>	<u>Aid</u>	<u>Aid</u>	<u>Instruction</u>	<u>ESL</u>	<u>Education</u>	<u>Youth</u>	<u>E-1b</u>
									<u>Services</u>	<u>Services</u>	
REVENUES											
Intergovernmental											
State	\$ 84,299	\$ 3,004	\$ 14,517	\$ 68,481	\$ 31,863	\$ 16,869	\$ 6,287	\$ 12,972	\$ 14,422	\$ 307,892	\$ 560,606
Federal											-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 84,299</u>	<u>\$ 3,004</u>	<u>\$ 14,517</u>	<u>\$ 68,481</u>	<u>\$ 31,863</u>	<u>\$ 16,869</u>	<u>\$ 6,287</u>	<u>\$ 12,972</u>	<u>\$ 14,422</u>	<u>\$ 307,892</u>	<u>\$ 560,606</u>
EXPENDITURES											
Instruction											
Salaries of Teachers						\$ 16,869					\$ 16,869
General Supplies											-
Other Objects											-
Textbooks	-	-	-	-	\$ 31,863	-	-	-	-	-	31,863
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,863</u>	<u>16,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,732</u>
Support Services											
Salaries										\$ 307,892	307,892
Personal Svcs. -Emp. Benefits											-
Purchased Prof & Educ Svcs.	\$ 84,299	\$ 3,004	\$ 14,517	\$ 68,481			\$ 6,287	\$ 12,972	\$ 14,422		203,982
Travel											-
Supplies and Materials											-
Indirect Costs	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	<u>84,299</u>	<u>3,004</u>	<u>14,517</u>	<u>68,481</u>	<u>-</u>	<u>-</u>	<u>6,287</u>	<u>12,972</u>	<u>14,422</u>	<u>307,892</u>	<u>511,874</u>
Facilities Acquisition											
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 84,299</u>	<u>\$ 3,004</u>	<u>\$ 14,517</u>	<u>\$ 68,481</u>	<u>\$ 31,863</u>	<u>\$ 16,869</u>	<u>\$ 6,287</u>	<u>\$ 12,972</u>	<u>\$ 14,422</u>	<u>\$ 307,892</u>	<u>\$ 560,606</u>

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Other Local Grants	Forum Twp Funds	Forum Juvenile Justice	Juvenile Justice	TWT/ Work Success	BCUA Grant	Total Exhibit E-1c
REVENUES							
Intergovernmental							
State							
Federal							
Other	\$ 1,878	\$ 52,644	\$ 25,060	\$ 24,354	\$ 217,414	\$ 20	\$ 321,370
Total Revenues	\$ 1,878	\$ 52,644	\$ 25,060	\$ 24,354	\$ 217,414	\$ 20	\$ 321,370
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 589	\$ 25,357	\$ 16,371	\$ 16,325			\$ 58,642
Salaries of Other Prof Staff							-
Purchased Prof and Educ Svcs							-
Purchased Prof and Tech Svcs			400	777			1,177
Tuition							-
Other Purchased Services							-
General Supplies		8,835	1,774	3,130		\$ 20	13,759
Textbooks							
Miscellaneous	-	5,416	-	-	-	-	5,416
Total Instruction	589	39,608	18,545	20,232	-	20	78,994
Support Services							
Salaries		9,898			\$ 153,259		163,157
Salaries of Other Prof. Staff							-
Personal Svcs. -Emp. Benefits			1,772	1,360	42,747		45,879
Purchased Prof and Educ Svcs.							-
Rentals					3,636		3,636
Travel					101		101
Contracted Svcs. -Transportation		2,138	4,743	2,762			9,643
Purchased Property Services					10,908		10,908
Communications/ Telephone					3,066		3,066
Supplies and Materials							-
Miscellaneous	926				1,822		2,748
	363	1,000	-	-	1,875	-	3,238
Total Support Services	1,289	13,036	6,515	4,122	217,414	-	242,376
Facilities Acquisition							
Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-
Total Expenditures	\$ 1,878	\$ 52,644	\$ 25,060	\$ 24,354	\$ 217,414	\$ 20	\$ 321,370

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

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project Title/Description</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfers Out</u>		<u>Balance June 30, 2015</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	
Teaneck High School Roof (Lease Purchase)	\$ 1,706,987	\$ 1,101,712		\$ 523,189	\$ 82,086	
Teaneck High School Culinary Lab	135,418	134,642				\$ 776
Energy Savings Improvement Program	8,878,088	7,060,275	\$ 153,101	485,000	320,000	859,712
Benjamin Franklin Roof	1,092,000	975,725				116,275
Teaneck High School Roof	807,970	798,498				9,472
Teaneck High School & Thomas Jefferson Scoreboards	75,000		75,000			-
Bryant School Roof Replacement	1,087,288					1,087,288
Hawthorne School Roof Replacement	1,072,234		426,027			646,207
Whittier Asbestos Removal	316,345	-	189,565	-	-	126,780
	<u>\$ 15,171,330</u>	<u>\$ 10,070,852</u>	<u>\$ 843,693</u>	<u>\$ 1,008,189</u>	<u>\$ 402,086</u>	<u>\$ 2,846,510</u>

Reconciliation of Fund Balance, June 30, 2015

Project Balances Available	\$ 2,846,510
Unfunded Project - IHS Roof	(43,170)
Unfunded Balance - Cancel Prior Year SDA Grant	(416,424)
	<u>\$ 2,386,916</u>
Less Unrealized Grants Awards	<u>(739,017)</u>
Fund Balance, June 30, 2015 - GAAP Basis	<u>\$ 1,647,899</u>

Analysis of Fund Balance (GAAP)

Restricted for Capital Projects:	
Year End Encumbrances	\$ 1,701,515
Available For Capital Projects Expenditures	<u>(53,616)</u>
Total Fund Balance - Restricted For Capital Projects	<u>\$ 1,647,899</u>

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

State Shared SDA Grant	\$ 909,428
Interest Income	94
Other Financing Sources	
Capital Lease Proceeds	1,250,000
Transfers In - Capital Reserve	<u>316,345</u>
Total Revenues and Other Financing Sources	<u>2,475,867</u>

Expenditures and Other Financing Uses

Expenditures	
Capital Outlay	
Purchased Professional and Technical Services	32,321
Construction Services	777,372
Equipment	34,000
Other Financing Uses	
Transfers out - General Fund	<u>402,086</u>
Total Expenditures and Other Financing Uses	<u>1,245,779</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	1,230,088
Fund Balance - Beginning of Year	<u>1,156,828</u>
Fund Balance - End of Year	<u>\$ 2,386,916</u>

Reconciliation to Governmental Fund Statements (GAAP)

Fund Balance - End of Year - Budgetary Basis	\$ 2,386,916
Less Unearned Revenue	<u>(739,017)</u>
Fund Balance - End of Year - GAAP Basis	<u>\$ 1,647,899</u>

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 440,685		\$ 440,685	\$ 440,685
Local Sources - Capital Lease	1,266,302	-	1,266,302	1,266,302
 Total Revenues	 1,706,987	 -	 1,706,987	 1,706,987
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	169,124		169,124	169,124
Construction Services	932,588		932,588	932,588
Transfer to General Fund	523,189	\$ 82,086	605,275	605,275
 Total Expenditures and Other Financing Uses	 1,624,901	 82,086	 1,706,987	 1,706,987
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 82,086	 \$ (82,086)	 \$ -	 \$ -
 Additional Project Information:				
Project Number	5150-050-10-2001			
Grant Date	9/1/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,706,987			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,706,987			
 Percentage Increase over Original Authorized Cost	 0%			
Percentage Completion	100%			
Original Target Completion Date	2011			
Revised Target Completion Date	2012			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL CULINARY LAB
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Donation	\$ 48,969		\$ 48,969	\$ 48,969
Transfer from Capital Reserve	86,449	-	86,449	86,449
Total Revenues	135,418	-	135,418	135,418
Expenditures and Other Financing Uses				
Supplies and Materials	460		460	
Construction Services	134,182	-	134,182	135,418
Total Expenditures and Other Financing Uses	134,642	-	134,642	135,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 776	\$ -	\$ 776	\$ -
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 170,000			
Reduced Authorized Cost	(34,582)			
Revised Authorized Cost	\$ 135,418			
 Percentage Increase over Original Authorized Cost	80%			
Percentage Completion	100%			
Original Target Completion Date	2012			
Revised Target Completion Date	2012			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Other Sources - Premium on Bonds	\$ 698,088		\$ 698,088	\$ 698,088
Bond Proceeds	8,180,000	-	8,180,000	8,180,000
 Total Revenues	 8,878,088	 -	 8,878,088	 8,878,088
Expenditures and Other Financing Uses				
Salaries	5,000		5,000	5,000
Purchased Professional and Technical Services	1,038,292	32,321	1,070,613	1,879,136
Construction Services	6,016,983	120,780	6,137,763	6,188,952
Project Balances Transferred:				
General Fund	485,000	320,000	805,000	805,000
 Total Expenditures and Other Financing Uses	 7,545,275	 473,101	 8,018,376	 8,878,088
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 1,332,813	 \$ (473,101)	 \$ 859,712	 \$ -
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$ 8,180,000			
Original Authorized Cost	8,878,088			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 8,878,088			
 Percentage Increase over Original Authorized Cost	 0%			
Percentage Completion	90%			
Original Target Completion Date	2012/2013			
Revised Target Completion Date	2012/2013			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BENJAMIN FRANKLIN ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,092,000	-	\$ 1,092,000	\$ 1,092,000
Total Revenues	1,092,000	-	1,092,000	1,092,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	84,689		84,689	50,000
Construction Services	891,036	-	891,036	1,042,000
Total Expenditures and Other Financing Uses	975,725	-	975,725	1,092,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 116,275	\$ -	\$ 116,275	\$ -
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,092,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,092,000			
 Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	6/30/2014			
Revised Target Completion Date	6/30/2014			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 764,800	-	\$ 764,800	\$ 807,970
Total Revenues	764,800	-	764,800	807,970
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	47,720		47,720	50,000
Construction Services	750,778	-	750,778	757,970
Total Expenditures and Other Financing Uses	798,498	-	798,498	807,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (33,698)	\$ -	\$ (33,698)	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 807,970			
Additional Authorized Cost				
Revised Authorized Cost	\$ 807,970			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	6/30/2014			
Revised Target Completion Date	6/30/2014			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL AND THOMAS JEFFERSON MIDDLE SCHOOL SCOREBOARDS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 75,000	-	\$ 75,000	\$ 75,000
Total Revenues	75,000	-	75,000	75,000
Expenditures and Other Financing Uses				
Construction Services		\$ 41,000	41,000	41,000
Equipment	-	34,000	34,000	34,000
Total Expenditures and Other Financing Uses	-	75,000	75,000	75,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 75,000	\$ (75,000)	\$ -	\$ -
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 75,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 75,000			
 Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	6/30/2015			
Revised Target Completion Date	6/30/2015			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BRYANT ELEMENTARY SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 457,884	\$ 457,884	\$ 457,884
Local Share - Capital Lease		629,357	629,357	629,357
Interest Income	-	47	47	47
Total Revenues	-	1,087,288	1,087,288	1,087,288
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		-	-	50,500
Construction Services	-	-	-	1,036,788
Total Expenditures and Other Financing Uses	-	-	-	1,087,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 1,087,288	\$ 1,087,288	\$ -

Additional Project Information:

DOE Project Number	5150-080-14-1001
SDA Project Number	5150-080-14-G1HN
Grant Number	G5-4941
Grant Date	1/16/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,087,241
Additional Authorized Cost	47
Revised Authorized Cost	\$ 1,087,288

Percentage Increase over Original Authorized

Cost	0%
Percentage Completion	0%
Original Target Completion Date	9/30/2015
Revised Target Completion Date	9/30/2015

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HAWTHORNE ELEMENTARY SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 451,544	\$ 451,544	\$ 451,544
Local Share - Capital Lease		620,643	620,643	620,643
Interest Income	-	47	47	47
Total Revenues	-	1,072,234	1,072,234	1,072,234
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	52,100
Construction Services	-	426,027	426,027	1,020,134
Total Expenditures and Other Financing Uses	-	426,027	426,027	1,072,234
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 646,207	\$ 646,207	\$ -

Additional Project Information:

DOE Project Number	5150-110-14-1002
SDA Project Number	5150-110-14-G1HO
Grant Number	G5-4942
Grant Date	1/16/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,072,187
Additional Authorized Cost	47
Revised Authorized Cost	\$ 1,072,234

Percentage Increase over Original Authorized

Cost	0%
Percentage Completion	40%
Original Target Completion Date	9/30/2015
Revised Target Completion Date	9/30/2015

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
WHITTIER ASBESTOS REMOVAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ -	316,345	\$ 316,345	\$ 316,345
Total Revenues	-	316,345	316,345	316,345
Expenditures and Other Financing Uses				
Construction Services	-	189,565	189,565	316,345
Total Expenditures and Other Financing Uses	-	189,565	189,565	316,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 126,780	\$ 126,780	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 316,345			
Additional Authorized Cost				
Revised Authorized Cost	\$ 316,345			
Percentage Increase over Original Authorized				
Cost	0%			
Percentage Completion	60%			
Original Target Completion Date	9/30/2015			
Revised Target Completion Date	9/30/2015			

PROPRIETARY FUNDS

EXHIBIT G-1

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

AGENCY FUNDS

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

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 130,708	\$ 540,969	\$ 671,677
Total Assets	<u>\$ 130,708</u>	<u>\$ 540,969</u>	<u>\$ 671,677</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 534,084	\$ 534,084
Flexible Spending Program		6,885	6,885
Due to Student Groups	<u>\$ 130,708</u>	<u>-</u>	<u>130,708</u>
Total Liabilities	<u>\$ 130,708</u>	<u>\$ 540,969</u>	<u>\$ 671,677</u>

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

NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**TEANECK BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
ELEMENTARY SCHOOLS				
Hawthorne	\$ 4,329	\$ 17,565	\$ 17,514	\$ 4,380
Bryant	1,538	6,989	5,946	2,581
Lowell	<u>3,407</u>	<u>10,839</u>	<u>10,064</u>	<u>4,182</u>
 Total Elementary Schools	 <u>9,274</u>	 <u>35,393</u>	 <u>33,524</u>	 <u>11,143</u>
 MIDDLE SCHOOLS				
Thomas Jefferson	16,962	51,011	54,695	13,278
Benjamin Franklin	<u>27,780</u>	<u>21,569</u>	<u>23,066</u>	<u>26,283</u>
 Total Middle Schools	 <u>44,742</u>	 <u>72,580</u>	 <u>77,761</u>	 <u>39,561</u>
 HIGH SCHOOL				
Teaneck High School	<u>66,121</u>	<u>123,553</u>	<u>118,324</u>	<u>71,350</u>
 OTHER				
Athletic	1,227	80,981	77,455	4,753
Music	<u>4,613</u>	<u>1,725</u>	<u>2,437</u>	<u>3,901</u>
 Total Other	 <u>5,840</u>	 <u>82,706</u>	 <u>79,892</u>	 <u>8,654</u>
 Total All Schools	 <u>\$ 125,977</u>	 <u>\$ 314,232</u>	 <u>\$ 309,501</u>	 <u>\$ 130,708</u>

**TEANECK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
ASSETS				
Cash and Cash Equivalents	\$ 415,332	\$ 54,967,019	\$ 54,841,382	\$ 540,969
Total Assets	<u>\$ 415,332</u>	<u>\$ 54,967,019</u>	<u>\$ 54,841,382</u>	<u>\$ 540,969</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 407,872	\$ 24,834,354	\$ 24,708,142	\$ 534,084
Flexible Spending Deposits	6,010	77,075	76,200	6,885
Accrued Salaries and Wages	<u>1,450</u>	<u>30,055,590</u>	<u>30,057,040</u>	<u>-</u>
Total Liabilities	<u>\$ 415,332</u>	<u>\$ 54,967,019</u>	<u>\$ 54,841,382</u>	<u>\$ 540,969</u>

LONG-TERM DEBT

**TEANECK BOARD OF EDUCATION
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>		<u>Balance, July 1, 2014</u>	<u>Paid</u>	<u>Balance, June 30, 2015</u>
Various Capital Improvements-District-wide	4/1/01	\$ 11,816,000					\$ 550,000	\$ 550,000	-
School Refunding Bonds	2/15/2003	4,270,000					390,000	390,000	-
School Refunding Bonds	7/27/2006	9,305,000	7/15/15	\$ 580,000	Various	%			
			7/15/16-17	575,000	Various				
			7/15/18	570,000	4.25				
			7/15/19	580,000	4.25				
			7/15/20	575,000	4.20				
			7/15/21-22	570,000	4.20				
			7/15/23	565,000	4.50				
			7/15/24	575,000	4.50				
			7/15/25-26	570,000	4.50				
			7/15/27	565,000	4.50				
			7/15/28-29	560,000	4.50				
			7/15/30	555,000	4.50		9,145,000	30,000	9,115,000
School Energy Savings Obligation Refunding Bonds	4/15/2012	8,180,000	4/1/16	400,000	3.00	%			
			4/1/17	440,000	3.00				
			4/1/18	465,000	3.00				
			4/1/19	500,000	3.00				
			4/1/20	545,000	4.00				
			4/1/21	600,000	4.00				
			4/1/22	645,000	4.00				
			4/1/23	590,000	4.50				
			4/1/24	640,000	4.00				
			4/1/25	700,000	4.00				
			4/1/26	750,000	4.00				
			4/1/27	805,000	4.00		7,400,000	320,000	7,080,000
Pension Refunding Bonds (ERIP)	8/7/2013	3,325,000	4/1/15	450,000	1.20	%			
			4/1/16	460,000	1.70				
			4/1/17	470,000	2.30				
			4/1/18	485,000	2.70				
			4/1/19	500,000	3.20				
			4/1/20	515,000	3.50		<u>\$ 3,325,000</u>	<u>445,000</u>	<u>2,880,000</u>
Totals							<u>\$ 20,810,000</u>	<u>\$ 1,735,000</u>	<u>\$ 19,075,000</u>
Paid by Debt Service Fund Budget Appropriation								\$ 1,415,000	
Paid by General Fund Budget Appropriation								<u>320,000</u>	
								\$ 1,735,000	

TEANECK BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2014 (Restated)</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2015</u>
<u>Capital Leases</u>							
Teaneck High School Roof Improvements	3/1/2011	\$ 1,286,000	2.98%	\$ 537,327		\$ 264,690	\$ 272,637
Hawthorne & Bryant Elementary School Roof Imprvmnts	9/25/2014	1,250,000	1.56%	-	\$ 1,250,000	-	1,250,000
Total Capital Leases				537,327	1,250,000	264,690	1,522,637
<u>Lease-Purchase Agreements</u>							
Savin Copiers	8/14/2013	392,535	5.08%	338,777		67,431	271,346
Computers	7/1/2013	293,327	3.50%	214,510		68,023	146,487
Savin Copiers	10/28/2014	8,959	2.63%		8,959	1,128	7,831
Computers	7/15/2014	292,031	1.24%	-	292,031	74,362	217,669
Total Lease-Purchase Agreements				553,287	300,990	210,944	643,333
Total				\$ 1,090,614	\$ 1,550,990	\$ 475,634	\$ 2,165,970

**TEANECK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,845,977	-	\$ 1,845,977	\$ 1,845,977	-
Total Revenues	<u>1,845,977</u>	<u>-</u>	<u>1,845,977</u>	<u>1,845,977</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,415,000	-	1,415,000	1,415,000	
Interest	<u>498,917</u>	<u>-</u>	<u>498,917</u>	<u>498,917</u>	\$ -
Total Expenditures	<u>1,913,917</u>	<u>-</u>	<u>1,913,917</u>	<u>1,913,917</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(67,940)</u>	<u>-</u>	<u>(67,940)</u>	<u>(67,940)</u>	<u>-</u>
Net Change in Fund Balance	(67,940)	-	(67,940)	(67,940)	-
Fund Balance, Beginning of Year	<u>67,973</u>	<u>-</u>	<u>67,973</u>	<u>67,973</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 33</u>	<u>\$ -</u>

Recapitulation of Fund Balance:

Restricted

Available for Debt

Service Expenditures \$ 33

STATISTICAL SECTION

This part of the Teaneck Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

TEANECK BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012 (1)	2013	2014 (2)	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 24,173,348	\$ 25,187,935	\$ 25,514,557	\$ 26,966,982	\$ 27,900,242	\$ 27,808,537	\$ 29,832,741	\$ 27,689,490	\$ 30,923,632	\$ 31,030,357
Restricted	536,883	324,375	229,174	1,975,666	899,886	643,243	1,191,255	3,236,970	571,338	324,625
Unrestricted	(953,246)	1,297,242	1,007,645	(1,778,289)	(3,820,722)	(1,782,172)	(2,316,760)	(1,892,086)	(29,821,336)	(33,550,664)
Total Governmental Activities Net Position	<u>\$ 23,756,985</u>	<u>\$ 26,809,552</u>	<u>\$ 26,751,376</u>	<u>\$ 27,164,359</u>	<u>\$ 24,979,406</u>	<u>\$ 26,669,608</u>	<u>\$ 28,707,236</u>	<u>\$ 29,034,374</u>	<u>\$ 1,673,634</u>	<u>\$ (2,195,682)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 121,884	\$ 118,735	\$ 161,028	\$ 136,574	\$ 132,953	\$ 101,233	\$ 81,353	\$ 67,630	\$ 55,021	\$ 45,373
Restricted										
Unrestricted	317,915	343,334	312,806	275,705	123,100	76,294	(33,550)	84,428	140,807	201,619
Total Business-Type Activities Net Position	<u>\$ 439,799</u>	<u>\$ 462,069</u>	<u>\$ 473,834</u>	<u>\$ 412,279</u>	<u>\$ 256,053</u>	<u>\$ 177,527</u>	<u>\$ 47,803</u>	<u>\$ 152,058</u>	<u>\$ 195,828</u>	<u>\$ 246,992</u>
District-wide										
Net Investment in Capital Assets	\$ 24,295,232	\$ 25,306,670	\$ 25,675,585	\$ 27,103,556	\$ 28,033,195	\$ 27,909,770	\$ 29,914,094	\$ 27,757,120	\$ 30,978,653	\$ 31,075,730
Restricted	536,883	324,375	229,174	1,975,666	899,886	643,243	1,191,255	3,236,970	571,338	324,625
Unrestricted	(635,331)	1,640,576	1,320,451	(1,502,584)	(3,697,622)	(1,705,878)	(2,350,310)	(1,807,658)	(29,680,529)	(33,349,045)
Total District Net Position	<u>\$ 24,196,784</u>	<u>\$ 27,271,621</u>	<u>\$ 27,225,210</u>	<u>\$ 27,576,638</u>	<u>\$ 25,235,459</u>	<u>\$ 26,847,135</u>	<u>\$ 28,755,039</u>	<u>\$ 29,186,432</u>	<u>\$ 1,869,462</u>	<u>\$ (1,948,690)</u>

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

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

Source: District Records

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 30,526,336	\$ 33,233,572	\$ 35,644,622	\$ 32,850,320	\$ 34,139,305	\$ 30,421,657	\$ 32,671,988	\$ 33,576,131	\$ 33,856,291	\$ 45,216,191
Special Education	13,615,374	13,872,251	14,932,504	15,424,664	16,598,057	17,263,704	16,711,830	17,934,087	9,680,177	22,910,881
Other Special Instruction	4,010,844	4,131,219	4,040,837	4,490,700	4,861,567	3,382,495	4,061,728	4,049,272	3,273,279	5,104,799
Support Services:										
Student & Instruction Related Services	11,242,305	11,120,386	12,406,377	13,209,300	14,235,446	13,183,619	14,361,913	14,780,095	17,404,977	15,985,738
School Administrative Services	3,528,222	3,834,824	4,208,866	4,088,235	4,200,508	4,416,827	4,189,822	4,257,991	3,040,882	4,797,201
General Administration	1,300,385	1,465,891	1,481,314	1,789,267	1,410,162	1,122,333	1,080,471	1,494,069	1,014,942	1,346,018
Central and Other Support Services	1,425,850	1,494,306	1,368,503	1,376,200	1,790,946	1,982,452	1,993,106	2,125,032	1,481,017	2,162,372
Plant Operations and Maintenance	9,376,412	9,540,485	10,801,577	10,340,866	9,631,766	10,012,275	9,025,685	8,314,322	7,707,536	8,742,070
Pupil Transportation	4,718,265	4,967,222	5,174,060	5,101,656	5,134,633	4,853,999	4,696,541	4,567,081	4,395,157	5,090,466
Charter Schools	1,882,124	2,040,585	2,388,987	3,913,381	4,274,546	4,322,115	4,363,312	4,815,127		
Employee Benefits									12,735,510	
Depreciation Expense									1,734,667	
Interest and Other Charges on Long-Term Debt	1,023,267	969,897	921,055	887,725	847,364	833,217	920,530	1,129,319	820,419	682,245
Total Governmental Activities Expenses	82,649,384	86,670,638	93,368,702	93,472,314	97,124,300	91,794,693	94,076,926	97,042,526	97,144,854	112,037,981
Business-Type Activities:										
Food Service	1,109,797	1,156,163	1,282,444	1,316,617	1,350,203	1,325,864	1,397,117	1,202,883	1,479,468	1,420,191
Community School	777,445	799,129	855,417	747,254	884,402	859,294	858,905	708,373	564,347	498,653
Total Business-Type Activities	1,887,242	1,955,292	2,137,861	2,063,871	2,234,605	2,185,158	2,256,022	1,911,256	2,043,815	1,918,844
Total District Expenses	\$ 84,536,626	\$ 88,625,930	\$ 95,506,563	\$ 95,536,185	\$ 99,358,905	\$ 93,979,851	\$ 96,332,948	\$ 98,953,782	\$ 99,188,669	\$ 113,956,825
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 13,690	\$ 12,465								
Special Education (Tuition)	146,930	192,172	\$ 123,683	\$ 122,388	\$ 187,773	\$ 183,867	\$ 205,243	\$ 139,183	\$ 67,734	\$ 8,034
Rentals									40,427	
Student and Instruction Related Services	93,170				-			27,470		
Pupil Transportation	31,816	30,231	29,050	6,913	1,391				7,620	
Operating Grants and Contributions	13,371,086	15,462,501	16,684,940	14,893,154	13,382,713	13,896,066	16,260,691	17,291,743	13,364,250	25,289,979
Capital Grants and Contributions	8,946,805	13,594	74,259	77,089	417,097	202,209	504,250	-		186,499
Total Governmental Activities Program Revenues	22,603,497	15,710,963	16,911,932	15,099,544	13,988,974	14,282,142	16,970,184	17,458,396	13,480,031	25,484,512
Business-Type Activities:										
Charges for Services										
Food Service	729,821	760,083	809,596	794,154	751,458	714,849	685,717	664,678	744,639	642,602
Community School	726,803	719,255	769,935	672,503	697,946	750,363	784,134	686,002	637,055	594,605
Operating Grants and Contributions	433,394	486,507	504,607	535,659	628,975	641,420	656,447	664,831	705,891	732,801
Capital Grants and Contributions		3,790	65,488	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	1,890,018	1,969,635	2,149,626	2,002,316	2,078,379	2,106,632	2,126,298	2,015,511	2,087,585	1,970,008
Total District Program Revenues	\$ 24,493,515	\$ 17,680,598	\$ 19,061,558	\$ 17,101,860	\$ 16,067,353	\$ 16,388,774	\$ 19,096,482	\$ 19,473,907	\$ 15,567,616	\$ 27,454,520

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental Activities	\$ (60,045,887)	\$ (70,959,675)	\$ (76,456,770)	\$ (78,372,770)	\$ (83,135,326)	\$ (77,512,551)	\$ (77,106,742)	\$ (79,584,130)	\$ (83,664,823)	\$ (86,553,469)
Business-Type Activities	2,776	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)	104,255	43,770	51,164
Total District-Wide Net Expense	\$ (60,043,111)	\$ (70,945,332)	\$ (76,445,005)	\$ (78,434,325)	\$ (83,291,552)	\$ (77,591,077)	\$ (77,236,466)	\$ (79,479,875)	\$ (83,621,053)	\$ (86,502,305)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 67,872,613	\$ 71,386,061	\$ 73,468,869	\$ 75,400,085	\$ 77,384,174	\$ 77,452,263	\$ 77,452,263	\$ 77,760,542	\$ 78,926,950	\$ 80,505,489
Taxes Levied for Debt Service	1,778,539	1,770,877	1,755,174	1,768,016	1,758,616	1,441,802	1,782,863	1,785,784	1,789,891	1,845,977
Federal and State Aid - Restricted										
Federal and State Aid - Unrestricted	685,824	658,131	835,868	1,376,462	1,684,442	180,939			1,684,983	
Investment Earnings	183,490	344,263	231,044	68,258	34,349	51,159	19,927	82,082	61,893	24,538
Miscellaneous Income	253,923	161,599	107,639	172,932	88,792	192,205	262,013	282,860	694,931	308,149
Adjustments to Capital Assets	1,207								520,199	
Transfers	(50,000)									
Total Governmental Activities	70,725,596	74,320,931	76,398,594	78,785,753	80,950,373	79,318,368	79,517,066	79,911,268	83,678,847	82,684,153
Business-Type Activities:										
Miscellaneous Income										
Transfers	50,000									
Total Business-Type Activities	50,000	-	-	-	-	-	-	-	-	-
Total District-Wide	\$ 70,775,596	\$ 74,320,931	\$ 76,398,594	\$ 78,785,753	\$ 80,950,373	\$ 79,318,368	\$ 79,517,066	\$ 79,911,268	\$ 83,678,847	\$ 82,684,153
Change in Net Position										
Governmental Activities	\$ 10,679,709	\$ 3,361,256	\$ (58,176)	\$ 412,983	\$ (2,184,953)	\$ 1,805,817	\$ 2,410,324	\$ 327,138	\$ 14,024	\$ (3,869,316)
Business-Type Activities	52,776	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)	104,255	43,770	51,164
Total District	\$ 10,732,485	\$ 3,375,599	\$ (46,411)	\$ 351,428	\$ (2,341,179)	\$ 1,727,291	\$ 2,280,600	\$ 431,393	\$ 57,794	\$ (3,818,152)

Source: District Records

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

	Fiscal Year Ended June 30.									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 5,065,041	\$ 8,072,251	\$ 7,724,554	\$ 5,974,960	\$ 3,704,385					
Unreserved	1,615,228	1,215,268	1,219,147	2,534,923	678,054					
Restricted						\$ 2,721,849	\$ 5,565,249	\$ 7,175,206	\$ 1,968,780	\$ 324,592
Committed						120,305	79,970	82,118		
Assigned						2,943,508	3,389,790	1,301,033	3,965,257	1,420,357
Unassigned						1,087,713	(79,344)	320,670	767,775	(435,844)
Total General Fund	<u>\$ 6,680,269</u>	<u>\$ 9,287,519</u>	<u>\$ 8,943,701</u>	<u>\$ 8,509,883</u>	<u>\$ 4,382,439</u>	<u>\$ 6,873,375</u>	<u>\$ 8,955,665</u>	<u>\$ 8,879,027</u>	<u>\$ 6,701,812</u>	<u>\$ 1,309,105</u>
All Other Governmental Funds										
Reserved	\$ 1,593,018	\$ 646,918	\$ 37,798	\$ 1,214,258	\$ 290,768					
Unreserved	587,825	647,524	959,688	(853,564)	539,451					
Restricted	-	-	-	-	-	\$ 1,307,769	\$ 7,795,275	\$ 1,516,881	\$ 1,224,801	\$ 1,647,932
Total All Other Governmental Funds	<u>\$ 2,180,843</u>	<u>\$ 1,294,442</u>	<u>\$ 997,486</u>	<u>\$ 360,694</u>	<u>\$ 830,219</u>	<u>\$ 1,307,769</u>	<u>\$ 7,795,275</u>	<u>\$ 1,516,881</u>	<u>\$ 1,224,801</u>	<u>\$ 1,647,932</u>

Source: District Records

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Tax Levy	\$ 69,651,152	\$ 73,156,938	\$ 75,224,043	\$ 77,168,101	\$ 79,142,790	\$ 78,894,065	\$ 79,235,126	\$ 79,546,326	\$ 80,716,841	\$ 82,351,466
Tuition Charges	160,620	204,637	123,683	122,388	187,773	183,867	205,243	139,183	67,734	8,034
Transportation	31,816	30,231	29,050	6,913	1,391				7,620	
Rentals								27,470	40,427	24,813
Interest Earnings	183,490	344,263	231,044	68,258	34,349	51,159	19,927	82,082	61,893	24,538
Miscellaneous	448,061	386,422	331,950	402,246	329,281	456,835	638,879	692,169	694,931	606,879
State Sources	21,147,823	14,481,637	15,662,352	13,758,044	12,419,416	11,081,930	13,905,994	14,908,247	13,336,840	14,883,649
Federal Sources	1,661,754	1,427,766	1,708,404	2,359,347	2,824,347	2,932,654	2,482,081	1,848,522	1,712,393	1,764,121
Total Revenues	93,284,716	90,031,894	93,310,526	93,885,297	94,939,347	93,600,510	96,487,250	97,243,999	96,638,679	99,663,500
Expenditures										
Instruction										
Regular Instruction	30,639,436	32,813,841	35,346,984	32,639,028	34,144,175	30,353,393	32,515,309	33,564,746	33,967,601	39,789,210
Special Education Instruction	13,653,744	13,863,019	14,953,496	15,436,454	16,597,980	17,264,938	16,713,108	17,934,087	9,680,177	21,234,038
Other Special Instruction	3,975,103	4,125,038	4,050,555	4,494,747	4,859,251	3,383,004	4,062,282	4,049,272	3,273,279	4,350,846
Support Services:										
Student & Inst. Related Services	11,095,991	11,078,954	12,432,337	13,220,248	14,226,151	13,080,340	14,251,100	14,645,500	17,404,977	15,491,161
General Administration	1,238,231	1,532,168	1,446,207	1,488,827	1,508,645	1,172,764	1,074,120	1,552,943	945,329	1,388,638
School Administrative Services	3,572,804	3,684,283	4,035,116	4,022,602	4,155,819	4,397,523	4,179,353	4,275,614	3,040,882	4,340,892
Central and Other Support Services	1,416,551	1,492,488	1,371,661	1,377,927	1,790,932	1,982,676	1,993,324	2,125,032	1,481,017	2,075,126
Plant Operations and Maintenance	8,369,649	8,611,592	9,658,327	9,309,473	8,520,674	8,937,828	7,849,296	7,047,981	7,707,536	7,334,229
Pupil Transportation	4,719,755	4,966,864	5,174,724	5,101,986	5,134,631	4,854,016	4,696,557	4,567,081	4,395,157	5,086,630
Charter Schools	1,882,124	2,040,585	2,388,987	3,913,381	4,274,546	4,322,115	4,363,312	4,815,127		
Capital Outlay	1,666,023	1,881,282	1,323,022	2,183,219	1,608,203	728,345	2,820,781	6,190,573	3,672,844	992,268
Unallocated Employee Benefits									12,735,510	
Debt Service:										
Principal	1,238,499	1,275,891	870,000	900,000	945,000	1,015,177	1,350,245	1,580,573	1,625,000	2,210,634
Interest and Other Charges	1,015,578	945,040	899,884	868,016	831,259	800,597	833,259	1,250,502	959,960	822,229
Cost of Issuance						19,698	93,496			
Total Expenditures	84,483,488	88,311,045	93,951,300	94,955,908	98,597,266	92,312,414	96,795,542	103,599,031	100,889,269	105,115,901
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	8,801,228	1,720,849	(640,774)	(1,070,611)	(3,657,919)	1,288,096	(308,292)	(6,355,032)	(4,250,590)	(5,452,401)

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Lease-Purchase/Capital Leases (non-budgeted)						\$ 1,680,390			\$ 684,949	\$ 1,550,990
Cancellation of Prior Year Receivables									(69,613)	
Proceeds from Sale of Bonds					-		\$ 8,180,000			
Premium on Sale of Bonds							698,088		63,870	
Transfers In	\$ 2,007,362	\$ 450,000	\$ 339,713	\$ 2,426,254	\$ 1,640,502	556,255	339,572	\$ 431,605		718,431
Transfers Out	(2,057,362)	(450,000)	(339,713)	(2,426,254)	(1,640,502)	(556,255)	(339,572)	(431,605)		(718,431)
Total Other Financing Sources (Uses)	(50,000)	-	-	-	-	1,680,390	8,878,088	-	679,206	1,550,990
Net Change in Fund Balances	\$ 8,751,228	\$ 1,720,849	\$ (640,774)	\$ (1,070,611)	\$ (3,657,919)	\$ 2,968,486	\$ 8,569,796	\$ (6,355,032)	\$ (3,571,384)	\$ (3,901,411)
Debt Service as a Percentage of										
Noncapital Expenditures	2.72%	2.57%	1.91%	1.91%	1.83%	1.98%	2.32%	2.91%	2.66%	2.91%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Records

**TEANECK BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest Earned</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Township (Forum)</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 160,620	\$ 181,952	\$ 31,816		\$ 50,000	\$ 41,841	\$ 212,082	\$ 678,311
2007	204,637	342,185	30,231			34,669	126,930	738,652
2008	123,683	229,648	29,050			24,274	83,365	490,020
2009	122,388	68,081	6,913	\$ 440		27,800	144,692	370,314
2010	187,773	34,349	1,391			23,166	65,626	312,305
2011	183,867	51,095		75,817		35,651	80,737	427,167
2012	205,243	19,927		26,325		36,496	199,192	487,183
2013	139,183	82,082		67,832		27,470	215,028	531,595
2014	67,734	61,893	7,620			40,427	195,976	373,650
2015	8,034	24,444	12,900	79,909		24,813	190,527	340,627

Source: District Records

TEANECK BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax Exempt Property	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 12,228,400	\$ 2,252,561,700	\$ 273,763,900	\$ 23,682,500	\$ 89,433,700	\$ 2,651,670,200	\$ 339,526,100	\$ 2,723,194	\$ 2,654,393,394	\$ 5,083,024,439	\$ 2.690
2007	25,474,400	5,242,322,900	561,376,500	46,853,000	199,453,200	6,075,480,000	559,534,400	5,198,681	6,080,678,681	5,747,636,530	1.220
2008	29,911,100	5,239,172,100	575,765,100	45,394,000	198,441,100	6,088,683,400	558,851,200	5,118,294	6,093,801,694	6,176,343,931	1.250
2009	32,595,400	5,238,910,900	577,547,800	45,721,800	192,381,500	6,087,157,400	560,482,500	5,181,164	6,092,338,564	6,378,073,477	1.282
2010	28,599,600	5,250,478,800	572,256,800	42,596,300	191,725,400	6,085,656,900	565,901,000	7,236,257	6,092,893,157	6,130,053,183	1.297
2011	25,463,300	5,243,263,500	565,495,900	42,596,300	184,038,300	6,060,857,300	567,130,600	5,815,726	6,066,673,026	5,834,628,366	1.306
2012	23,156,300	5,202,928,400	557,720,900	41,484,700	186,093,300	6,011,383,600	570,785,800	5,549,185	6,016,932,785	5,786,499,545	1.322
2013	24,818,100	5,069,989,600	553,520,800	41,343,700	219,962,200	5,909,634,400	571,155,900	5,307,402	5,914,941,802	5,456,608,194	1.365
2014	26,244,900	4,980,162,600	550,175,000	40,204,300	219,780,400	5,816,567,200	567,515,209	5,516,191	5,822,083,391	5,133,113,007	1.415
2015 (1)	24,888,700	4,197,404,500	523,577,300	36,765,600	233,785,900	5,016,422,000	561,714,200	4,691,390	5,021,113,390	5,082,712,384	1.701

Source: County Abstract of Ratables

^a Tax rates are per \$100

(1) The Township of Teaneck undertook a revaluation of real property values effective for the calendar year 2015.

TEANECK BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate	Municipality	County of Bergen	
2006	\$ 2.690	\$ 1.602	\$ 0.348	\$ 4.640
2007	1.220	0.758	0.172	2.150
2008	1.250	0.758	0.189	2.197
2009	1.282	0.797	0.202	2.281
2010	1.297	0.834	0.197	2.328
2011	1.306	0.858	0.199	2.363
2012	1.322	0.865	0.210	2.397
2013	1.365	0.912	0.209	2.486
2014	1.415	0.925	0.231	2.571
2015 (1)	1.701	1.095	0.251	3.047

Source: County Abstract of Ratables

(1) The Township of Teaneck undertook a revaluation of real property values effective for calendar year 2015.

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Glenpointe Associates	\$ 56,210,100	0.95 %	\$ 91,008,000	3.50 %
Glenpointe Associates III	43,186,000	0.73		
Glenpointe Associates II, LLC	40,714,500	0.69		
SNH Teaneck Properties, LLC	38,000,000	0.64		
Heritage Pointe of Teaneck	35,000,000	0.59		
Glenpointe Associates	31,324,200	0.53		
Teaneck Garden Owners Corp.	16,500,000	0.28	7,600,000	0.29
Glenpointe Associates II, LLC	13,469,200	0.23		
Care One at Teaneck, LLC	12,000,000	0.20		
411 Alfred LLC	10,750,000	0.18		
Teaneck Limited PTNP			27,000,000	1.04
Givaudan-Roure Fragrance Corp			9,664,900	0.37
Holy Name Real Estate Corp			7,973,200	0.31
Bell Atlantic			6,000,000	0.23
Individual Taxpayer			5,350,000	0.21
F.W. Teaneck			5,080,000	0.20
Cedar Holding Assoc.			4,043,200	0.16
Carriage IV Office Center			3,926,000	0.15
	<u>\$ 297,154,000</u>	<u>\$ 5.02 %</u>	<u>\$ 167,645,300</u>	<u>\$ 6.46 %</u>

Source: Municipal Tax Assessor

**TEANECK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 69,651,152	\$ 69,651,152	100%	N/A
2007	73,156,938	73,156,938	100%	N/A
2008	75,224,043	75,224,043	100%	N/A
2009	77,168,101	77,168,101	100%	N/A
2010	79,142,790	79,142,790	100%	N/A
2011	78,894,065	78,894,065	100%	N/A
2012	79,235,126	79,235,126	100%	N/A
2013	79,546,326	79,546,326	100%	N/A
2014	80,716,841	80,716,841	100%	N/A
2015	82,351,466	82,351,466	100%	N/A

N/A - Not Applicable

Source: District records

**TEANECK BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases/ Lease Purchase Agreements</u>			
2006	\$ 20,751,000	\$ 470,891	\$ 21,221,891	38,820	\$ 547
2007	19,946,000		19,946,000	38,652	516
2008	19,390,000		19,390,000	38,541	503
2009	18,490,000		18,490,000	38,633	479
2010	17,545,000		17,545,000	39,823	441
2011	16,565,000	1,645,213	18,210,213	40,100	454
2012	23,710,000	1,329,968	25,039,968	40,246	622
2013	22,330,000	1,003,730	23,333,730	40,423	577
2014	20,810,000	1,219,379	22,029,379	40,587	543
2015	19,075,000	2,165,970	21,240,970	40,587 *	523

Source: District records

* Estimated

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

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2006	\$ 20,751,000		\$ 20,751,000	0.78 %	\$ 535
2007	20,260,000		20,260,000	0.33	524
2008	19,390,000		19,390,000	0.32	503
2009	18,490,000		18,490,000	0.30	479
2010	17,545,000		17,545,000	0.29	441
2011	16,565,000		16,565,000	0.27	413
2012	23,710,000		23,710,000	0.39	589
2013	22,330,000		22,330,000	0.38	552
2014	20,810,000		20,810,000	0.36	513
2015	19,075,000		19,075,000	0.32	470

Source: District records

**TEANECK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(Unaudited)**

**Total
Debt**

Direct Debt:

Teaneck Board of Education	\$ 19,350,000
Township of Teaneck (1)	<u>36,507,697</u>
	<u>55,857,697</u>

Overlapping Debt Apportioned to the Municipality:

Bergen County:

County of Bergen (A)	29,521,445
Bergen County Utilities Authority - Water Pollution (B)	<u>13,248,353</u>
	<u>42,769,798</u>

Total Direct and Overlapping Debt	<u><u>\$ 98,627,495</u></u>
-----------------------------------	-----------------------------

Source:

(1) Township of Teaneck's 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Teaneck by dividing the municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.

(B) The debt was computed based upon usage

**TEANECK BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	Fiscal Year Ended June 30,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 179,884,210	\$ 202,472,510	\$ 224,704,147	\$ 242,359,877	\$ 247,887,546	\$ 243,822,451	\$ 236,575,160	\$ 228,885,336	\$ 220,359,706	\$ 211,547,745
Total Net Debt Applicable to Limit	<u>20,751,590</u>	<u>19,946,000</u>	<u>19,390,590</u>	<u>13,630,000</u>	<u>12,980,000</u>	<u>16,565,000</u>	<u>23,710,000</u>	<u>22,330,000</u>	<u>20,810,000</u>	<u>9,115,000</u>
Legal Debt Margin	<u>\$ 159,132,620</u>	<u>\$ 182,526,510</u>	<u>\$ 205,313,557</u>	<u>\$ 228,729,877</u>	<u>\$ 234,907,546</u>	<u>\$ 227,257,451</u>	<u>\$ 212,865,160</u>	<u>\$ 206,555,336</u>	<u>\$ 199,549,706</u>	<u>\$ 202,432,745</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.54%	9.85%	8.63%	5.62%	5.24%	6.79%	10.02%	9.76%	9.44%	4.31%

Source: Annual Debt Statements

Legal Debt Margin Calculation June 30, 2015

	Equalized Valuation Basis
2014	\$ 5,147,860,165
2013	5,192,544,065
2012	<u>5,525,676,625</u>
	<u>\$ 15,866,080,855</u>
Average Equalized Valuation of Taxable Property	\$ 5,288,693,618.33
Debt Limit (4 % of average equalization value)	211,547,745
Less: Total Net Debt Applicable to Limit	<u>9,115,000</u>
Legal Debt Margin	<u>\$ 202,432,745</u>

**TEANECK BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2005	39,018	\$ 56,706	3.50%
2006	38,820	62,714	3.70%
2007	38,652	67,394	3.20%
2008	38,541	68,227	4.10%
2009	38,633	63,198	7.50%
2010	39,823	65,486	7.40%
2011	40,033	67,248	7.00%
2012	40,246	69,281	7.60%
2013	40,423	69,495	6.50%
2014	40,587	N/A	5.20%

Source: New Jersey State Department of Education

N/A - Information was not available.

**TEANECK BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

	<u>2015</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
<u>Employer</u>				

Not Available

** Estimated

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	286.9	292.5	283.0	296.5	296.9	236.6	246.2	239.0	241.0	245.8
Special Education	107.0	97.5	106.0	127.5	132.6	123.4	137.4	140.8	143.8	136.0
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	3.0	3.0	3.0	3.0
Support Services:										
Student & Instruction Related Services	94.1	91.0	91.0	101.8	96.8	95.0	92.0	91.5	89.0	79.0
General Administration	5.0	5.5	5.0	3.3	4.3	3.0	4.0	4.0	4.0	4.0
School Administrative Services	32.5	31.0	35.0	36.0	36.0	35.0	34.0	33.0	31.0	32.0
Plant Operations and Maintenance	116.5	112.5	115.0	110.5	108.5	96.5	98.0	95.5	83.5	60.0
Pupil Transportation	9.0	10.0	10.0	9.0	11.0	1.0	1.0	1.0	1.0	1.0
Business and Other Support Services	13.0	11.0	10.0	13.0	16.0	15.0	15.0	14.0	14.0	15.0
Community School	5.0	5.0	5.0	4.5	6.0	6.0	3.7	2.0	1.0	2.0
Total	<u>670.00</u>	<u>657.00</u>	<u>661.00</u>	<u>703.00</u>	<u>708.99</u>	<u>612.54</u>	<u>634.30</u>	<u>623.79</u>	<u>611.30</u>	<u>577.8</u>

Source: District Personnel Records

**TEANECK BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Teacher/Pupil Ratio				Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
		Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change									
2006	4,526	\$ 80,563,388	\$ 17,800	3.96%		400.30	11.3	9.8	10.9	4,257	4,047	0.02%	95.06%
2007	4,482	84,212,622	18,789	5.56%		401.80	10.7	9.3	11	4,147	3,935	-2.59%	94.89%
2008	4,350	90,858,394	20,887	11.17%		428.30	9.7	8.5	10	4,021	3,839	-3.03%	95.47%
2009	4,284	91,004,673	21,243	1.70%		432.80	10.7	8.5	10	3,940	3,731	-2.02%	94.70%
2010	4,192	89,768,295	21,414	0.81%		433.40	11.6	8.8	9.5	4,020	3,786	2.03%	94.18%
2011	4,308	89,748,597	20,833	-2.71%		385.00	11.4	9.1	10.4	3,955	3,769	-1.62%	95.30%
2012	4,196	91,697,761	21,854	4.90%		391.00	11.0	8.9	9.8	3,875	3,706	-2.02%	95.64%
2013	4,131	94,577,383	22,895	4.76%		395.80	11.1	8.2	9.4	3,791	3,685	-2.17%	97.20%
2014	4,098	97,216,425	23,723	3.62%		387.80	14.1	8.0	8.0	3,745	3,656	-1.21%	97.62%
2015	4,098	101,090,770	24,668	3.99%		447.90	8.4	7.4	8.9	3,604	3,500	-3.77%	97.11%

Sources: District records

- Note:
- a Resident student enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**TEANECK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Elementary</u>										
Bryant-Kindergarten/Pre-K (1926)										
Square Feet	47,438	47,438	47,438	47,438	47,438	47,438	47,438	47,338	47,338	47,338
Capacity (students)	475	475	475	475	475	475	475	475	314	314
Enrollment	345	345	288	292	367	366	352	328	345	299
Whittier (1921)										
Square Feet	55,118	55,118	55,118	55,118	55,118	55,118	55,118	55,118	55,118	55,118
Capacity (students)	656	656	656	656	656	656	656	656	375	375
Enrollment	411	411	373	385	406	380	365	339	411	376
Hawthorne (1925)										
Square Feet	49,373	49,373	49,373	49,373	49,373	49,373	49,373	49,373	49,373	49,373
Capacity (students)	648	648	648	648	648	648	648	648	322	322
Enrollment	374	374	371	354	347	319	346	391	374	356
Lowell (1934)										
Square Feet	47,106	47,106	47,106	47,106	47,106	47,106	47,106	47,106	47,106	47,106
Capacity (students)	536	536	536	536	536	536	536	536	321	321
Enrollment	375	375	327	305	321	352	309	335	375	317
<u>Middle School</u>										
Thomas Jefferson M.S. (1958)										
Square Feet	105,216	105,216	105,216	105,216	105,216	105,216	105,216	105,216	105,216	105,216
Capacity (students)	894	894	894	894	894	894	894	894	676	676
Enrollment	690	690	669	626	624	614	598	577	690	582
Ben Franklin M.S. (1957)										
Square Feet	100,202	100,202	100,202	100,202	100,202	100,202	100,202	100,202	100,202	100,202
Capacity (students)	727	727	727	727	727	727	727	727	641	641
Enrollment	611	611	558	555	576	560	570	525	611	513
 Teaneck High School (1926)										
Square Feet	215,808	215,808	215,808	215,808	215,808	215,808	215,808	215,808	215,808	215,808
Capacity (students)	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,203	1,203
Enrollment	1,459	1,459	1,396	1,398	1,369	1,336	1,298	1,272	1,459	1,280
 Eugene Field School (1955)										
Square Feet	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877
Capacity (students)	25	25	25	25	25	25	25	25	25	25
 Number of Schools at June 30, 2015:										
Elementary = 4										
Middle School = 2										
High School = 1										
Other = 1										

Source: District Records

TEANECK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

<u>School Facilities</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Teaneck Sr. High (#050)	\$ 570,400	\$ 490,756	\$ 618,357	\$ 526,983	\$ 477,898	\$ 392,018	\$ 454,271	\$ 414,218	\$ 435,390	\$ 373,186
Benjamin Franklin Middle School (#060)	192,554	226,142	294,547	238,789	185,205	161,360	177,288	172,698	187,865	164,120
Thomas Jefferson Middle School (#070)	188,874	251,812	319,761	267,972	199,156	179,666	186,301	196,548	197,230	189,742
Bryant (#080)	94,815	119,133	140,552	108,934	94,760	73,689	83,199	81,183	93,155	87,910
Hawthorne (#110)	194,952	116,255	133,688	115,099	96,526	92,565	95,720	95,253	95,680	113,518
Lowell (#130)	93,269	95,672	132,144	124,384	89,683	73,332	83,997	110,949	93,635	75,399
Whittier (#150)	167,690	146,222	196,666	120,333	102,949	85,635	96,002	102,111	103,225	88,223
Eugene Field (#999)	<u>126,913</u>	<u>48,802</u>	<u>63,721</u>	<u>65,148</u>	<u>50,985</u>	<u>40,248</u>	<u>43,544</u>	<u>54,733</u>	<u>57,813</u>	<u>54,466</u>
District-Wide Total	<u>\$ 1,629,467</u>	<u>\$ 1,494,794</u>	<u>\$ 1,899,436</u>	<u>\$ 1,567,642</u>	<u>\$ 1,297,162</u>	<u>\$ 1,098,513</u>	<u>\$ 1,220,322</u>	<u>\$ 1,227,693</u>	<u>\$ 1,263,993</u>	<u>\$ 1,146,564</u>

Source: District Records

**TEANECK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Co.		
Property-Blanket Building/Contents	\$ 179,631,020	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Comprehensive General Liability (each occurrence)	1,000,000	
Comprehensive Crime Coverage	100,000/400,000 Excess	5,000
Automobile Liability	1,000,000	1,000 Ded Comp/Coll
Boiler and Machinery - Selective Insurance Company		
Blanket Property Damage	179,631,000	5,000
Umbrella Liability - Selective Insurance Company	9,000,000	10,000 Retention
Excess Umbrella - (Fireman's Fund)	50,000,000 Group Agg	
Educator's Professional Liability - Allied World	1,000,000	25,000 Ded for SBLL
School Board Legal/Employment Practices Liability		50,000 Ded for EPL
Pollution Coverage - Ace American Insurance	1,000,000	15,000
	20,000,000 Group Agg	

Source: NESBIG/Burton Agency

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
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DEBRA GOLLE, CPA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Teaneck Board of Education's basic financial statements and have issued our report thereon dated December 3, 2015.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Teaneck Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Teaneck Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 3, 2015.

Teaneck Board of Education's Response to Finding

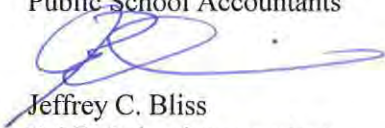
The Teaneck Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Teaneck Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly,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

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 Teaneck Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teaneck Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Higgins, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 3, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 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 Trustees
Teaneck Board of Education
Teaneck, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Teaneck Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 5-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Teaneck Board of Education's major federal and state programs for the fiscal year ended June 30, 2015. The Teaneck 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Teaneck Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Teaneck Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Teaneck Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Teaneck Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Teaneck Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Teaneck Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Teaneck Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

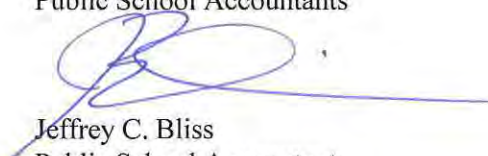
Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

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 Teaneck Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 3, 2015, 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 U.S. OMB Circular A-133 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, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 3, 2015

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

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Carryover Deferred Revenue	Carryover Accounts Receivable	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2015			MEMO GAAP Receivable
											(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
NCLB Title I	84.010A	NCLB515015	9/1/14-8/31/15	\$ 561,608		\$ 70,062	\$ (70,062)	\$ 410,386	\$ 463,123		\$ (221,284)	\$ 168,547		\$ (52,737)
NCLB Title I	84.010A	NCLB515014	9/1/13-8/31/14	467,080	\$ (82,252)	(70,062)	70,062	82,252						
NCLB Title I	84.010A	NCLB515013	9/1/12-8/31/13	526,145	(76,639)			61,343		\$ 15,296				
NCLB Title II- Part A	84.367A	NCLB515015	9/1/14-8/31/15	119,449		107,875	(107,875)	112,380	129,989		(114,944)	97,335		(17,609)
NCLB Title II- Part A	84.367A	NCLB515014	9/1/13-8/31/14	116,037	(5,549)	(107,875)	107,875	5,549						
NCLB Title II- Part A	84.367A	NCLB515013	9/1/12-8/31/13	115,306	(15,808)			15,808						
NCLB Title III	84.365A	NCLB515015	9/1/14-8/31/15	32,237		7,473	(7,473)	16,073	24,158		(23,637)	15,552		(8,085)
NCLB Title III	84.365A	NCLB515014	9/1/13-8/31/14	27,557	(5,930)	(7,473)	7,473	5,930						
NCLB Title III Immigrant	84.365A	NCLB515015	9/1/14-8/31/15	19,164		12,643	(12,643)	5,562	6,041		(26,245)	25,766		(479)
NCLB Title III Immigrant	84.365A	NCLB515014	9/1/13-8/31/14	12,643	(928)	(12,643)	12,643	928						
IDEA Part B Basic	84.027	IDEA515015	9/1/14-8/31/15	989,251		23,481	(23,481)	900,429	992,475		(112,303)	20,257		(92,046)
IDEA Part B Basic	84.027	IDEA515014	9/1/13-8/31/14	999,505	(291,715)	(23,481)	23,481	302,361		(10,646)				
IDEA Part B Basic	84.027	IDEA515013	9/1/12-8/31/13	1,018,285	(6,646)			6,646						
IDEA Part B Preschool	84.173	IDEA515015	9/1/14-8/31/15	24,625		432	(432)	22,515	24,615		(2,542)	442		(2,100)
IDEA Part B Preschool	84.173	IDEA515014	9/1/13-8/31/14	27,372	(24,848)	(432)	432	24,848						
EE4 NJ - Teacher Effectiveness	84.000	12-RT02-A01	7/15/12 - 9/30/13	15,270	(14,061)	-	-	14,061	-	-	-	-	-	-
Total Special Revenue Fund					(524,376)	-	-	1,987,071	1,640,401	4,650	(500,955)	327,899	-	(173,056)
U.S. Department of Agriculture														
Passed-through State Department of Education														
Enterprise Fund:														
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	99,935				78,041	99,935		(21,894)			(21,894)
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	96,222	(22,303)			22,303						-
NSLP - Cash Assistance	10.555	N/A	7/1/14-6/30/15	523,056				419,744	523,056		(103,312)			(103,312)
NSLP - Cash Assistance	10.555	N/A	7/1/13-6/30/14	522,382	(101,948)			101,948						
NSLP - Non Cash Assistance	10.555	N/A	7/1/14-6/30/15	101,664	-	-	-	101,664	94,935	-	-	6,729	-	-
Total Enterprise Fund					(124,251)	-	-	723,700	717,926	-	(125,206)	6,729	-	(125,206)
U.S. Department of Health and Human Services														
Passed-through State Department of Education														
General Fund:														
Medicaid Reimbursement Program (SEMI)	93.778	N/A	7/1/14-6/30/15	94,240	-	-	-	112,560	112,560	-	-	-	-	-
Total General Fund					-	-	-	112,560	112,560	-	-	-	-	-
Total Federal Financial Awards					\$ (648,627)	\$ -	\$ -	\$ 2,823,331	\$ 2,470,887	\$ 4,650	\$ (626,161)	\$ 334,628	\$ -	\$ (298,262)

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

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

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance, June 30, 2015			MEMO		
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures	
State Department of Education													
General Fund:													
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	\$ 1,887,212		\$ 1,772,199	\$ 1,887,212		\$ (115,013)				\$ 1,887,212	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	1,887,212	\$ (127,386)	127,386								
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	2,567,656		2,411,174	2,567,656		(156,482)				2,567,656	
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	2,567,656	(147,706)	147,706								
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	730,527		686,006	730,527		(44,521)				730,527	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	730,527	(42,023)	42,023								
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	40,420		37,956	40,420		(2,464)				40,420	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	40,420		37,957	40,420		(2,463)				40,420	
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	874,109			874,109		(874,109)				874,109	
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	1,068,165	(1,068,165)	1,068,165								
Nonpublic Transportation Aid	15103190	7/1/14-6/30/15	155,604			155,604		(155,604)			\$ (155,604)	155,604	
Nonpublic Transportation Aid	14103190	7/1/13-6/30/14	85,017	(85,017)	85,017								
Homeless Tuition	N/A	7/1/14-6/30/15	159,661			159,661		(159,661)			(159,661)	159,661	
Homeless Tuition	N/A	7/1/13-6/30/14	57,046	(57,046)				(57,046)			(57,046)		
On Behalf TPAF Pension System Contribution	15-495-034-5094-006	7/1/14-6/30/15	1,750,516		1,750,516	1,750,516						1,750,516	
On Behalf TPAF NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	125,942		125,942	125,942						125,942	
On Behalf TPAF Post Retirement Medical Contrib	15-495-034-5094-001	7/1/14-6/30/15	2,978,876		2,978,876	2,978,876						2,978,876	
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	2,651,461		2,524,693	2,651,461		(126,768)			(126,768)	2,651,461	
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	2,452,747	(121,194)	121,194	-	-	-	-	-	-	-	
Total General Fund				(1,648,537)	13,916,810	13,962,404	-	(1,694,131)	-	-	(499,079)	13,962,404	
Special Revenue Fund:													
New Jersey Nonpublic Aid													
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	33,425		33,425	31,863				\$ 1,562		31,863	
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	27,260	2,750			\$ 2,750						
Nursing	15-100-034-5120-070	7/1/14-6/30/15	68,481		68,481	68,481						68,481	
Technology	15-100-034-5120-373	7/1/14-6/30/15	17,952		17,952	16,869				1,083		16,869	
Technology	14-100-034-5120-373	7/1/13-6/30/14	9,940	377			377						
Auxiliary Services													
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	21,589		21,589	14,422				7,167		14,422	
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	37,663	34,324			34,324						
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	16,626		16,626	12,972				3,654		12,972	
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	7,856	2,196			2,196						
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	6,287		161	6,287		(6,126)			(6,126)	6,287	
Handicapped Services													
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	100,677		100,677	84,299				16,378		84,299	
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	95,723	39,640			39,640						
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	5,301		5,301	3,004				2,297		3,004	
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	20,402		20,402	14,517				5,885		14,517	
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	28,447	13,183			13,183						
School Based Youth Services	15-100-034-7500-068	7/1/14-6/30/15	307,892		305,562	307,892		(2,330)			(2,330)	307,892	
School Based Youth Services	14-100-034-7500-068	7/1/13-6/30/14	307,616	475			160			315			
EE4 NJ - Teacher Effectiveness	12-RT02-A01	7/15/12 - 9/30/13	88,610	(83,649)	83,649	-	-	-	-	-	-	-	
Total Special Revenue Fund				9,296	673,825	560,606	92,630	(8,456)	-	38,341	(8,456)	560,606	

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

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance, June 30, 2015			MEMO		
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures	
State of New Jersey Schools Development Authority													
Capital Projects:													
Bryant ES Roof Replacement	5150-080-14-G1HN	7/1/14-6/30/15	457,884					\$ (457,884)	\$ 457,884		\$ (457,884)	-	
Hawthorne ES Roof Replacement	5150-110-14-G1HO	7/1/14-6/30/15	451,544	-	-	170,411	-	(451,544)	281,133	-	(451,544)	170,411	
Total Capital Projects				-	-	170,411	-	(909,428)	739,017	-	(909,428)	170,411	
State Department of Agriculture													
National School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	14,875		\$ 11,645	\$ 14,875		(3,230)			(3,230)	\$ 14,875	
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	15,663	<u>\$ (3,742)</u>	<u>3,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Enterprise Fund				<u>(3,742)</u>	<u>15,387</u>	<u>14,875</u>	<u>-</u>	<u>(3,230)</u>	<u>-</u>	<u>-</u>	<u>(3,230)</u>	<u>14,875</u>	
Sub-Total State Financial Assistance				<u>\$ (1,642,983)</u>	<u>\$ 14,606,022</u>	<u>14,708,296</u>	<u>\$ 92,630</u>	<u>\$ (2,615,245)</u>	<u>\$ 739,017</u>	<u>\$ 38,341</u>	<u>\$ (1,420,193)</u>	<u>\$ 14,708,296</u>	
Less: On-Behalf TPAF Contributions Not Subject to Single Audit and Major Program Determination													
TPAF Pension System Contributions	15-485-034-5094-006	7/1/14-6/30/15				(1,750,516)							
TPAF Pension - NCGI Premium	15-485-034-5094-007	7/1/14-6/30/15				(125,942)							
TPAF Post Retirement Medical	15-495-034-5094-001	7/1/14-6/30/15				(2,978,876)							
Total State Financial Assistance Subject to Single Audit and Major Program Determination						<u>\$ 9,852,962</u>							

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Teaneck Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$190,228 for the general fund and an increase of \$13,333 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	\$ 112,560	\$ 14,152,632	\$ 14,265,192
Special Revenue Fund	1,651,561	560,606	2,212,167
Capital Projects Fund		170,411	170,411
Food Service Fund	<u>717,926</u>	<u>14,875</u>	<u>732,801</u>
Total Awards Financial Assistance	<u>\$ 2,482,047</u>	<u>\$ 14,898,524</u>	<u>\$ 17,380,571</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$2,651,461 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,876,458 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,978,876 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weakness(es)? yes X none reported

Noncompliance material to basic financial statements noted? X yes no

Federal Awards Section

Internal Control over compliance:

1) Material weakness(es) identified yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weakness(es)? yes X none reported

Type of auditor's report on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I</u>
<u>84.027</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes X no

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified _____ yes X no
- 2) Were significant deficiency(ies) identified
that were not considered to be material
weakness(es)? _____ yes X none reported

Type of auditor's report on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with N.J. Circular Letter 04-04, as amended?

_____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-014</u>	<u>Transportation Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>495-034-5094-003</u>	<u>Rimbursement TPAF Social Security</u>
<u>100-054-7500-068</u>	<u>School Based Youth Services</u>

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

_____ yes X no

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2015-001

Our review of the Capital Projects Fund revealed certain prior year project costs were not funded by the District at June 30, 2015 in the amount of \$450,122.

Criteria or specific requirement

GAAP Technical Systems Manual; NJAC 6A:23A-16

Condition

There existed at June 30, 2015 certain unfunded project balances of \$416,424 as a result of the cancellation of SDA grant receivable balances in prior years against the projects. In addition, the District did not transfer in prior years sufficient capital reserve to fund expenditure incurred for the High School roof project in the amount of \$33,698.

Context

See Finding 2015-001 and condition.

Effect

Certain prior year project balances in the Capital Projects Fund are unfunded resulting in the projects being in a deficit funding position at June 30, 2015.

Cause

Unknown.

Recommendation

Appropriate action be taken to provide funding for the unfunded project costs that exist at year end in the Capital Projects Fund.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will take the necessary action to fund these amounts.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There were none.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015__**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There were none

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

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-1:

The application for State School Aid had over-report and under-reported students as on-roll, resident low income, resident LEP low income and resident LEP not low income that could not be verified by the District's workpapers.

Current Status

Corrective action was taken.