

**TEANECK BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Teaneck, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
Teaneck Board of Education  
Teaneck, New Jersey  
For The Fiscal Year Ended June 30, 2016**

**Prepared by  
Business Office**

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## **INTRODUCTORY SECTION**



**TEANECK PUBLIC SCHOOLS**  
One Merrison Street  
Teaneck, New Jersey 07666

November 15, 2016

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, 2016, 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 related U.S. Uniform Guidance 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 2015/16 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 15<sup>th</sup> Application for State School Aid)

Fiscal Year	Student Enrollment	Percent Change
2015/16	4,193	3.0%
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%

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 2015/16, 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 90.8% 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 21<sup>st</sup> 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 were completed before the end of calendar year 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, 2016. 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, 2016, 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 July of 2020. The outstanding principal balance is \$2,430,000.

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. These bonds were partially refunded in April of 2016 with the issuance of \$7,615,000 of refunding school bonds. The outstanding principal balance of the remaining 2001 bonds and 2016 refunding bonds is \$8,190,000.

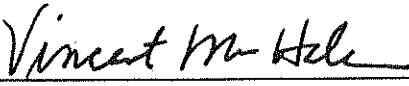
The first Lease/Purchase obligation was issued in March of 2011 to finance the first phase of roof replacement at Teaneck High School. The debt matured in June of 2016 with the final outstanding principal balance of \$272,637.


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 \$1,007,685.

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 \$6,680,000. 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 U.S. Uniform Guidance 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,

  
Vincent McHale  
Interim Superintendent of Schools

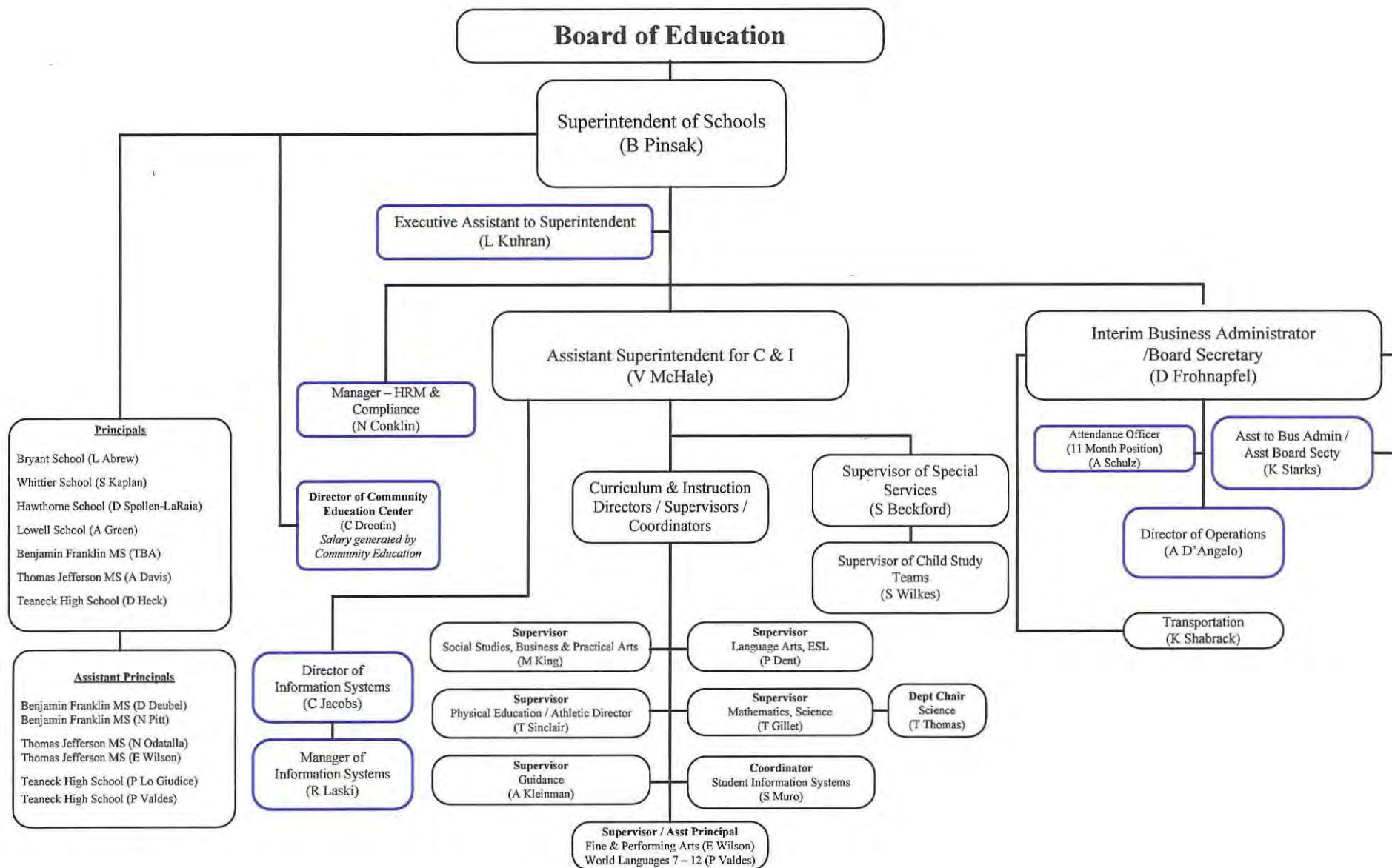
  
Dennis R. Frohnappfel, Ed.D.  
Interim SBA/Board Secretary



# Teaneck Public Schools Administrative Organizational Chart

2015 - 2016  
District Administration

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TEANECK BOARD OF EDUCATION  
Teaneck, New Jersey  
ROSTER OF OFFICIALS  
June 30, 2016

Members of the Board of Education

Term Expires

Dr. Ardie Walser, President	2017
Dr. David Diuguid, Vice President	2016
Victoria Fisher	2018
Dr. David Gruber	2018
Mrs. Sarah Rappoport	2018
Mr. Sebastian Rodriguez	2016
Mr. Howard Rose	2017
Mrs. Clara Williams	2017
Ms. Shelley Worrell	2016

Local Officials

Vincent McHale, Interim Superintendent of Schools

Dr. Dennis R. Frohnapfel, Interim Business Administrator/Board Secretary

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  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## **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, 2016 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Teaneck Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the 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***

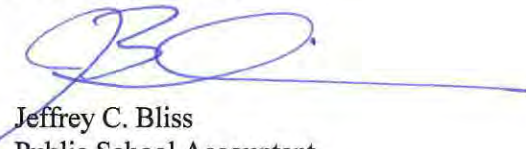
In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2016 on our consideration of the Teaneck Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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

November 15, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **TEANECK BOARD OF EDUCATION**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016**

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, 2016. 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 and notes to the financial statements, which immediately follows this section.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2015-2016 fiscal year include the following:

- The assets and deferred outflows of resources of the Teaneck Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,756,329 (net position deficit).
- The School District's total net position increased \$3,705,019.
- Overall District revenues were \$116,939,865. General revenues accounted for \$85,940,818 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$30,999,047 or 27% of total revenues.
- The School District had \$113,234,846 in expenses; only \$30,999,047 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) 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 \$4,493,979 which represented an increase of \$1,536,942.
- The General Fund fund balance (GAAP Basis) at June 30, 2016 was \$3,991,820 an increase of \$2,682,715 when compared with the fund balance at June 30, 2015. The General Fund unassigned fund balance was \$499,672 at June 30, 2016.
- The General Fund had \$99,225,079 in revenues and \$96,755,808 in expenditures, for the current fiscal year.
- The General Fund budgetary fund balance at the close of the current fiscal year was \$5,307,749 which represented an increase of \$2,803,592 from the previous year. Unassigned budgetary fund balance increased \$1,056,393 from the previous year to \$1,815,601, at June 30, 2016.
- The District's total outstanding long-term liabilities increased by \$1,268,270 during the current fiscal year.

# TEANECK BOARD OF EDUCATION

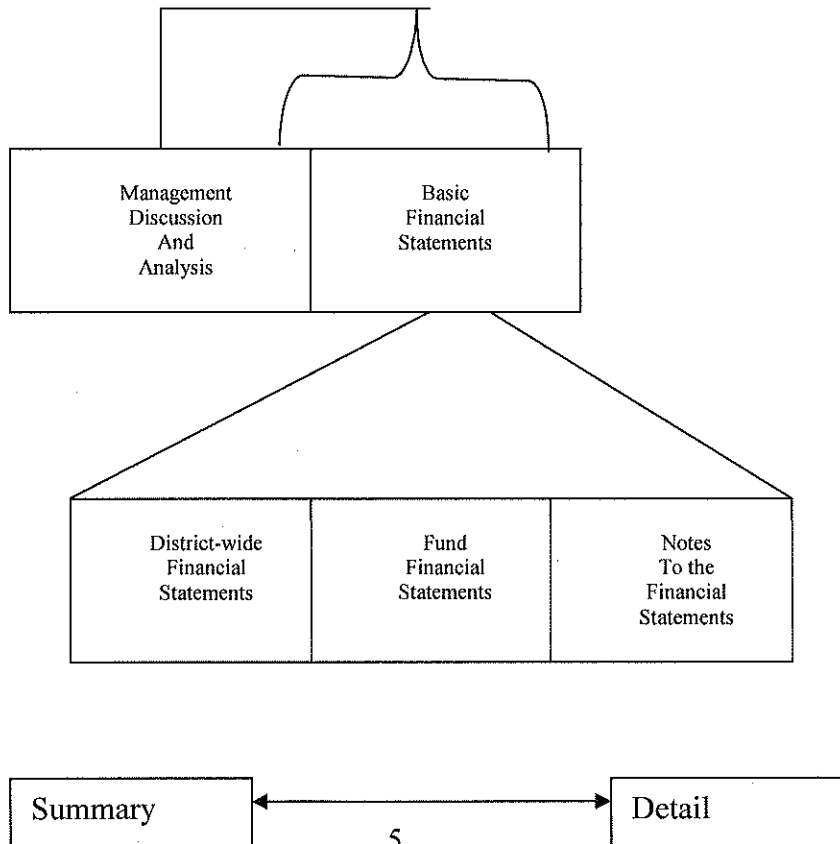
## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

### 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, 2016

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 dedications 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, 2016

#### 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, 2016

#### 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. Budgetary comparison schedules have been provided for the general and special revenue funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

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

#### 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,756,329 as of June 30, 2016.

# TEANECK BOARD OF EDUCATION

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

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, 2016 and 2015

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current Assets	\$ 5,174,242	\$ 5,372,604	\$ 715,562	\$ 552,176	\$ 5,889,804	\$ 5,924,780
Capital Assets	47,436,983	47,342,127	35,613	45,373	47,472,596	47,387,500
<b>Total Assets</b>	<u>52,611,225</u>	<u>52,714,731</u>	<u>751,175</u>	<u>597,549</u>	<u>53,362,400</u>	<u>53,312,280</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Refunding of Debt	367,816	257,525	-	-	367,816	257,525
Deferred Amounts on Net Pension Liability	3,952,137	836,284	-	-	3,952,137	836,284
<b>Total Deferred Outflows</b>	<u>4,319,953</u>	<u>1,093,809</u>	<u>-</u>	<u>-</u>	<u>4,319,953</u>	<u>1,093,809</u>
<b>Total Assets and Deferred Outflows</b>	<u>56,931,178</u>	<u>53,808,540</u>	<u>751,175</u>	<u>597,549</u>	<u>57,682,353</u>	<u>54,406,089</u>
<b>Liabilities</b>						
Other Liabilities	852,649	2,721,728	389,735	343,828	1,242,384	3,065,556
Long-Term Liabilities	52,846,067	51,577,797	-	-	52,846,067	51,577,797
<b>Total Liabilities</b>	<u>53,698,716</u>	<u>54,299,525</u>	<u>389,735</u>	<u>343,828</u>	<u>54,088,451</u>	<u>54,643,353</u>
<b>Deferred Inflows of Resources</b>						
Deferred Commodities Revenue	-	-	-	6,729	-	6,729
Deferred Amounts on Net Pension Liability	1,837,573	1,704,697	-	-	1,837,573	1,704,697
<b>Total Deferred Inflows</b>	<u>1,837,573</u>	<u>1,704,697</u>	<u>-</u>	<u>6,729</u>	<u>1,837,573</u>	<u>1,704,697</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>55,536,289</u>	<u>56,004,222</u>	<u>389,735</u>	<u>350,557</u>	<u>55,926,024</u>	<u>56,348,050</u>
<b>Net Position</b>						
Net Investment in Capital Assets	31,076,698	31,030,357	35,613	45,373	31,112,311	31,075,730
Restricted	833,187	324,625	-	-	833,187	324,625
Unrestricted	(30,514,996)	(33,550,664)	325,827	201,619	(30,189,169)	(33,349,045)
<b>Total Net Position</b>	<u>\$ 1,394,889</u>	<u>\$ (2,195,682)</u>	<u>\$ 361,440</u>	<u>\$ 246,992</u>	<u>\$ 1,756,329</u>	<u>\$ (1,948,690)</u>

# TEANECK BOARD OF EDUCATION

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

### Changes in Net Position For the Fiscal Years Ended June 30, 2016 and 2015

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 113,759	\$ 8,034	\$ 1,324,165	\$ 1,237,207	\$ 1,437,924	\$ 1,245,241
Operating Grants and Contributions	28,102,362	25,289,979	783,528	732,801	28,885,890	26,022,780
Capital Grants and Contributions	675,233	186,499			675,233	186,499
General Revenues						
Property Taxes	85,417,625	82,351,466			85,417,625	82,351,466
Other	523,193	332,687	-	-	523,193	332,687
<b>Total Revenues</b>	<u>114,832,172</u>	<u>108,168,665</u>	<u>2,107,693</u>	<u>1,970,008</u>	<u>116,939,865</u>	<u>110,138,673</u>
<b>Expenses</b>						
Instruction						
Regular	43,078,084	45,216,191			43,078,084	45,216,191
Special Education	22,521,039	22,910,881			22,521,039	22,910,881
Other Instruction	4,899,904	5,104,799			4,899,904	5,104,799
Support Services						
Student and Instruction Related Serv.	17,767,423	15,985,738			17,767,423	15,985,738
General Administrative Services	1,238,269	1,346,018			1,238,269	1,346,018
School Administrative Services	5,504,071	4,797,201			5,504,071	4,797,201
Central and Other Support Services	2,550,972	2,162,372			2,550,972	2,162,372
Plant Operations and Maintenance	7,863,553	8,742,070			7,863,553	8,742,070
Pupil Transportation	5,261,919	5,090,466			5,261,919	5,090,466
Interest on Long-Term Debt	556,367	682,245			556,367	682,245
Food Services			1,466,292	1,420,191	1,466,292	1,420,191
Community School	-	-	526,953	498,653	526,953	498,653
<b>Total Expenses</b>	<u>111,241,601</u>	<u>112,037,981</u>	<u>1,993,245</u>	<u>1,918,844</u>	<u>113,234,846</u>	<u>113,956,825</u>
<b>Change in Net Position</b>	<u>3,590,571</u>	<u>(3,869,316)</u>	<u>114,448</u>	<u>51,164</u>	<u>3,705,019</u>	<u>(3,818,152)</u>
<b>Net Position, Beginning of Year</b>	<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>
<b>Net Position, End of Year</b>	<u>\$ 1,394,889</u>	<u>\$ (2,195,682)</u>	<u>\$ 361,440</u>	<u>\$ 246,992</u>	<u>\$ 1,756,329</u>	<u>\$ (1,948,690)</u>

## TEANECK BOARD OF EDUCATION

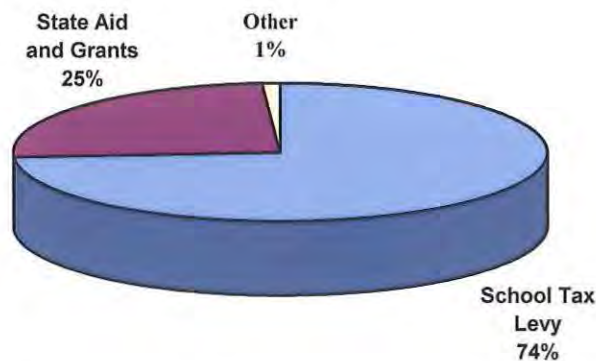
### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$114,832,172 for the year ended June 30, 2016. Property taxes of \$85,417,625 represented 74% of revenues. Another significant portion of revenues is intergovernmental aid; total State, Federal and local aid was \$28,777,595. Another source of revenues is miscellaneous income of \$523,193 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.

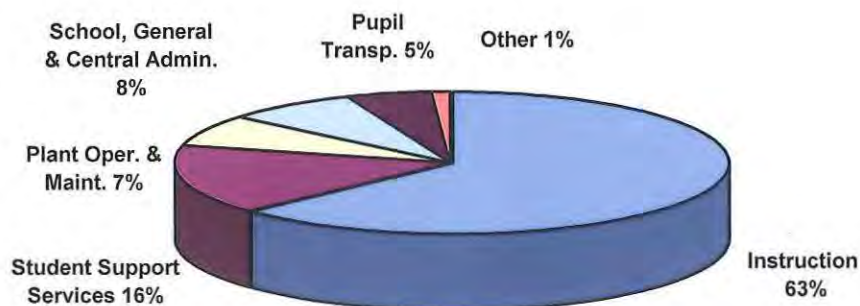
The total cost of all governmental activities programs and services was \$111,241,601. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$70,499,027 or 63% of total expenses. Support services totaled \$40,186,207 or 36% of total expenses.

Total governmental activities revenues surpassed expenses, increasing net position \$3,590,571 from the previous year. This increase is predominantly due to the District reducing operating costs for the current year.

Revenues by Source- Governmental Activities  
For Fiscal Year 2016



Expenses by Type- Governmental Activities  
For Fiscal Year 2016



# TEANECK BOARD OF EDUCATION

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

**Total Cost and Net Cost of Governmental Activities.** The District's total cost of services was \$111,241,601 for the fiscal year ended June 30, 2016. After applying program revenues derived from charges for services of \$113,759 and operating and capital grants and contributions of \$28,777,595, the net cost of services of the District was \$82,350,247 for the fiscal year ended June 30, 2016.

### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2016 and 2015

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 43,078,084	\$ 45,216,191	\$ 30,623,692	\$ 34,246,857
Special Education	22,521,039	22,910,881	13,900,193	15,104,087
Other Instruction	4,899,904	5,104,799	3,306,036	3,685,395
Support Services				
Student and Instruction Related Svcs.	17,767,423	15,985,738	16,131,032	14,558,043
General Administrative Services	1,238,269	1,346,018	1,238,269	1,346,018
School Administrative Services	5,504,071	4,797,201	4,469,476	3,973,835
Central and Other Support Services	2,550,972	2,162,372	2,471,676	2,162,372
Plant Operations and Maintenance	7,863,553	8,742,070	6,460,528	7,780,092
Pupil Transportation	5,261,919	5,090,466	3,192,978	3,014,525
Interest on Long-Term Debt	<u>556,367</u>	<u>682,245</u>	<u>556,367</u>	<u>682,245</u>
<b>Total</b>	<u>\$ 111,241,601</u>	<u>\$ 112,037,981</u>	<u>\$ 82,350,247</u>	<u>\$ 86,553,469</u>

**Business-Type Activities** – The District's total business-type activities revenues were \$2,107,693 for the fiscal year ended June 30, 2016. Charges for services accounted for \$1,324,165, or 63% of total revenues. Operating grants and contributions accounted for \$783,528 or 37% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,993,245 for the fiscal year ended June 30, 2016. 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 \$114,448 increasing net position from \$246,992 at June 30, 2015 to \$361,440 at June 30, 2016.

# TEANECK BOARD OF EDUCATION

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

### 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 \$4,493,979, an increase of \$1,536,942 from the June 30, 2015 fund balance of \$2,957,037. This increase is predominately attributable to General Fund revenues exceeding expenditures for the current period.

Revenues for the District's governmental funds were \$104,054,771, while total expenses were \$102,754,781. The net change in the fund balance for the year was an increase of \$1,536,942, 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, 2016 and 2015:

	<b>Fiscal Year Ended June 30, 2016</b>	<b>Fiscal Year Ended June 30, 2015</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources				
Property Tax Levy	\$ 83,928,341	\$ 80,505,489	\$ 3,422,852	4%
Miscellaneous	636,876	340,627	296,249	87%
State Sources	14,590,763	14,152,632	438,131	3%
Federal Sources	<u>69,099</u>	<u>112,560</u>	<u>(43,461)</u>	-39%
Total General Fund Revenues	<u>\$ 99,225,079</u>	<u>\$ 95,111,308</u>	<u>\$ 4,113,771</u>	4%

Total General Fund revenues increased by \$4,113,771 or 4 over the previous year.

Local property taxes increased by \$3,422,852 or 4% for 2015-2016 to finance the District's budgeted operating costs. State revenues increased \$438,131 or 3%. The increase in State aid revenues is predominantly attributable to increases in the on-behalf contributions for TPAF pension and post retirement medical benefits made by the State for the District's teaching staff. Miscellaneous revenues increased from the previous year due to additional amounts received from tuition fees and receipts from energy performance rebates.

## TEANECK BOARD OF EDUCATION

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

The following schedule presents a comparison of General Fund expenditures (GAAP basis) for the fiscal years ended June 30, 2016 and 2015:

	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 59,328,738	\$ 63,912,680	\$ (4,583,942)	-7%
Support Services	35,855,137	34,658,388	1,196,749	3%
Capital Outlay	112,235	132,567	(20,332)	-15%
Debt Service	<u>1,459,698</u>	<u>1,118,946</u>	<u>340,752</u>	30%
Total Expenditures	<u>\$ 96,755,808</u>	<u>\$ 99,822,581</u>	<u>\$ (3,066,773)</u>	-3%

Total General Fund expenditures decreased \$3,066,773 or 3% from the previous year. The District experienced decreases in expenditures for instruction program costs and plant operations and maintenance costs. These decreases were offset by increases in student and instruction related service costs and school administrative costs, as well as debt service expenditures related to new capital leases.

In 2015-2016 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2,682,715. As a result, total fund balance increased to \$3,991,820 at June 30, 2016. After deducting restricted and assigned fund balances, the unassigned fund balance increased \$935,526 from a fund deficit of \$435,844 at June 30, 2015 to a fund balance of \$499,672 at June 30, 2016. In addition, restricted fund balances for capital reserves, maintenance reserve and reserved excess surplus increased \$1,597,903 at June 30, 2016.

**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 \$2,665,099, for the year ended June 30, 2016. Federal sources accounted for 64% of the total Special Revenue Fund revenue for the year. Total Special Revenue Fund revenues increased \$129,389 from the previous year. State sources increased \$44,888 while Federal sources increased \$41,898 and local sources increased \$42,603.

Expenditures of the Special Revenue Fund were \$2,665,099. Instructional expenditures were \$1,504,144 and expenditures for student and instruction related services were \$1,096,292 for the year ended June 30, 2016. Transportation expenditures totaled \$64,663.

**Capital Projects** - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$1,153,126 resulting in a fund balance of \$494,773 at June 30, 2016. This decrease is a result of capital expenditures incurred for the completion of Franklin, Bryant and Hawthorne Elementary Schools roof replacement projects.

## TEANECK BOARD OF EDUCATION

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

#### 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 2016 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 transportation services.
- Additional requirement for the transfer of funds to charter schools.
- Changes in appropriations to prevent budget overruns.

For the fiscal year ended June 30, 2016, General Fund budgetary revenues and other financing sources exceeded the expenditures and other financing uses increasing budgetary fund balance by \$2,803,592 from the previous year. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$1,056,393 from \$759,208 at June 30, 2015 to \$1,815,601 at June 30, 2016, the maximum statutorily permitted unassigned fund balance at year end. In addition, the District ended the year with balances in reserved excess surplus of \$1,096,694, capital reserves of \$575,801 and maintenance reserve of \$250,000 at June 30, 2016.



## TEANECK BOARD OF EDUCATION

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

#### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$47,472,596 (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 2015-2016 amounted to \$1,744,605 for governmental activities and \$9,760 for business-type activities.

Capital Assets at June 30, 2016 and 2015  
(Net of Accumulated Depreciation)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 1,601,471	\$ 1,601,471			\$ 1,601,471	\$ 1,601,471
Construction in Progress	-	2,145,191			-	2,145,191
Building and Building Improvements	44,121,471	41,548,821			44,121,471	41,548,821
Improvements Other Than Buildings	588,306	690,646			588,306	690,646
Machinery and Equipment	<u>1,125,735</u>	<u>1,355,998</u>	<u>\$ 35,613</u>	<u>\$ 45,373</u>	<u>1,161,348</u>	<u>1,401,371</u>
<b>Total Capital Assets, Net</b>	<b>\$ 47,436,983</b>	<b>\$ 47,342,127</b>	<b>\$ 35,613</b>	<b>\$ 45,373</b>	<b>\$ 47,472,596</b>	<b>\$ 47,387,500</b>

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 \$52,846,067 and consisted of bonds payable of \$18,436,907 (including premiums), lease purchase agreements and capital lease obligations of \$1,545,356, compensated absences of \$2,751,938, and net pension liability of \$30,111,866. The District's total outstanding long-term liabilities increased by \$1,268,270 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 2015-2016 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 2016-2017. Budgeted expenditures in the General Fund increased approximately 1.7% to \$94,048,446 for fiscal year 2016-2017.

#### 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, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,294,394	\$ 555,243	\$ 3,849,637
Receivables, net	1,651,471	150,865	1,802,336
Inventories		9,454	9,454
Restricted Assets			
Cash and Cash Equivalents with Fiscal Agent	228,377		228,377
Capital Assets			
Not Being Depreciated	1,601,471		1,601,471
Being Depreciated, Net	<u>45,835,512</u>	<u>35,613</u>	<u>45,871,125</u>
Total Assets	<u>52,611,225</u>	<u>751,175</u>	<u>53,362,400</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	367,816		367,816
Deferred Amounts on Net Pension Liability	<u>3,952,137</u>	<u>-</u>	<u>3,952,137</u>
Total Deferred Outflows of Resources	<u>4,319,953</u>	<u>-</u>	<u>4,319,953</u>
Total Assets and Deferred Outflows of Resources	<u>56,931,178</u>	<u>751,175</u>	<u>57,682,353</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	559,196	113,272	672,468
Accrued Interest Payable	172,386		172,386
Intergovernmental Payables	26,231		26,231
Unearned Revenue	94,836	276,463	371,299
Noncurrent Liabilities			
Due Within One Year	2,336,026		2,336,026
Due Beyond One Year	<u>50,510,041</u>	<u>-</u>	<u>50,510,041</u>
Total Liabilities	<u>53,698,716</u>	<u>389,735</u>	<u>54,088,451</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>1,837,573</u>	<u>-</u>	<u>1,837,573</u>
Total Deferred Inflows of Resources	<u>1,837,573</u>	<u>-</u>	<u>1,837,573</u>
Total Liabilities and Deferred Inflows of Resources	<u>55,536,289</u>	<u>389,735</u>	<u>55,926,024</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	31,076,698	35,613	31,112,311
Restricted for			
Capital Projects	575,801		575,801
Plant Maintenance	250,000		250,000
Debt Service	7,386		7,386
Unrestricted	<u>(30,514,996)</u>	<u>325,827</u>	<u>(30,189,169)</u>
Total Net Position	<u>\$ 1,394,889</u>	<u>\$ 361,440</u>	<u>\$ 1,756,329</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, 2016**

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
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 43,078,084		\$ 12,454,392		\$ (30,623,692)		\$ (30,623,692)
Special Education	22,521,039	\$ 113,759	8,507,087		(13,900,193)		(13,900,193)
Other Instruction	4,899,904		1,593,868		(3,306,036)		(3,306,036)
Support Services							
Student and Instruction Related Services	17,767,423		1,636,391		(16,131,032)		(16,131,032)
General Administrative Services	1,238,269				(1,238,269)		(1,238,269)
School Administrative Services	5,504,071		1,034,595		(4,469,476)		(4,469,476)
Central and Other Support Services	2,550,972		79,296		(2,471,676)		(2,471,676)
Plant Operations and Maintenance	7,863,553		727,792	\$ 675,233	(6,460,528)		(6,460,528)
Pupil Transportation	5,261,919		2,068,941		(3,192,978)		(3,192,978)
Interest and Other Charges on Long-Term Debt	556,367	-	-	-	(556,367)	-	(556,367)
<b>Total Governmental Activities</b>	<b>111,241,601</b>	<b>113,759</b>	<b>28,102,362</b>	<b>675,233</b>	<b>(82,350,247)</b>	<b>-</b>	<b>(82,350,247)</b>
<b>Business-Type Activities</b>							
Food Service	1,466,292	648,851	783,528			\$ (33,913)	(33,913)
Community School	526,953	675,314	-	-	-	148,361	148,361
<b>Total Business-Type Activities</b>	<b>1,993,245</b>	<b>1,324,165</b>	<b>783,528</b>	<b>-</b>	<b>-</b>	<b>114,448</b>	<b>114,448</b>
<b>Total Primary Government</b>	<b>\$ 113,234,846</b>	<b>\$ 1,437,924</b>	<b>\$ 28,885,890</b>	<b>\$ 675,233</b>	<b>(82,350,247)</b>	<b>114,448</b>	<b>(82,235,799)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					83,928,341		83,928,341
Taxes Levied for Debt Service					1,489,284		1,489,284
Investment Earnings					17,195		17,195
Miscellaneous Income					505,998	-	505,998
<b>Total General Revenues</b>					<b>85,940,818</b>	<b>-</b>	<b>85,940,818</b>
<b>Change in Net Position</b>					<b>3,590,571</b>	<b>114,448</b>	<b>3,705,019</b>
<b>Net Position, Beginning of Year</b>					<b>(2,195,682)</b>	<b>246,992</b>	<b>(1,948,690)</b>
<b>Net Position, End of Year</b>					<b>\$ 1,394,889</b>	<b>\$ 361,440</b>	<b>\$ 1,756,329</b>

## **FUND FINANCIAL STATEMENTS**

**TEANECK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,287,008			\$ 7,386	\$ 3,294,394
Receivables					
Receivables From Other Governments	337,675	\$ 534,436	\$ 754,701		1,626,812
Other Receivables	24,659				24,659
Due from Other Funds	888,185	-	-	-	888,185
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agents	-	-	228,377	-	228,377
Total Assets	<u>\$ 4,537,527</u>	<u>\$ 534,436</u>	<u>\$ 983,078</u>	<u>\$ 7,386</u>	<u>\$ 6,062,427</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 515,176	\$ 13,489			\$ 528,665
Accrued Salaries and Wages	30,531				30,531
Due to Other Funds		399,880	\$ 488,305		888,185
Intergovernmental Payable - State		26,231			26,231
Unearned Revenue	-	94,836	-	-	94,836
Total Liabilities	<u>545,707</u>	<u>534,436</u>	<u>488,305</u>	<u>-</u>	<u>1,568,448</u>
Fund Balances					
Restricted					
Capital Reserve	575,801				575,801
Maintenance Reserve	250,000				250,000
Excess Surplus	1,096,694				1,096,694
Capital Projects			494,773		494,773
Debt Service				\$ 7,386	7,386
Assigned					
Year End Encumbrances	315,397				315,397
ARRA/SEMI Designated for Subsequent					
Year's Expenditures	18,320				18,320
Designated for Subsequent					
Year's Expenditures	1,235,936				1,235,936
Unassigned	<u>499,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499,672</u>
Total Fund Balances	<u>3,991,820</u>	<u>-</u>	<u>494,773</u>	<u>7,386</u>	<u>4,493,979</u>
Total Liabilities and Fund Balances	<u>\$ 4,537,527</u>	<u>\$ 534,436</u>	<u>\$ 983,078</u>	<u>\$ 7,386</u>	<u>\$ 6,062,427</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, 2016**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** **\$ 4,493,979**

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$74,696,400 and the accumulated depreciation is \$27,259,417 47,436,983

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. 367,816

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

Deferred Outflows of Resources	\$	3,952,137	
Deferred Inflows of Resources		<u>(1,837,573)</u>	
			2,114,564

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (172,386)

Long-term liabilities, including bonds payable and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. See Note 2 (52,846,067)

**Net Position of Governmental Activities (Exhibit A-1)** **\$ 1,394,889**

**TEANECK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 83,928,341			\$ 1,489,284	\$ 85,417,625
Tuition	113,759				113,759
Interest	17,119		\$ 76		17,195
Miscellaneous	505,998	\$ 366,146	-	-	872,144
Total - Local Sources	84,565,217	366,146	76	1,489,284	86,420,723
State Sources	14,590,763	605,494	675,233		15,871,490
Federal Sources	69,099	1,693,459	-	-	1,762,558
Total Revenues	99,225,079	2,665,099	675,309	1,489,284	104,054,771
<b>EXPENDITURES</b>					
Current					
Regular Instruction	36,044,813	586,094			36,630,907
Special Education Instruction	19,285,852	918,050			20,203,902
Other Instruction	3,998,073				3,998,073
Support Services					
Student and Instruction Related Services	15,826,447	1,096,292			16,922,739
General Administrative Services	1,264,599				1,264,599
School Administrative Services	4,799,231				4,799,231
Central and Other Support Services	2,448,307				2,448,307
Plant Operations and Maintenance	6,337,644				6,337,644
Pupil Transportation	5,178,909	64,663			5,243,572
Debt Service					
Principal	1,132,849			1,030,000	2,162,849
Interest and Other Charges	326,849			459,284	786,133
Cost of Issuance				117,364	117,364
Capital Outlay	112,235	-	1,727,226	-	1,839,461
Total Expenditures	96,755,808	2,665,099	1,727,226	1,606,648	102,754,781
Excess (Deficiency) of Revenues Over Expenditures	2,469,271	-	(1,051,917)	(117,364)	1,299,990
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	551,331		450,122		1,001,453
Transfers Out	(450,122)	-	(551,331)	-	(1,001,453)
Capital Lease Proceeds	112,235				112,235
Refunding Bond Proceeds				7,615,000	7,615,000
Premium on Refunding Bonds				642,071	642,071
Payment to Refunded Bond Escrow Agent	-	-	-	(8,132,354)	(8,132,354)
Total Other Financing Sources and Uses	213,444	-	(101,209)	124,717	236,952
Net Change in Fund Balances	2,682,715	-	(1,153,126)	7,353	1,536,942
Fund Balance, Beginning of Year	1,309,105	-	1,647,899	33	2,957,037
Fund Balance, End of Year	\$ 3,991,820	\$ -	\$ 494,773	\$ 7,386	\$ 4,493,979

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, 2016**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 1,536,942**

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 capital outlay exceeded depreciation in the period.

Capital Outlays	\$ 1,839,461	
Depreciation Expense	<u>(1,744,605)</u>	94,856

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

Capital Lease Obligations		(112,235)
---------------------------	--	-----------

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	1,430,000	
Lease Purchase Agreement Principal	143,111	
Capital Lease Obligation Principal	<u>589,738</u>	2,162,849

The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Refunding Bonds Proceeds	(7,615,000)	
Premium on Bond Proceeds	(642,071)	
Payments to Escrow Agent for Refunding	<u>8,132,354</u>	(124,717)

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.

133,775

Governmental funds report the effect of premiums 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	125,712	
Amortization - Deferred Amount on Refunding of Debt	<u>(29,721)</u>	95,991

In the statement of activities, certain operating expenses, e.g., compensated absences and net pension liability are measured by the amounts earned or incurred 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 or incurred amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned or incurred amount the difference is an addition to the reconciliation.

Decrease in Compensated Absences	337,188	
Increase in Net Pension Liability	<u>(534,078)</u>	(196,890)

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 3,590,571**

**TEANECK BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<b>Business-Type Activities- Enterprise Funds</b>		
	<b>Food Services</b>	<b>Community School</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents		\$ 561,241	\$ 561,241
Intergovernmental Accounts Receivable	\$ 128,712		128,712
Other Accounts Receivables	22,153		22,153
Inventories	9,454	-	9,454
Total Current Assets	160,319	561,241	721,560
Noncurrent Assets			
Machinery and Equipment	401,778	9,607	411,385
Less: Accumulated Depreciation	(366,165)	(9,607)	(375,772)
Total Noncurrent Assets	35,613	-	35,613
Total Assets	195,932	561,241	757,173
<b>LIABILITIES</b>			
Current Liabilities			
Cash Overdraft	5,998		5,998
Accounts Payable	110,857	2,415	113,272
Unearned Revenue	12,170	264,293	276,463
Total Current Liabilities	129,025	266,708	395,733
<b>NET POSITION</b>			
Net Investment in Capital Assets	35,613	-	35,613
Unrestricted	31,294	294,533	325,827
Total Net Position	\$ 66,907	\$ 294,533	\$ 361,440

**TEANECK BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales-Reimbursable Programs	\$ 399,148		\$ 399,148
Daily Sales - Non-Reimbursable Programs	193,179		193,179
Special Functions	46,712		46,712
Vending Sales	9,812		9,812
Program Fees	-	\$ 675,314	675,314
 Total Operating Revenues	 648,851	 675,314	 1,324,165
<b>OPERATING EXPENSES</b>			
Salaries and Employee Benefits	669,643	407,035	1,076,678
Cost of Sales	540,740		540,740
Purchased Professional and Technical Services		22,588	22,588
Other Purchased Services	142,094	54,233	196,327
Contracted Services- Transportation		9,168	9,168
Communications/ Telephone	1,908	1,380	3,288
Supplies and Materials	76,739	12,415	89,154
Miscellaneous	25,408	20,134	45,542
Depreciation	9,760	-	9,760
 Total Operating Expenses	 1,466,292	 526,953	 1,993,245
 Operating Income (Loss)	 (817,441)	 148,361	 (669,080)
<b>NONOPERATING REVENUES</b>			
State Sources			
School Lunch Program	14,367		14,367
Federal Sources			
School Breakfast Program	106,947		106,947
National School Lunch Program	554,829		554,829
Food Distribution Program	107,385	-	107,385
 Total Nonoperating Revenues	 783,528	 -	 783,528
 Change in Net Position	 (33,913)	 148,361	 114,448
 Total Net Position, Beginning of Year	 100,820	 146,172	 246,992
 Total Net Position, End of Year	 \$ 66,907	 \$ 294,533	 \$ 361,440

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, 2016**

	<b>Business-Type Activities- Enterprise Funds</b>		
	<b>Food Services</b>	<b>Community School</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 658,591	\$ 717,433	\$ 1,376,024
Cash Payments to Employees' Salaries and Benefits	(669,643)	(407,035)	(1,076,678)
Cash Payments to Suppliers for Goods and Services	(670,623)	(120,766)	(791,389)
Net Cash Provided by (Used for) Operating Activities	(681,675)	189,632	(492,043)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Cash Received from State and Federal Subsidy Reimbursements	675,867	-	675,867
Net Cash Provided by Noncapital Financing Activities	675,867	-	675,867
Net Increase/(Decrease) in Cash and Cash Equivalents	(5,808)	189,632	183,824
Cash and Cash Equivalents (Overdraft), Beginning of Year	(190)	371,609	371,419
Cash and Cash Equivalents (Overdraft), End of Year	<u>\$ (5,998)</u>	<u>\$ 561,241</u>	<u>\$ 555,243</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Income (Loss)	\$ (817,441)	\$ 148,361	\$ (669,080)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation	9,760		9,760
USDA Commodities (Food Distribution Program)	107,385		107,385
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Other Accounts Receivable	11,099		11,099
(Increase)/Decrease in Inventories	9,425		9,425
Increase/(Decrease) in Accounts Payable	6,185	(848)	5,337
Increase/(Decrease) in Unearned Revenue	(1,359)	42,119	40,760
Increase/(Decrease) in Deferred Commodities Revenue	(6,729)	-	(6,729)
Total Adjustments	135,766	41,271	177,037
Net Cash Provided by (Used for) Operating Activities	<u>\$ (681,675)</u>	<u>\$ 189,632</u>	<u>\$ (492,043)</u>
<b>Noncash Investing, Capital and Financing Activities</b>			
Value Received - Food Distribution Program	\$ 100,656		

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, 2016**

	<b>Private Purpose <u>Scholarships Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 128,771	\$ 618,215
Total Assets	<u>128,771</u>	<u>\$ 618,215</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 474,120
Flexible Spending Program		16,103
Due to Student Groups	<u>-</u>	<u>127,992</u>
Total Liabilities	<u>-</u>	<u>\$ 618,215</u>
<b>NET POSITION</b>		
Held in Trust for Other Purposes	<u>\$ 128,771</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, 2016**

	<b>Private Purpose Scholarships <u>Fund</u></b>
<b>ADDITIONS</b>	
Contributions	
Donations	\$ 7,485
Investment Earnings	
Interest	<u>395</u>
 Total Additions	 <u>7,880</u>
 <b>DEDUCTIONS</b>	
Scholarships Awards	<u>6,680</u>
 Total Deductions	 <u>6,680</u>
 Change in Net Position	 1,200
 Net Position, Beginning of Year	 <u>127,571</u>
 Net Position, End of Year	 <u><u>\$ 128,771</u></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, 2016**

**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 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. 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 applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. 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.



**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, 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 No. 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 No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**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, 2016**

**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 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, 2016**

**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, 2016**

**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 capital leases are reported as other financing sources.

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

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

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

***1. Cash, Cash Equivalents and Investments***

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

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

***2. Receivables***

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

***3. Inventories***

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

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

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Long-Term Obligations (Continued)*

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

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 3B).

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with EFCA (NJSA 18A:7G-9) for a thorough and efficient education (See Note 3C).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

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

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

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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)**

**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 – Designated for Subsequent Year's Expenditures** – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2016 that will be appropriated in the adopted 2016/2017 budget certified for taxes.

**Designated for Subsequent Year's Expenditures** – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 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, interest and miscellaneous revenues.

**2. *Property Taxes***

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



**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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

**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 \$52,846,067 difference are as follows:

Bonds Payable	\$ 17,300,000
Add: Issuance Premium (to be amortized over life of debt)	1,136,907
Lease Purchase Agreements	221,045
Capital Lease Obligations	1,324,311
Compensated Absences	2,751,938
Net Pension Liability	<u>30,111,866</u>
Net Adjustment to Reduce Fund Balance -	
Total Governmental Funds to Arrive at	
Net Position - Governmental Activities	<u>\$ 52,846,067</u>

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$2,584,544. The increase was funded by appropriation of capital reserve balance, additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$	324,592
Increased by:			
Deposit Approved by Board Resolution	\$	550,000	
Unexpended Balance of Capital Projects			
Funded by Capital Reserve		<u>151,331</u>	
Total Increases			<u>701,331</u>
			1,025,923
Withdrawals			
Approved by Board Resolution			<u>450,122</u>
Balance, June 30, 2016		\$	<u>575,801</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.

**C. Maintenance Reserve**

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Increase by:

Deposits Approved by Board Resolution	<u>\$250,000</u>
---------------------------------------	------------------

Balance, June 30, 2016	<u>\$250,000</u>
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The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,960,321.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$1,096,694. This amount will be appropriated in the 2017/2018 original budget certified for taxes.

**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.

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, 2016, the book value of the Board's deposits were \$4,596,623 and bank and brokerage firm balances of the Board's deposits amounted to \$7,585,853. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 7,566,199
Uninsured and Collateralized	<u>19,654</u>
	<u>\$ 7,585,853</u>

TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 the Board's bank balance of \$19,654 was 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

\$ 19,654

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, 2016, the Board had the following investments:

**Fair  
Value**

Investment Type:

U.S. Government Securities Money Market Funds

\$ 228,377

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, 2016, \$228,377 of the Board's investments was exposed to custodial credit risk as follows:

**Fair  
Value**

Uninsured and Collateralized:

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

\$ 228,377

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 by the fiscal agent.

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts	\$ 24,659			\$ 22,153	\$ 46,812
Intergovernmental					
Federal		\$ 444,649		126,065	570,714
State	330,988	2,169	\$ 754,701	2,647	1,090,505
Local	<u>6,687</u>	<u>87,618</u>	<u>-</u>	<u>-</u>	<u>94,305</u>
Net Total Receivables	<u>\$ 362,334</u>	<u>\$ 534,436</u>	<u>\$ 754,701</u>	<u>\$ 150,865</u>	<u>\$ 1,802,336</u>

**C. Unearned Revenue**

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Drawdowns	\$ 85,159
Grant Draw Downs Reserved for Encumbrances	<u>9,677</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 94,836</u>

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance, July 1, 2015	Increases	Decreases	Balance, June 30, 2016
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,601,471			\$ 1,601,471
Construction in Progress	2,145,191	\$ 1,727,226	(3,872,417)	-
Total Capital Assets, Not Being Depreciated	3,746,662	1,727,226	(3,872,417)	1,601,471
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	60,714,640	3,872,417		64,587,057
Improvements Other Than Buildings	3,762,280			3,762,280
Machinery and Equipment	4,633,357	112,235	-	4,745,592
Total Capital Assets Being Depreciated	69,110,277	3,984,652	-	73,094,929
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(19,165,819)	(1,299,767)		(20,465,586)
Improvements Other Than Buildings	(3,071,634)	(102,340)		(3,173,974)
Machinery and Equipment	(3,277,359)	(342,498)	-	(3,619,857)
Total Accumulated Depreciation	(25,514,812)	(1,744,605)	-	(27,259,417)
Total Capital Assets, Being Depreciated, Net	43,595,465	2,240,047	-	45,835,512
Governmental Activities Capital Assets, Net	<u>\$ 47,342,127</u>	<u>\$ 3,967,273</u>	<u>\$(3,872,417)</u>	<u>\$ 47,436,983</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 411,385	-	-	\$ 411,385
Total Capital Assets Being Depreciated	411,385	-	-	411,385
Less Accumulated Depreciation for:				
Machinery and Equipment	(366,012)	\$ (9,760)	-	(375,772)
Total Accumulated Depreciation	(366,012)	(9,760)	-	(375,772)
Total Capital Assets, Being Depreciated, Net	45,373	(9,760)	-	35,613
Business-Type Activities Capital Assets, Net	<u>\$ 45,373</u>	<u>\$ (9,760)</u>	<u>\$ -</u>	<u>\$ 35,613</u>

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular	\$ 43,722
Total Instruction	43,722
Support Services	
Student and Instruction Related Services	237,620
Business Office	3,007
Transportation	14,849
Operations and Maintenance of Plant	1,445,407
Total Support Services	1,700,883
Total Depreciation Expense - Governmental Activities	\$ 1,744,605

**Business-Type Activities:**

Food Service Fund	\$ 9,760
Total Depreciation Expense-Business-Type Activities	\$ 9,760

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

The composition of interfund balances as of June 30, 2016, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 399,880
General Fund	Capital Projects Fund	488,305
		<u>\$ 888,185</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.



**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund Transfers**

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 450,122	\$ 450,122
Capital Projects Fund	\$ 551,331	-	551,331
	<u>\$ 551,331</u>	<u>\$ 450,122</u>	<u>\$ 1,001,453</u>

The above transfers are the result of restricted fund balance available in one fund to finance expenditures in another fund or unexpended project balances in one fund returned to fund that financed original project appropriations.

**F. Leases**

**Capital Leases, Lease Purchase Agreements and Obligations**

The District is leasing computers (general supplies) totaling \$585,358 under lease purchase agreements. The lease is for terms of 5 years.

The District has also entered into capital lease obligations totaling \$3,049,729 for capital improvements to Teaneck High School, Hawthorne and Bryant Elementary Schools roof projects and district-wide copiers. 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, 2016 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Lease-Purchase Agreements</u>	<u>Capital Leases</u>	<u>Total</u>
2017	\$ 153,179	\$ 383,107	\$ 536,286
2018	74,362	377,500	451,862
2019		317,377	317,377
2020		287,381	287,381
2020	-	22,837	22,837
Total Minimum Lease Payments	227,541	1,388,202	1,615,743
Less: Amount Representing Interest	(6,496)	(63,891)	(70,387)
Present Value of Minimum Lease Payments	<u>\$ 221,045</u>	<u>\$ 1,324,311</u>	<u>\$ 1,545,356</u>

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases, Lease Purchase Agreements and Obligations (Continued)**

The capital assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Building Improvements	\$ 2,500,939
Equipment	<u>513,729</u>
	<u>\$ 3,014,668</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2016 are comprised of the following issues:

\$9,305,000, 2006 Refunding Bonds (partially refunded in 2016), due in an annual installment of \$575,000 through July 15, 2016, interest at 4.00%	\$ 575,000
\$8,180,000, 2012 School Energy Savings Obligation Refunding Bonds, due in annual installments of \$440,000 to \$805,000 through April 1, 2027, interest at 3.00% to 4.50%	6,680,000
\$3,325,000, 2013 Pension Refunding Bonds (ERIP), due in annual installments of \$460,000 to \$515,000 through July 1, 2020, interest at 1.70% to 3.50%	2,430,000
\$7,615,000, 2016 Refunding Bonds, due in annual installments of \$180,000 to \$595,000 through July 15, 2030, interest at 1.00% to 4.00%	<u>7,615,000</u>
Total	<u>\$ 17,300,000</u>

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

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

**Governmental Activities:**

Fiscal Year Ended <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,655,000	\$ 854,503	\$ 2,509,503
2018	1,530,000	527,225	2,057,225
2019	1,565,000	486,673	2,051,673
2020	1,625,000	437,626	2,062,626
2021	1,685,000	381,613	2,066,613
2022-2026	5,990,000	1,253,850	7,243,850
2027-2031	<u>3,250,000</u>	<u>250,374</u>	<u>3,500,374</u>
	<u>\$ 17,300,000</u>	<u>\$ 4,191,864</u>	<u>\$ 21,491,864</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 208,277,979
Less: Net Debt	<u>8,190,000</u>
Remaining Borrowing Power	<u>\$ 200,087,979</u>

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

**The 2016 Current Refundings of Debt**

On April 27, 2016, the District issued \$7,615,000 in School District Refunding Bonds having an interest rate of 1.00% to 4.00%. These bonds were issued in order to currently refund certain principal maturities of the 2006 School District Refunding Bonds of the District. The total bond principal currently refunded was \$7,960,000. The reacquisition price exceeded the net carrying amount of the old debt by \$140,012. This amount has been reported as Deferred Outflows of Resources on the financial statements and amortized over the new debt's life, which is the same as the life of the refunded debt. The current refunding was undertaken to reduce the total debt service payments over the next 15 years by \$1,294,206 and resulted in an economic gain of \$1,111,446.

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2016</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 19,075,000	\$ 7,615,000	\$ 9,390,000	\$ 17,300,000	\$ 1,655,000
Add: Premium	652,890	642,071	158,054	1,136,907	-
	19,727,890	8,257,071	9,548,054	18,436,907	1,655,000
Lease Purchase Agreement	364,156		143,111	221,045	149,403
Capital Lease Obligations	1,801,814	112,235	589,738	1,324,311	374,527
Compensated Absences	3,089,126		337,188	2,751,938	157,096
Net Pension Liability	26,594,811	4,670,304	1,153,249	30,111,866	-
Governmental Activity Long-Term Liabilities	<u>\$ 51,577,797</u>	<u>\$ 13,039,610</u>	<u>\$ 11,771,340</u>	<u>\$ 52,846,067</u>	<u>\$ 2,336,026</u>

Compensated absences, capital lease obligations/lease purchase agreements and net pension liability are generally liquidated by the General Fund.

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 funds, 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, 2016, 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, 2016, 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, 2016**

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

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 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, 2014 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 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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 6.92% for PERS, 6.92% 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, 2016 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, 2016, 2015 and 2014 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>
2016	\$ 1,153,249	\$ 2,617,192	
2015	1,171,003	1,876,458	
2014	1,075,875	1,527,102	

For fiscal years 2015/2016 and 2014/2015, the state contributed \$2,617,192 and \$1,876,458, 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 \$2,536,702 during the fiscal year ended June 30, 2016 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.



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NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2016, the District reported in the statement of net position (accrual basis) a liability of \$30,111,866 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 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, 2015, the District's proportionate share was .13414 percent, which was an decrease of .00791 percent from its proportionate share measured as of June 30, 2014 of .14205 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,687,327 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b>2015</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 718,363	
Changes of Assumptions	3,233,774	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 484,141
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	1,353,432
Total	<u>\$ 3,952,137</u>	<u>\$ 1,837,573</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>	
2017	\$ 338,295
2018	338,295
2019	338,295
2020	734,521
2021	<u>365,158</u>
	<u>\$ 2,114,564</u>

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

***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	4.90%

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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:

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 3.80%. 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 4.90%, 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 (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>1% Decrease <u>(3.90%)</u></b>	<b>Current Discount Rate <u>(4.90%)</u></b>	<b>1% Increase <u>(5.90%)</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 37,425,365</u>	<u>\$ 30,111,866</u>	<u>\$ 23,980,281</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. 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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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**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% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$13,394,593 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, 2016 the State's proportionate share of the net pension liability attributable to the District is \$219,371,309. 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, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .34708 percent, which was a decrease of .0139 percent from its proportionate share measured as of June 30, 2014 of .36098 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
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 Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

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

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NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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	4.13%

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. 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 4.13%, 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 (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 260,714,601</u>	<u>\$ 219,371,309</u>	<u>\$ 183,751,589</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**TEANECK BOARD OF EDUCATION  
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**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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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

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

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



**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2014, 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.

**TEANECK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

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

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$3,116,353, \$2,978,876 and \$2,503,873, 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 SUBSEQUENT EVENTS**

On July 7, 2016, the Board approved an equipment lease (capital lease) with U.S. Bancorp Government Leasing and Finance, Inc. in the amount of \$2,500,000 for the purchase and installation of 1) network wiring architecture; 2) wired and wireless infrastructure; 3) server infrastructure; and 4) backup, disaster recovery and business continuity technology throughout the District. The term is for five (5) years with six (6) annual payment amounts of \$433,644, with the first payment due August 15, 2016.

**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, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 83,928,341		\$ 83,928,341	\$ 83,928,341	
Tuition - LEA	93,205		93,205	113,759	\$ 20,554
Interest			-	17,119	17,119
Rentals			-	16,907	16,907
Miscellaneous	245,500	-	245,500	489,091	243,591
Total Local Sources	84,267,046	-	84,267,046	84,565,217	298,171
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	40,420		40,420	40,420	-
Per Pupil Growth Aid	40,420		40,420	40,420	-
Extraordinary Aid	1,050,000		1,050,000	975,270	(74,730)
Non Public Transportation	85,000		85,000	124,132	39,132
Homeless Tuition				75,756	75,756
TPAF Pension - System Contributions - Normal Costs and Accrued Liability (Non-Budget)				2,493,006	2,493,006
TPAF Pension - System Contributions - NCGI Premium (Non-Budget)				124,186	124,186
TPAF Pension - Post Retirement Contributions (Non-Budget)				3,116,353	3,116,353
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,536,702	2,536,702
Total State Sources	6,401,235	-	6,401,235	14,711,640	8,310,405
Federal Sources					
Medicaid Reimbursement Program	58,170	-	58,170	69,099	10,929
Total Federal Sources	58,170	-	58,170	69,099	10,929
Total Revenues	90,726,451	-	90,726,451	99,345,956	8,619,505
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,186,591	\$ 500	1,187,091	1,169,097	17,994
Grades 1-5	6,530,186	(363,968)	6,166,218	5,959,728	206,490
Grades 6-8	6,002,572	(582,863)	5,419,709	5,311,876	107,833
Grades 9-12	8,252,623	(13,972)	8,238,651	8,237,191	1,460
Regular Programs - Home Instruction					
Salaries of Teachers	1,523	-	1,523		1,523
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Svcs.		110,976	110,976	54,674	56,302
Purchased Technical Services	174,495	8,832	183,327	164,102	19,225
Other Purchased Services	102,900	46,845	149,745	133,654	16,091
General Supplies	1,190,005	96,764	1,286,769	968,147	318,622
General Supplies Acquired by Lease Purchase (Non Budget)					-
Textbooks	168,030	(17,122)	150,908	110,909	39,999
Total Regular Programs	23,608,925	(714,008)	22,894,917	22,109,378	785,539
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	1,282,312	20,340	1,302,652	1,302,652	
Other Salaries for Instruction		85,211	85,211	85,211	
Purchased Professional-Educational Svcs.	636,499	(441,103)	195,396	195,396	-
Total Learning / Language Disabilities	1,918,811	(335,552)	1,583,259	1,583,259	-

**TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 262,862	\$ (2,680)	\$ 260,182	\$ 260,182	-
Purchased Professional-Educational Svcs.	140,208	(14,979)	125,229	122,884	\$ 2,345
Total Behavioral Disabilities	403,070	(17,659)	385,411	383,066	2,345
Multiple Disabilities					
Salaries of Teachers	533,674	(24,293)	509,381	509,381	-
Purchased Professional-Educational Svcs.	825,674	7,443	833,117	816,180	16,937
General Supplies	63,000	202	63,202	13,781	49,421
Total Multiple Disabilities	1,422,348	(16,648)	1,405,700	1,339,342	66,358
Resource Room / Resource Center					
Salaries of Teachers	4,349,378	284,617	4,633,995	4,606,030	27,965
Purchased Professional-Educational Svcs.	352,237	(56,836)	295,401	295,401	-
General Supplies	33,500	(6,000)	27,500	-	27,500
Total Resource Room / Resource Center	4,735,115	221,781	4,956,896	4,901,431	55,465
Preschool Disabilities - Part - Time					
Salaries of Teachers	330,750	-	330,750	322,988	7,762
Purchased Professional-Educational Svcs.	135,061	(135,061)	-	-	-
Total Preschool Disabilities - Part - Time	465,811	(135,061)	330,750	322,988	7,762
Preschool Disabilities - Full - Time					
Salaries of Teachers	111,000	(200)	110,800	110,800	-
Purchased Professional-Educational Svcs.	159,236	49,537	208,773	208,773	-
General Supplies	5,000	-	5,000	-	5,000
Total Preschool Disabilities - Full - Time	275,236	49,337	324,573	319,573	5,000
Home Instruction					
Salaries of Teachers	90,000	15,074	105,074	105,074	-
Purchased Professional-Educational Svcs.	27,000	(3,375)	23,625	23,625	-
Total Home Instruction	117,000	11,699	128,699	128,699	-
Total Special Education	9,337,391	(222,103)	9,115,288	8,978,358	136,930

**TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget To Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
Basic Skills/Remedial					
Salaries of Teachers	\$ 1,630,826	\$ (86,801)	\$ 1,544,025	\$ 1,538,596	\$ 5,429
Total Basic Skills/Remedial	1,630,826	(86,801)	1,544,025	1,538,596	5,429
Bilingual Education					
Salaries of Teachers	357,502	35,673	393,175	393,175	-
Purchased Professional-Educational Svcs.	60,000	-	60,000	55,953	4,047
Total Bilingual Education	417,502	35,673	453,175	449,128	4,047
School Sponsored Co-Curricular Activities					
Salaries	229,276	6,452	235,728	235,728	-
Purchased Services	4,000	2,340	6,340	6,187	153
Supplies and Materials	12,000	-	12,000	12,000	-
Other Objects	8,500	(1,500)	7,000	7,000	-
Total School Sponsored Co-Curricular Activities	253,776	7,292	261,068	260,915	153
School Sponsored Athletics - Instruction					
Salaries	629,761	45,007	674,768	646,523	28,245
Purchased Services	48,000	11,947	59,947	58,665	1,282
Supplies and Materials	125,500	(14,814)	110,686	110,598	88
Other Objects	25,453	3,334	28,787	26,269	2,518
Transfers to Cover Deficit	70,000	1,096	71,096	59,263	11,833
Total School Sponsored Athletics - Instruction	898,714	46,570	945,284	901,318	43,966
Before and After School Programs - Instruction					
Salaries	25,000	(25,000)	-	-	-
Total Before and After School Programs - Instruction	25,000	(25,000)	-	-	-
Total - Instruction	36,172,134	(958,377)	35,213,757	34,237,693	976,064
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	1,610,251	(208,445)	1,401,806	1,384,184	17,622
Tuition to County Voc. School Dist.-Regular	570,636	(3,500)	567,136	535,799	31,337
Tuition to County Voc. School Dist.-Special	329,520	3,500	333,020	319,776	13,244
Tuition to CSSD & Reg. Day Schools	2,034,480	(266,780)	1,767,700	1,579,343	188,357
Tuition to Private Schools - Disabled Within State	2,473,927	521,000	2,994,927	2,476,403	518,524
Tuition to Priv. Sch. Disabled & Other LEAs - Spl, O/S					
State	969,101	-	969,101	865,483	103,618
Tuition - State Facilities	100,077	-	100,077	100,077	-
Total Undistributed Expenditures - Instruction	8,087,992	45,775	8,133,767	7,261,065	872,702

**TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 213,848	-	\$ 213,848	\$ 209,377	\$ 4,471
Purchased Professional and Technical Svcs.	57,750	\$ (15,000)	42,750	38,766	3,984
Other Purchased Services	2,175	-	2,175	2,065	110
Total Attendance and Social Work Services	273,773	(15,000)	258,773	250,208	8,565
Health Services					
Salaries	741,559	5,153	746,712	746,712	-
Purchased Professional and Technical Svcs.	198,000	198,935	396,935	355,068	41,867
Other Purchased Services	2,000	(653)	1,347	920	427
Supplies and Materials	14,285	(4,500)	9,785	2,735	7,050
Total Health Services	955,844	198,935	1,154,779	1,105,435	49,344
Other Support Services - Students - Speech, OT, PT and Related Services					
Salaries	658,002	-	658,002	570,265	87,737
Purchased Professional-Educational Services	1,687,000	105,125	1,792,125	1,608,085	184,040
Supplies and Materials	10,000	(5,000)	5,000	543	4,457
Total Other Support Services - Students - Speech, OT, PT and Related Services	2,355,002	100,125	2,455,127	2,178,893	276,234
Other Support Services-Students-Extra Serv.					
Salaries	223,500	7,879	231,379	231,379	-
Purchased Professional-Educational Services	1,677,313	143,375	1,820,688	1,820,688	-
Total Other Support Services-Extra Serv.	1,900,813	151,254	2,052,067	2,052,067	-
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	1,353,476	71,056	1,424,532	1,424,341	191
Salaries of Secretarial and Clerical Assistants	128,848	126,769	255,617	248,836	6,781
Other Salaries	80,755	-	80,755	80,098	657
Purchased Professional-Educational Services	2,500	-	2,500	1,682	818
Other Purchased Prof. and Tech. Services	10,000	-	10,000	9,049	951
Other Purchased Services	3,000	-	3,000	-	3,000
Supplies and Materials	12,221	-	12,221	788	11,433
Total Other Support Services-Students-Guidance	1,590,800	197,825	1,788,625	1,764,794	23,831
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	1,740,664	(71,818)	1,668,846	1,498,807	170,039
Salaries of Secretarial and Clerical Assistants	131,366	68,246	199,612	199,385	227
Unused Vacation Payment to Terminated/Retired Staff	6,500	-	6,500	-	6,500
Purchased Professional-Educational Services	375,000	23,343	398,343	398,116	227
Other Purchased Prof. and Tech. Services	6,000	-	6,000	5,197	803
Other Purchased Services	12,825	(944)	11,881	5,033	6,848
Supplies and Materials	43,000	-	43,000	21,109	21,891
Other Objects	300	-	300	200	100
Total Other Support Services - Students - Child Study Team	2,315,655	18,827	2,334,482	2,127,847	206,635

**TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 490,199	\$ (12,871)	\$ 477,328	\$ 476,780	\$ 548
Salaries of Other Professional Staff	80,600	-	80,600	558	80,042
Salaries of Secretarial and Clerical Assistants	209,190	(34,123)	175,067	172,947	2,120
Other Salaries	4,000	-	4,000	493	3,507
Purchased Professional-Educational Services	191,174	(17,148)	174,026	100,126	73,900
Other Purchased Services	8,225	(6,500)	1,725	1,395	330
Supplies and Materials	46,200	-	46,200	28,033	18,167
Total Improvement of Instruction Services	<u>1,029,588</u>	<u>(70,642)</u>	<u>958,946</u>	<u>780,332</u>	<u>178,614</u>
Educational Media Services/School Library					
Salaries	538,588	(77,185)	461,403	452,137	9,266
Purchased Professional and Technical Services	55,000	-	55,000	47,044	7,956
Supplies and Materials	73,315	19,313	92,628	32,118	60,510
Total Educational Media Services/School Library	<u>666,903</u>	<u>(57,872)</u>	<u>609,031</u>	<u>531,299</u>	<u>77,732</u>
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	404,103	72,678	476,781	476,780	1
Salaries of Other Professional Staff	235,300	(16,200)	219,100	154,038	65,062
Salaries of Secretarial and Clerical Assistants	138,769	(34,123)	104,646	104,084	562
Other Salaries	5,100	(5,100)	-	-	-
Purchased Professional-Educational Svcs.	29,010	(4,000)	25,010	3,000	22,010
Other Purchased Services	52,000	(377)	51,623	7,996	43,627
Supplies and Materials	8,000	(3,150)	4,850	1,726	3,124
Other Objects	5,000	400	5,400	5,369	31
Total Instructional Staff Training Services	<u>877,282</u>	<u>10,128</u>	<u>887,410</u>	<u>752,993</u>	<u>134,417</u>
Support Services General Administration					
Salaries	354,955	9,036	363,991	352,160	11,831
Legal Services	230,000	33,289	263,289	243,316	19,973
Audit Fees	48,000	4,833	52,833	52,833	-
Architectural/Engineering Services	12,000	20,309	32,309	15,309	17,000
Purchased Technical Services	15,000	-	15,000	-	15,000
Communications/Telephone	94,279	(46,027)	48,252	41,595	6,657
BOE Other Purchased Services	11,500	(948)	10,552	7,880	2,672
Miscellaneous Purchased Services	186,697	(5,202)	181,495	157,032	24,463
General Supplies	4,333	(1,312)	3,021	2,188	833
BOE In-House Training/Meeting Supplies	6,500	-	6,500	3,676	2,824
Judgments Against the School District	82,000	23,490	105,490	13,220	92,270
Miscellaneous Expenditures	13,500	71	13,571	11,493	2,078
BOE Membership Dues and Fees	35,000	-	35,000	29,163	5,837
Total Support Services General Administration	<u>1,093,764</u>	<u>37,539</u>	<u>1,131,303</u>	<u>929,865</u>	<u>201,438</u>



**TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,851,017	\$ (18,472)	\$ 1,832,545	\$ 1,826,610	\$ 5,935
Salaries of Secretarial and Clerical Assistants	1,146,056	(56,503)	1,089,553	1,088,613	940
Other Purchased Service	40,500	3,689	44,189	44,189	-
Supplies and Materials	62,500	(37,610)	24,890	22,543	2,347
Other Objects	54,250	(43,297)	10,953	10,953	-
Total Support Services School Administration	3,154,323	(152,193)	3,002,130	2,992,908	9,222
Central Services					
Salaries	747,718	91,467	839,185	839,185	-
Purchased Technical Services	67,500	(11,958)	55,542	55,542	-
Misc. Purchased Services	71,750	(42,880)	28,870	28,794	76
Supplies and Materials	28,400	(8,746)	19,654	14,982	4,672
Interest on Lease Purchase Agreements	6,108	-	6,108	6,108	-
Miscellaneous Expenditures	2,000	6,876	8,876	8,876	-
Total Central Services	923,476	34,759	958,235	953,487	4,748
Admin. Info. Tech					
Salaries	408,848	94,388	503,236	502,948	288
Purchased Professional Services		60,000	60,000	59,611	389
Purchased Technical Services	117,898	(31,479)	86,419	83,159	3,260
Other Purchased Services	5,700	(2,950)	2,750	2,750	-
Supplies and Materials	63,400	6,479	69,879	43,129	26,750
Total Admin. Info. Tech.	595,846	126,438	722,284	691,597	30,687
Required Maintenance for School Facilities					
Salaries	629,502	9,154	638,656	637,544	1,112
Cleaning, Repair & Maintenance Services	338,889	90,006	428,895	412,628	16,267
General Supplies	140,000	85,380	225,380	220,865	4,515
Total Required Maintenance for School Facilities	1,108,391	184,540	1,292,931	1,271,037	21,894
Custodial Services					
Salaries	922,556	(3,590)	918,966	864,917	54,049
Salaries of Non-Instructional Aides		906	906	906	-
Purchased Professional and Technical Services	7,300	3,450	10,750	10,675	75
Cleaning, Repair & Maintenance Services	1,683,350	(21,284)	1,662,066	1,643,897	18,169
Other Purchased Property Services	60,000	11,421	71,421	71,414	7
Insurance	400,000	-	400,000	396,878	3,122
Miscellaneous Purchased Services	285,000	21,923	306,923	306,137	786
General Supplies	179,000	6,950	185,950	178,312	7,638
Energy (Natural Gas)	600,000	(51,344)	548,656	215,338	333,318
Energy (Electricity)	600,000	(15,000)	585,000	562,354	22,646
Other Objects	6,000	-	6,000	4,892	1,108
Interest-Energy Savings Impr. Prog. Bonds	273,100	-	273,100	273,100	-
Principal-Energy Savings Impr. Prog. Bonds	400,000	-	400,000	400,000	-
Total Custodial Services	5,416,306	(46,568)	5,369,738	4,928,820	440,918

**TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget To Actual</b>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 299,244	\$ (5,424)	\$ 293,820	\$ 285,755	\$ 8,065
Total Care and Upkeep of Grounds	299,244	(5,424)	293,820	285,755	8,065
Security					
Salaries	21,500	92,182	113,682	113,682	-
Purchased Professional and Technical Services	60,000	(50,603)	9,397	9,397	-
Total Security	81,500	41,579	123,079	123,079	-
Student Transportation Services					
Salaries of Non-Instructional Aides	1,000	(1,000)			-
Salaries for Pupil Transportation (Between Home and School) - Regular	72,330	(1,635)	70,695	70,695	-
Salaries for Pupil Transportation (Between Home and School) - Special	12,000	(12,000)			-
Other Purchased Prof. and Technical Serv.	10,500	6,760	17,260	17,260	-
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	327,080	21,965	349,045	336,545	12,500
Contracted Services (Between Home and School) - Vendors	2,013,000	(219,051)	1,793,949	1,793,949	-
Contracted Services (Other Than Between Home and School) - Vendors	310,500	(92,794)	217,706	213,666	4,040
Contracted Services (Spec Ed) - Vendors	590,480	141,947	732,427	732,427	-
Contracted Services (Reg. Students) - ESCs & CTSAs	172,000	44,268	216,268	216,268	-
Contracted Services (Spl. Ed. Students)-ESCs & CTSAs	1,310,695	444,911	1,755,606	1,755,606	-
General Supplies	1,000	(967)	33	33	-
Total Student Transportation Services	4,820,585	332,404	5,152,989	5,136,449	16,540
Allocated Benefits					
Regular Programs - Instruction - Employee Benefits					
Health Benefits	3,302,649	(269,266)	3,033,383	2,785,663	247,720
Unused Sick Payment to Terminated/Retired Staff	140,000	-	140,000	-	140,000
Total Regular Programs - Instruction - Employee Benefits	3,442,649	(269,266)	3,173,383	2,785,663	387,720
Special Programs - Instruction - Employee Benefits					
Health Benefits	1,718,320	30,000	1,748,320	1,745,811	2,509
Unused Sick Payment to Terminated/Retired Staff	80,000	-	80,000	-	80,000
Total Special Programs - Instruction - Employee Benefits	1,798,320	30,000	1,828,320	1,745,811	82,509
Child Study Team - Employee Benefits					
Unused Sick Payment to Terminated/Retired Staff	15,000	-	15,000	-	15,000
Total Child Study Team - Employee Benefits	15,000	-	15,000	-	15,000
Operation & Maintenance of Plant-Employee Benefits					
Unused Sick Payment to Terminated/Retired Staff	30,000	-	30,000	-	30,000
Total Operation & Maintenance of Plant - Employee Benefits	30,000	-	30,000	-	30,000
Total Allocated Benefits - Employee Benefits	5,285,969	(239,266)	5,046,703	4,531,474	515,229

**TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Unallocated Benefits					
Group Insurance	\$ 205,648	\$ 8,605	\$ 214,253	\$ 214,110	\$ 143
Social Security Contributions	1,008,518	(202,175)	806,343	720,244	86,099
Other Retirement Contributions - PERS	1,270,000	2,024	1,272,024	1,131,764	140,260
Unemployment Compensation	128,101	7,925	136,026	132,732	3,294
Workmen's Compensation	384,171	(2,024)	382,147	317,384	64,763
Health Benefits	4,198,410	411,261	4,609,671	4,565,561	44,110
Tuition Reimbursement	5,000	(420)	4,580		4,580
Other Employee Benefits	401,700	36,584	438,284	433,956	4,328
Total Unallocated Benefits	7,601,548	261,780	7,863,328	7,515,751	347,577
TPAF Pension - System Contributions					
Normal Costs and Accrued Liability (Non-Budget)				2,493,006	(2,493,006)
TPAF Pension - System Contributions - NCGI Premium (Non Budget)				124,186	(124,186)
TPAF Pension - Post Retirement Contributions (Non-Budget)				3,116,353	(3,116,353)
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,536,702	(2,536,702)
Total On-Behalf Contributions/Reimbursements	-	-	-	8,270,247	(8,270,247)
Total Undistributed Expenditures	50,434,604	1,154,943	51,589,547	56,435,402	(4,845,855)
Total Current Expenditures	86,606,738	196,566	86,803,304	90,673,095	(3,869,791)
<b>CAPITAL OUTLAY EXPENDITURES</b>					
Equipment					
Undistributed Expenditures					
Central Services	-	4,706	4,706	-	4,706
Total Equipment	-	4,706	4,706	-	4,706
Facilities Acquisition and Construction Serv.					
Lease Purchase Agreements - Principal	534,466		534,466	534,466	-
Assessment for Debt Service on SDA Funding	128,662	-	128,662	128,662	-
Total Facilities Acquisition and Construction Serv.	663,128	-	663,128	663,128	-
Non Budget Lease Purchase- Copiers	-	-	-	112,235	(112,235)
Total Capital Outlay	663,128	4,706	667,834	775,363	(107,529)
Transfer of Funds to Charter Schools	5,191,475	115,875	5,307,350	5,307,350	-
Total Expenditures	92,461,341	317,147	92,778,488	96,755,808	(3,977,320)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,734,890)	(317,147)	(2,052,037)	2,590,148	4,642,185
Other Financing Sources (Uses)					
Capital Lease Proceeds (Non Budget)				112,235	112,235
Transfer In - Capital Projects Fund	650,000		650,000	551,331	(98,669)
Transfer Out - Capital Reserve to Capital Projects Fund	-	(450,122)	(450,122)	(450,122)	-
Total Other Financing Sources (Uses)	650,000	(450,122)	199,878	213,444	13,566
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,084,890)	(767,269)	(1,852,159)	2,803,592	4,655,751
Fund Balances, Beginning of Year	2,504,157	-	2,504,157	2,504,157	-
Fund Balances, End of Year	\$ 1,419,267	\$ (767,269)	\$ 651,998	\$ 5,307,749	\$ 4,655,751

TEANECK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>Recapitulation</b>					
Restricted					
Capital Reserve				\$ 575,801	
Maintenance Reserve				250,000	
Excess Surplus				1,096,694	
Assigned					
Year End Encumbrances				315,397	
ARRA-SEMI - Designated for Subsequent Year				18,320	
Designated for Subsequent Year's Expenditures				1,235,936	
Unassigned				<u>1,815,601</u>	
				5,307,749	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
2015/2016 State Aid Payments Not Recognized on GAAP Basis				<u>(1,315,929)</u>	
				<u>\$ 3,991,820</u>	
Fund Balance Per Governmental Funds (GAAP)					

**TEANECK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 201,315	\$ 431,436	\$ 632,751	\$ 606,835	\$ (25,916)
Federal	1,439,679	719,232	2,158,911	1,693,459	(465,452)
Local Sources					
Miscellaneous	-	666,607	666,607	372,717	(293,890)
Total Revenues	1,640,994	1,817,275	3,458,269	2,673,011	(785,258)
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	418,742	(67,305)	351,437	271,815	79,622
Purchased Professional/Educational Services		71,500	71,500	44,875	26,625
Purchased Technical Services		-			-
Tuition	922,306	4,067	926,373	903,640	22,733
General Supplies	8,449	448,466	456,915	248,277	208,638
Textbooks		36,201	36,201	34,066	2,135
Other Objects	-	7,472	7,472	4,529	2,943
Total Instruction	1,349,497	500,401	1,849,898	1,507,202	342,696
Student Support Services					
Salaries	98,631	589,640	688,271	553,154	135,117
Purchased Professional/Educational Services	169,695	226,817	396,512	300,305	96,207
Purchased Prof. and Technical Services		26,360	26,360	24,490	1,870
Communications/Telephone		5,201	5,201	3,348	1,853
Rentals		26,192	26,192	15,288	10,904
Travel		4,518	4,518	434	4,084
Other Purchased Services		118,416	118,416	118,083	333
Supplies and Materials	23,171	21,208	44,379	9,070	35,309
Miscellaneous Expenditures	-	15,469	15,469	7,141	8,328
Total Student Support Services	291,497	1,033,821	1,325,318	1,031,313	294,005
Transportation					
Contracted Services	-	100,464	100,464	64,663	35,801
Unallocated Benefits					
Other Employee Benefits	-	122,711	122,711	69,833	52,878
Facilities Acquisition and Construction					
Instructional Equipment	-	59,878	59,878	-	59,878
Total Facilities Acq. & Construction	-	59,878	59,878	-	59,878
Total Expenditures	1,640,994	1,817,275	3,458,269	2,673,011	785,258
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, 2016**

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

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

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

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 99,345,956	\$ 2,673,011
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, 2015 (net of cancellations)		1,765
Encumbrances, June 30, 2016		(9,677)
 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 (2014/2015 State Aid)	1,195,052	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements (2015/2016 State Aid)	(1,315,929)	-
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 99,225,079</u>	<u>\$ 2,665,099</u>
 <b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 96,755,808	\$ 2,673,011
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, 2015 (net of cancellations)		1,765
Encumbrances, June 30, 2016	-	(9,677)
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 96,755,808</u>	<u>\$ 2,665,099</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 Three Fiscal Years\***  
**(Dollar amounts in thousands)**

	<u>2016</u>		<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.13414	%	0.14205	%	0.14279	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 30,111,866		\$ 26,594,811		\$ 27,289,537	
District's Covered-Employee Payroll	\$ 8,183,038		\$ 9,132,014		\$ 9,766,548	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	367.98	%	291.23	%	279.42	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93	%	52.08	%	48.72	%

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

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

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

**Public Employees Retirement System**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,153,249	\$ 1,171,003	\$ 1,075,875
Contributions in Relation to the Contractually Required Contribution	<u>1,153,249</u>	<u>1,171,003</u>	<u>1,075,875</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 8,183,038	\$ 9,132,014	\$ 9,766,548
Contributions as a Percentage of Covered-Employee Payroll	\$ 14.09 %	\$ 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 Three Fiscal Years\***  
(Dollar amounts in thousands)

	<u>2016</u>		<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>\$ 219,371,309</u>		<u>\$ 192,933,307</u>		<u>\$ 183,130,122</u>
Total	<u>\$ 219,371,309</u>		<u>\$ 192,933,307</u>		<u>\$ 183,130,122</u>
District's Covered-Employee Payroll	<u>\$ 35,294,602</u>		<u>\$ 33,506,107</u>		<u>\$ 34,862,168</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00	%	0.00	%	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71	%	33.64	%	33.76 %

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

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

**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, 2016**

**Change of Benefit Terms:**       None.

**Change of Assumptions:**       Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5D.

**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, 2016

	IDEA Part <u>B- Basic</u>	IDEA Part B <u>Preschool</u>	NCLB Title I	NCLB Title IIA	NCLB Title III	NCLB Title III <u>Immigrant</u>	Total Exhibit <u>E-1a</u>	Total Exhibit <u>E-1b</u>	Totals
<b>REVENUES</b>									
Intergovernmental									
State							\$ 606,835		\$ 606,835
Federal	\$ 1,036,133	\$ 24,490	\$ 499,550	\$ 89,105	\$ 28,375	\$ 15,806			1,693,459
Other	-	-	-	-	-	-	-	\$ 372,717	372,717
Total Revenues	<u>\$ 1,036,133</u>	<u>\$ 24,490</u>	<u>\$ 499,550</u>	<u>\$ 89,105</u>	<u>\$ 28,375</u>	<u>\$ 15,806</u>	<u>\$ 606,835</u>	<u>\$ 372,717</u>	<u>\$ 2,673,011</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers			\$ 181,148	\$ 11,880	\$ 13,082			\$ 65,705	\$ 271,815
Purchased Prof and Educ Svcs			39,125					5,750	44,875
Purchased Technical Services								-	-
Tuition	\$ 903,640								903,640
General Supplies	14,410		180,419		8,282	\$ 15,806	\$ 14,628	14,732	248,277
Textbooks							34,066		34,066
Miscellaneous	-	-	-	-	-	-	-	4,529	4,529
Total Instruction	<u>918,050</u>	<u>-</u>	<u>400,692</u>	<u>11,880</u>	<u>21,364</u>	<u>15,806</u>	<u>48,694</u>	<u>90,716</u>	<u>1,507,202</u>
Support Services									
Salaries			48,915	4,500	2,378		307,091	190,270	553,154
Personal Svcs. -Emp. Benefits			2,500					47,297	49,797
Other Emp. Benefits			17,600	1,253	1,183				20,036
Purchased Prof & Educ Svcs				49,255			251,050		300,305
Purchased Technical Services		\$ 24,490							24,490
Other Purchase Services	118,083								118,083
Rentals								15,288	15,288
Contracted Svcs. -Transportation			27,623	22,217	3,450			11,373	64,663
Purchased Property Services								-	-
Communication/Telephone								3,348	3,348
Travel								434	434
Supplies and Materials			2,220					6,850	9,070
Miscellaneous	-	-	-	-	-	-	-	7,141	7,141
Total Support Services	<u>118,083</u>	<u>24,490</u>	<u>98,858</u>	<u>77,225</u>	<u>7,011</u>	<u>-</u>	<u>558,141</u>	<u>282,001</u>	<u>1,165,809</u>
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 1,036,133</u>	<u>\$ 24,490</u>	<u>\$ 499,550</u>	<u>\$ 89,105</u>	<u>\$ 28,375</u>	<u>\$ 15,806</u>	<u>\$ 606,835</u>	<u>\$ 372,717</u>	<u>\$ 2,673,011</u>

TEANECK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>NonPublic Chapter 193</u>				<u>Nonpublic</u>	<u>Nonpublic</u>	<u>Nonpublic</u>	<u>NonPublic Chapter 192</u>		<u>School</u>	<u>Total</u>
	<u>Exam. &amp;</u>	<u>Corrective</u>	<u>Supp. Instr.</u>	<u>Nonpublic</u>	<u>Textbook</u>	<u>Technology</u>	<u>Security</u>	<u>Compensatory</u>	<u>Education</u>	<u>Based</u>	<u>Exhibit</u>
	<u>Class.</u>	<u>Speech</u>		<u>Nursing</u>	<u>Aid</u>	<u>Aid</u>	<u>Aid</u>	<u>ESL</u>	<u>Services</u>	<u>Youth</u>	<u>E-1b</u>
<b>REVENUES</b>											
Intergovernmental											
State	\$ 75,340	\$ 6,939	\$ 20,421	\$ 75,420	\$ 34,066	\$ 12,827	\$ 20,396	\$ 25,969	\$ 26,565	\$ 308,892	\$ 606,835
Federal											-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 75,340	\$ 6,939	\$ 20,421	\$ 75,420	\$ 34,066	\$ 12,827	\$ 20,396	\$ 25,969	\$ 26,565	\$ 308,892	\$ 606,835
<b>EXPENDITURES</b>											
Instruction											
Salaries of Teachers											
General Supplies						\$ 12,827				\$ 1,801	\$ 14,628
Other Objects											-
Textbooks	-	-	-	-	\$ 34,066	-	-	-	-	-	34,066
Total Instruction	-	-	-	-	34,066	12,827	-	-	-	1,801	48,694
Support Services											
Salaries										307,091	307,091
Personal Svcs. -Emp. Benefits											-
Purchased Prof & Educ Svcs.	\$ 75,340	\$ 6,939	\$ 20,421	\$ 75,420			\$ 20,396	\$ 25,969	\$ 26,565		251,050
Travel											-
Supplies and Materials											-
Indirect Costs	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	75,340	6,939	20,421	75,420	-	-	20,396	25,969	26,565	307,091	558,141
Facilities Acquisition											
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 75,340	\$ 6,939	\$ 20,421	\$ 75,420	\$ 34,066	\$ 12,827	\$ 20,396	\$ 25,969	\$ 26,565	\$ 308,892	\$ 606,835



**TEANECK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Other Local Grants</u>	<u>Forum Twp Funds</u>	<u>Forum Juvenile Justice</u>	<u>Juvenile Justice</u>	<u>TWT/ Work Success</u>	<u>Total Exhibit E-1c</u>
<b>REVENUES</b>						
Intergovernmental						
State						
Federal						
Other	\$ 15,750	\$ 42,132	\$ 45,736	\$ 21,033	\$ 248,066	\$ 372,717
<b>Total Revenues</b>	<u>\$ 15,750</u>	<u>\$ 42,132</u>	<u>\$ 45,736</u>	<u>\$ 21,033</u>	<u>\$ 248,066</u>	<u>\$ 372,717</u>
<b>EXPENDITURES</b>						
Instruction						
Salaries of Teachers		\$ 24,260	\$ 28,419	\$ 13,026		\$ 65,705
Salaries of Other Prof Staff						-
Purchased Prof and Educ Svcs		1,050	3,100	1,600		5,750
Purchased Prof and Tech Svcs						-
Tuition						-
Other Purchased Services						-
General Supplies	\$ 2,960	4,313	6,168	1,291		14,732
Textbooks						
Miscellaneous	605	3,924	-	-	-	4,529
<b>Total Instruction</b>	<u>3,565</u>	<u>33,547</u>	<u>37,687</u>	<u>15,917</u>	<u>-</u>	<u>90,716</u>
Support Services						
Salaries		7,327			\$ 182,943	190,270
Salaries of Other Prof. Staff						-
Personal Svcs. -Emp. Benefits			1,872	1,178	44,247	47,297
Purchased Prof and Educ Svcs.						-
Rentals					15,288	15,288
Travel					434	434
Contracted Svcs. -Transportation	1,000	258	6,177	3,938		11,373
Purchased Property Services						-
Communications/ Telephone					3,348	3,348
Supplies and Materials	5,810				1,040	6,850
Miscellaneous	5,375	1,000			766	7,141
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Support Services</b>	<u>12,185</u>	<u>8,585</u>	<u>8,049</u>	<u>5,116</u>	<u>248,066</u>	<u>282,001</u>
Facilities Acquisition						
Instructional Equipment						
<b>Total Facilities Acquisition</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 15,750</u>	<u>\$ 42,132</u>	<u>\$ 45,736</u>	<u>\$ 21,033</u>	<u>\$ 248,066</u>	<u>\$ 372,717</u>

**TEANECK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016**

<u>Project Title/Description</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfers Out</u>		<u>Balance June 30, 2016</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	
Teaneck High School Culinary Lab	\$ 135,418	\$ 134,642			\$ 776	
Energy Savings Improvement Program	8,878,088	7,213,376		\$ 805,000	400,000	\$ 459,712
Benjamin Franklin Roof	1,092,000	975,725	\$ 92,500		23,775	
Teaneck High School Roof	798,498	798,498				
Bryant School Roof Replacement	932,839		932,839			
Hawthorne School Roof Replacement	1,162,975	426,027	701,887			35,061
Whittier Asbestos Removal	<u>316,345</u>	<u>189,565</u>	<u>-</u>	<u>-</u>	<u>126,780</u>	<u>-</u>
	<u>\$ 13,316,163</u>	<u>\$ 9,737,833</u>	<u>\$ 1,727,226</u>	<u>\$ 805,000</u>	<u>\$ 551,331</u>	<u>\$ 494,773</u>

**Reconciliation of Fund Balance, June 30, 2016**

Fund Balance, June 30, 2016 - GAAP Basis \$ 494,773

**Analysis of Fund Balance (GAAP)**

Restricted for Capital Projects:

Available For Capital Projects Expenditures \$ 494,773

Total Fund Balance - Restricted For Capital Projects \$ 494,773

**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, 2016**

**Revenues and Other Financing Sources**

Interest Income	\$ 76
Other Financing Sources	
Transfers In - Capital Reserve Unfunded SDA Grants	<u>450,122</u>
Total Revenues and Other Financing Sources	<u>450,198</u>

**Expenditures and Other Financing Uses**

Expenditures	
Bad Debt - Cancelled State Aid Receivable - Budgetary Basis	63,784
Capital Outlay	
Purchased Professional and Technical Services	93,317
Construction Services	1,633,909
Other Financing Uses	
Transfers out - General Fund	<u>551,331</u>
Total Expenditures and Other Financing Uses	<u>2,342,341</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,892,143)
Fund Balance - Beginning of Year	<u>2,386,916</u>
Fund Balance - End of Year	<u>\$ 494,773</u>

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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Donation	\$ 48,969		\$ 48,969	\$ 48,969
Transfer from Capital Reserve	86,449	-	86,449	86,449
<b>Total Revenues</b>	<u>135,418</u>	<u>-</u>	<u>135,418</u>	<u>135,418</u>
<b>Expenditures and Other Financing Uses</b>				
Supplies and Materials	460		460	
Construction Services	134,182		134,182	135,418
Transfer to General Fund	-	\$ 776	776	-
<b>Total Expenditures and Other Financing Uses</b>	<u>134,642</u>	<u>776</u>	<u>135,418</u>	<u>135,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 776</u>	<u>\$ (776)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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
<b>Expenditures and Other Financing Uses</b>				
Salaries	5,000		5,000	5,000
Purchased Professional and Technical Services	1,070,613		1,070,613	1,479,136
Construction Services	6,137,763		6,137,763	6,188,952
Project Balances Transferred:				
General Fund	805,000	\$ 400,000	1,205,000	1,205,000
 Total Expenditures and Other Financing Uses	 8,018,376	 400,000	 8,418,376	 8,878,088
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 859,712	 \$ (400,000)	 \$ 459,712	 \$ -
 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	100%			
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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 1,092,000	-	\$ 1,092,000	\$ 1,092,000
Total Revenues	1,092,000	-	1,092,000	1,092,000
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	84,689		84,689	50,000
Construction Services	891,036	\$ 92,500	983,536	1,042,000
Transfer to General Fund	-	23,775	23,775	-
Total Expenditures and Other Financing Uses	975,725	116,275	1,092,000	1,092,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 116,275	\$ (116,275)	\$ -	\$ -
<b>Additional Project Information:</b>				
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	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 -**  
**TEANECK HIGH SCHOOL ROOF**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 764,800	\$ 33,698	\$ 798,498	\$ 807,970
Total Revenues	764,800	33,698	798,498	807,970
<b>Expenditures and Other Financing Uses</b>				
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	\$ -	\$ -
<b>Additional Project Information:</b>				
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	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 -  
BRYANT ELEMENTARY SCHOOL ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
State Sources - SDA Grant	\$ 457,884		\$ (63,784)	\$ 394,100	\$ 394,100
Local Share - Capital Lease	629,357		(90,703)	538,654	538,654
Interest Income	47	\$ 38	-	85	85
<b>Total Revenues</b>	<u>1,087,288</u>	<u>38</u>	<u>(154,487)</u>	<u>932,839</u>	<u>932,839</u>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services		39,380	-	39,380	39,380
Construction Services	-	893,459	-	893,459	893,459
<b>Total Expenditures and Other Financing Uses</b>	<u>-</u>	<u>932,839</u>	<u>-</u>	<u>932,839</u>	<u>932,839</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 1,087,288</u>	<u>\$ (932,801)</u>	<u>\$ (154,487)</u>	<u>\$ -</u>	<u>\$ -</u>

## 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
Reduced Authorized Costs	(154,449)
Revised Authorized Cost	\$ 932,792
Percentage Increase over Original Authorized Cost	-14%
Percentage Completion	100%
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, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Adjustments</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>					
State Sources - SDA Grant	\$ 451,544			\$ 451,544	\$ 451,544
Local Share - Capital Lease	620,643		\$ 90,703	711,346	711,346
Interest Income	47	\$ 38	-	85	85
<b>Total Revenues</b>	<u>1,072,234</u>	<u>38</u>	<u>90,703</u>	<u>1,162,975</u>	<u>1,162,975</u>
<b>Expenditures and Other Financing Uses</b>					
Purchased Professional and Technical Services		53,937		53,937	53,937
Construction Services	426,027	647,950	-	1,073,977	1,109,038
<b>Total Expenditures and Other Financing Uses</b>	<u>426,027</u>	<u>701,887</u>	<u>-</u>	<u>1,127,914</u>	<u>1,162,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 646,207</u>	<u>\$ (701,849)</u>	<u>\$ 90,703</u>	<u>\$ 35,061</u>	<u>\$ -</u>

## 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	90,788
Revised Authorized Cost	\$ 1,162,975

## Percentage Increase over Original Authorized

Cost	8%
Percentage Completion	100%
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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 316,345	-	\$ 316,345	\$ 316,345
Total Revenues	316,345	-	316,345	316,345
<b>Expenditures and Other Financing Uses</b>				
Construction Services	189,565		189,565	316,345
Transfer to General Fund	-	\$ 126,780	126,780	-
Total Expenditures and Other Financing Uses	189,565	126,780	316,345	316,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 126,780	\$ (126,780)	\$ -	\$ -
<b>Additional Project Information:</b>				
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			
Reduced Authorized Cost	(126,780)			
Revised Authorized Cost	\$ 189,565			
Percentage Increase over Original Authorized Cost	-40%			
Percentage Completion	167%			
Original Target Completion Date	9/30/2015			
Revised Target Completion Date	9/30/2015			

## **PROPRIETARY FUNDS**

**TEANECK BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 127,992	\$ 490,223	\$ 618,215
Total Assets	<u>\$ 127,992</u>	<u>\$ 490,223</u>	<u>\$ 618,215</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 474,120	\$ 474,120
Flexible Spending Program		16,103	16,103
Due to Student Groups	\$ 127,992	<u>-</u>	<u>127,992</u>
Total Liabilities	<u>\$ 127,992</u>	<u>\$ 490,223</u>	<u>\$ 618,215</u>



**TEANECK BOARD OF EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

	Balance, July 1, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2016</u>
<b>ELEMENTARY SCHOOLS</b>				
Hawthorne	\$ 4,380	\$ 19,633	\$ 19,282	\$ 4,731
Bryant	2,581	5,804	4,851	3,534
Lowell	<u>4,182</u>	<u>8,747</u>	<u>9,698</u>	<u>3,231</u>
 Total Elementary Schools	 <u>11,143</u>	 <u>34,184</u>	 <u>33,831</u>	 <u>11,496</u>
 <b>MIDDLE SCHOOLS</b>				
Thomas Jefferson	13,278	33,004	35,618	10,664
Benjamin Franklin	<u>26,283</u>	<u>22,734</u>	<u>21,403</u>	<u>27,614</u>
 Total Middle Schools	 <u>39,561</u>	 <u>55,738</u>	 <u>57,021</u>	 <u>38,278</u>
 <b>HIGH SCHOOL</b>				
Teaneck High School	<u>71,350</u>	<u>132,682</u>	<u>133,466</u>	<u>70,566</u>
 <b>OTHER</b>				
Athletic	4,753	64,163	64,985	3,931
Music	<u>3,901</u>	<u>1,350</u>	<u>1,530</u>	<u>3,721</u>
 Total Other	 <u>8,654</u>	 <u>65,513</u>	 <u>66,515</u>	 <u>7,652</u>
 Total All Schools	 <u>\$ 130,708</u>	 <u>\$ 288,117</u>	 <u>\$ 290,833</u>	 <u>\$ 127,992</u>

**TEANECK BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Balance, July 1, <u>2015</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2016</u></b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 540,969	\$ 51,903,234	\$ 51,953,980	\$ 490,223
Total Assets	<u>\$ 540,969</u>	<u>\$ 51,903,234</u>	<u>\$ 51,953,980</u>	<u>\$ 490,223</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 534,084	\$ 24,345,991	\$ 24,405,955	\$ 474,120
Flexible Spending Deposits	6,885	77,954	68,736	16,103
Accrued Salaries and Wages	<u>-</u>	<u>27,479,289</u>	<u>27,479,289</u>	<u>-</u>
Total Liabilities	<u>\$ 540,969</u>	<u>\$ 51,903,234</u>	<u>\$ 51,953,980</u>	<u>\$ 490,223</u>

## **LONG-TERM DEBT**

**TEANECK BOARD OF EDUCATION  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<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, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2016</u>
School Refunding Bonds	7/27/2006	\$ 9,305,000	7/15/16	\$ 575,000	4.00 %	\$ 9,115,000		\$ 8,540,000	\$ 575,000
School Energy Savings Obligation Refunding Bonds	4/15/2012	8,180,000	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	7,080,000		400,000	6,680,000
Pension Refunding Bonds (ERIP)	8/7/2013	3,325,000	7/1/16	460,000	1.70 %				
			7/1/17	470,000	2.30				
			7/1/18	485,000	2.70				
			7/1/19	500,000	3.20				
			7/1/20	515,000	3.50	2,880,000		450,000	2,430,000
School Refunding Bonds	4/27/2016	7,615,000	7/15/16	180,000	1.00 %				
			7/15/17	595,000	2.00				
			7/15/18-19	580,000	3.00/2.00				
			7/15/20	570,000	4.00				
			7/15/20	555,000	2.56				
			7/15/22	545,000	2.00				
			7/15/23-24	525,000	2.00/4.00				
			7/15/25	515,000	4.00				
			7/15/26	510,000	4.00				
			7/15/27	500,000	4.00				
			7/15/28	490,000	3.75				
			7/15/29	480,000	3.50				
			7/15/30	465,000	3.50	-	\$ 7,615,000	-	7,615,000

Totals      \$ 19,075,000    \$ 7,615,000    \$ 9,390,000    \$ 17,300,000

Paid by Refunding Bond Proceeds      \$ 7,960,000  
Paid by Debt Service Fund Budget Appropriation      1,030,000  
Paid by General Fund Budget Appropriation      400,000  
  
\$ 9,390,000

**TEANECK BOARD OF EDUCATION**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2016</u>
<b><u>Capital Leases</u></b>							
Teaneck High School Roof Improvements	3/1/2011	\$ 1,286,000	2.98%	\$ 272,637		\$ 272,637	
Hawthorne & Bryant Elementary School Roof Imprvmnts	9/25/2014	1,250,000	1.56%	1,250,000		242,315	\$ 1,007,685
Savin Copiers	8/14/2013	392,535	5.08%	271,346		71,372	199,974
Savin Copiers	10/28/2014	8,959	2.63%	7,831		1,729	6,102
Savin Copiers	4/11/2016	112,235	4.18%	-	\$ 112,235	1,685	110,550
Total Capital Leases				1,801,814	112,235	589,738	1,324,311
<b><u>Lease-Purchase Agreements</u></b>							
Computers - Dell (Supplies)	7/1/2013	293,327	3.50%	146,487		71,446	75,041
Computers (Supplies)	7/15/2014	292,031	1.24%	217,669	-	71,665	146,004
Total Lease-Purchase Agreements				364,156	-	143,111	221,045
Total				\$ 2,165,970	\$ 112,235	\$ 732,849	\$ 1,545,356

**TEANECK BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,489,284	-	\$ 1,489,284	\$ 1,489,284	-
Total Revenues	<u>1,489,284</u>	<u>-</u>	<u>1,489,284</u>	<u>1,489,284</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,030,000	-	1,030,000	1,030,000	
Interest	459,284		459,284	459,284	
Cost of Issuance	-	-	-	117,364	\$ (117,364)
Total Expenditures	<u>1,489,284</u>	<u>-</u>	<u>1,489,284</u>	<u>1,606,648</u>	<u>(117,364)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,364)</u>	<u>(117,364)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bond Proceeds				7,615,000	7,615,000
Premium on Refunding Bonds				642,071	642,071
Payments to Refund Bond Escrow Agent	-	-	-	(8,132,354)	(8,132,354)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,717</u>	<u>124,717</u>
Net Change in Fund Balance	-	-	-	7,353	7,353
Fund Balance, Beginning of Year	<u>33</u>	<u>-</u>	<u>33</u>	<u>33</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 7,386</u>	<u>\$ 7,353</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:

Available for Debt Service Expenditures \$ 7,386

Total Fund Balance - Restricted  
for Debt Service

\$ 7,386

## 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,									
	2007	2008	2009	2010	2011	2012 (1)	2013	2014 (2)	2015	2016
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 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	\$ 31,076,698
Restricted	324,375	229,174	1,975,666	899,886	643,243	1,191,255	3,236,970	571,338	324,625	833,187
Unrestricted	<u>1,297,242</u>	<u>1,007,645</u>	<u>(1,778,289)</u>	<u>(3,820,722)</u>	<u>(1,782,172)</u>	<u>(2,316,760)</u>	<u>(1,892,086)</u>	<u>(29,821,336)</u>	<u>(33,550,664)</u>	<u>(30,514,996)</u>
<b>Total Governmental Activities Net Position</b>	<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>	<u>\$ 1,394,889</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 118,735	\$ 161,028	\$ 136,574	\$ 132,953	\$ 101,233	\$ 81,353	\$ 67,630	\$ 55,021	\$ 45,373	\$ 35,613
Restricted										
Unrestricted	<u>343,334</u>	<u>312,806</u>	<u>275,705</u>	<u>123,100</u>	<u>76,294</u>	<u>(33,550)</u>	<u>84,428</u>	<u>140,807</u>	<u>201,619</u>	<u>325,827</u>
<b>Total Business-Type Activities Net Position</b>	<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>	<u>\$ 361,440</u>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 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	\$ 31,112,311
Restricted	324,375	229,174	1,975,666	899,886	643,243	1,191,255	3,236,970	571,338	324,625	833,187
Unrestricted	<u>1,640,576</u>	<u>1,320,451</u>	<u>(1,502,584)</u>	<u>(3,697,622)</u>	<u>(1,705,878)</u>	<u>(2,350,310)</u>	<u>(1,807,658)</u>	<u>(29,680,529)</u>	<u>(33,349,045)</u>	<u>(30,189,169)</u>
<b>Total District Net Position</b>	<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>	<u>\$ 1,756,329</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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 43,078,084
Special Education	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	22,521,039
Other Special Instruction	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	4,899,904
Support Services:										
Student & Instruction Related Services	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	17,767,423
General Administration	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	1,238,269
School Administrative Services	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	5,504,071
Central and Other Support Services	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	2,550,972
Plant Operations and Maintenance	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	7,863,553
Pupil Transportation	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	5,261,919
Charter Schools	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	969,897	921,055	887,725	847,364	833,217	920,530	1,129,319	820,419	682,245	556,367
Total Governmental Activities Expenses	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	111,241,601
Business-Type Activities:										
Food Service	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	1,466,292
Community School	799,129	855,417	747,254	884,402	859,294	858,905	708,373	564,347	498,653	526,953
Total Business-Type Activities	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	1,993,245
Total District Expenses	\$ 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	\$ 113,234,846
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 12,465									
Special Education (Tuition)	192,172	\$ 123,683	\$ 122,388	\$ 187,773	\$ 183,867	\$ 205,243	\$ 139,183	\$ 67,734	\$ 8,034	\$ 113,759
Rentals								40,427		
Student and Instruction Related Services							27,470			
Pupil Transportation	30,231	29,050	6,913	1,391				7,620		
Operating Grants and Contributions	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	28,102,362
Capital Grants and Contributions	13,594	74,259	77,089	417,097	202,209	504,250	-		186,499	675,233
Total Governmental Activities Program Revenues	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	28,891,354
Business-Type Activities:										
Charges for Services										
Food Service	760,083	809,596	794,154	751,458	714,849	685,717	664,678	744,639	642,602	648,851
Community School	719,255	769,935	672,503	697,946	750,363	784,134	686,002	637,055	594,605	675,314
Operating Grants and Contributions	486,507	504,607	535,659	628,975	641,420	656,447	664,831	705,891	732,801	783,528
Capital Grants and Contributions	3,790	65,488	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	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	2,107,693
Total District Program Revenues	\$ 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	\$ 30,999,047

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (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)	\$ (82,350,247)
Business-Type Activities	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)	104,255	43,770	51,164	114,448
<b>Total District-Wide Net Expense</b>	<b>\$ (70,945,332)</b>	<b>\$ (76,445,005)</b>	<b>\$ (78,434,325)</b>	<b>\$ (83,291,552)</b>	<b>\$ (77,591,077)</b>	<b>\$ (77,236,466)</b>	<b>\$ (79,479,875)</b>	<b>\$ (83,621,053)</b>	<b>\$ (86,502,305)</b>	<b>\$ (82,235,799)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 83,928,341
Taxes Levied for Debt Service	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	1,489,284
Federal and State Aid - Restricted										
Federal and State Aid - Unrestricted	658,131	835,868	1,376,462	1,684,442	180,939			1,684,983		
Investment Earnings	344,263	231,044	68,258	34,349	51,159	19,927	82,082	61,893	24,538	17,195
Miscellaneous Income	161,599	107,639	172,932	88,792	192,205	262,013	282,860	694,931	308,149	505,998
Adjustments to Capital Assets								520,199		
Transfers										
<b>Total Governmental Activities</b>	<b>74,320,931</b>	<b>76,398,594</b>	<b>78,785,753</b>	<b>80,950,373</b>	<b>79,318,368</b>	<b>79,517,066</b>	<b>79,911,268</b>	<b>83,678,847</b>	<b>82,684,153</b>	<b>85,940,818</b>
Business-Type Activities:										
Miscellaneous Income										
Transfers										
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 74,320,931</b>	<b>\$ 76,398,594</b>	<b>\$ 78,785,753</b>	<b>\$ 80,950,373</b>	<b>\$ 79,318,368</b>	<b>\$ 79,517,066</b>	<b>\$ 79,911,268</b>	<b>\$ 83,678,847</b>	<b>\$ 82,684,153</b>	<b>\$ 85,940,818</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 3,361,256	\$ (58,176)	\$ 412,983	\$ (2,184,953)	\$ 1,805,817	\$ 2,410,324	\$ 327,138	\$ 14,024	\$ (3,869,316)	\$ 3,590,571
Business-Type Activities	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)	104,255	43,770	51,164	114,448
<b>Total District</b>	<b>\$ 3,375,599</b>	<b>\$ (46,411)</b>	<b>\$ 351,428</b>	<b>\$ (2,341,179)</b>	<b>\$ 1,727,291</b>	<b>\$ 2,280,600</b>	<b>\$ 431,393</b>	<b>\$ 57,794</b>	<b>\$ (3,818,152)</b>	<b>\$ 3,705,019</b>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 8,072,251	\$ 7,724,554	\$ 5,974,960	\$ 3,704,385						
Unreserved	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	\$ 1,922,495
Committed					120,305	79,970	82,118			
Assigned					2,943,508	3,389,790	1,301,033	3,965,257	1,420,357	1,569,653
Unassigned					1,087,713	(79,344)	320,670	767,775	(435,844)	499,672
<b>Total General Fund</b>	<b>\$ 9,287,519</b>	<b>\$ 8,943,701</b>	<b>\$ 8,509,883</b>	<b>\$ 4,382,439</b>	<b>\$ 6,873,375</b>	<b>\$ 8,955,665</b>	<b>\$ 8,879,027</b>	<b>\$ 6,701,812</b>	<b>\$ 1,309,105</b>	<b>\$ 3,991,820</b>
All Other Governmental Funds										
Reserved	\$ 646,918	\$ 37,798	\$ 1,214,258	\$ 290,768						
Unreserved	647,524	959,688	(853,564)	539,451						
Restricted	-	-	-	-	\$ 1,307,769	\$ 7,795,275	\$ 1,516,881	\$ 1,224,801	\$ 1,647,932	\$ 502,159
<b>Total All Other Governmental Funds</b>	<b>\$ 1,294,442</b>	<b>\$ 997,486</b>	<b>\$ 360,694</b>	<b>\$ 830,219</b>	<b>\$ 1,307,769</b>	<b>\$ 7,795,275</b>	<b>\$ 1,516,881</b>	<b>\$ 1,224,801</b>	<b>\$ 1,647,932</b>	<b>\$ 502,159</b>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Property Tax Levy	\$ 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	\$ 85,417,625
Tuition Charges	204,637	123,683	122,388	187,773	183,867	205,243	139,183	67,734	8,034	113,759
Transportation	30,231	29,050	6,913	1,391				7,620		
Rentals							27,470	40,427	24,813	
Interest Earnings	344,263	231,044	68,258	34,349	51,159	19,927	82,082	61,893	24,538	17,195
Miscellaneous	386,422	331,950	402,246	329,281	456,835	638,879	692,169	694,931	606,879	872,144
State Sources	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	15,871,490
Federal Sources	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	1,762,558
<b>Total Revenues</b>	<b>90,031,894</b>	<b>93,310,526</b>	<b>93,885,297</b>	<b>94,939,347</b>	<b>93,600,510</b>	<b>96,487,250</b>	<b>97,243,999</b>	<b>96,638,679</b>	<b>99,663,500</b>	<b>104,054,771</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	36,630,907
Special Education Instruction	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	20,203,902
Other Special Instruction	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	3,998,073
<b>Support Services:</b>										
Student & Inst. Related Services	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	16,922,739
General Administration	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	1,264,599
School Administrative Services	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	4,799,231
Central and Other Support Services	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	2,448,307
Plant Operations and Maintenance	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	6,337,644
Pupil Transportation	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	5,243,572
Charter Schools	2,040,585	2,388,987	3,913,381	4,274,546	4,322,115	4,363,312	4,815,127			
Capital Outlay	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	1,839,461
Unallocated Employee Benefits								12,735,510		
<b>Debt Service:</b>										
Principal	1,275,891	870,000	900,000	945,000	1,015,177	1,350,245	1,580,573	1,625,000	2,210,634	2,162,849
Interest and Other Charges	945,040	899,884	868,016	831,259	800,597	833,259	1,250,502	959,960	822,229	786,133
Cost of Issuance					19,698	93,496				117,364
<b>Total Expenditures</b>	<b>88,311,045</b>	<b>93,951,300</b>	<b>94,955,908</b>	<b>98,597,266</b>	<b>92,312,414</b>	<b>96,795,542</b>	<b>103,599,031</b>	<b>100,889,269</b>	<b>105,115,901</b>	<b>102,754,781</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	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)	1,299,990

**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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other Financing Sources (Uses)</b>										
Lease-Purchase/Capital Leases (non-budgeted)					\$ 1,680,390			\$ 684,949	\$ 1,550,990	\$ 112,235
Cancellation of Prior Year Receivables								(69,613)		
Proceeds from Sale of Bonds				-		\$ 8,180,000				7,615,000
Premium on Sale of Bonds						698,088		63,870		642,071
Payment to Refunded Bond Escrow Agent										(8,132,354)
Transfers In	\$ 450,000	\$ 339,713	\$ 2,426,254	\$ 1,640,502	556,255	339,572	\$ 431,605		718,431	1,001,453
Transfers Out	(450,000)	(339,713)	(2,426,254)	(1,640,502)	(556,255)	(339,572)	(431,605)		(718,431)	(1,001,453)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,680,390</u>	<u>8,878,088</u>	<u>-</u>	<u>679,206</u>	<u>1,550,990</u>	<u>236,952</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,720,849</u>	<u>\$ (640,774)</u>	<u>\$ (1,070,611)</u>	<u>\$ (3,657,919)</u>	<u>\$ 2,968,486</u>	<u>\$ 8,569,796</u>	<u>\$ (6,355,032)</u>	<u>\$ (3,571,384)</u>	<u>\$ (3,901,411)</u>	<u>\$ 1,536,942</u>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	2.57%	1.91%	1.91%	1.83%	1.98%	2.32%	2.91%	2.66%	2.91%	2.92%

\* 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)**

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Interest Earned</u></b>	<b><u>Transportation</u></b>	<b><u>Prior Year Refunds</u></b>	<b><u>Energy Performance Rebates</u></b>	<b><u>Rentals</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
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
2016	113,759	17,119	5,280	122,866	\$ 278,268	16,907	82,677	636,876

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 <sup>a</sup>
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
2016	28,296,600	4,199,996,400	516,527,300	36,765,600	231,869,900	5,013,455,800	561,310,100	4,418,973	5,017,874,773	5,298,002,372	1.735

Source: County Abstract of Ratables

<sup>a</sup> 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	
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
2016	1.735	1.092	0.269	3.096

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	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
A. Sanzari Enterprises	\$ 50,907,900	1.01 %		
Glenpointe Associates III			\$ 91,008,000	3.43 %
A. Sanzari Enterprises	46,508,500	0.93		
A. Sanzari Enterprises	36,900,000	0.74		
SNH Teaneck Properties, LLC	32,122,000	0.64		
CRP Heritage Pointe LLC	28,300,000	0.56		
Teaneck Garden Owners Corp.	17,257,000	0.34	7,600,000	0.29
A. Sanzari Enterprises	12,200,000	0.24		
Cedar Holding Assoc.	11,027,000	0.22		
Care One at Teaneck, LLC	10,486,000	0.21		
Teaneck Limited PTNP			23,500,000	0.89
K. Hovnanian @ Teaneck LLC			23,423,900	0.88
Holy Name Real Estate Corp			7,973,200	0.30
Givaudan-Roure Fragrance Corp			7,306,800	0.28
Individual Taxpayer			5,350,000	0.20
F.W. Teaneck			5,080,000	0.19
Cedar Holding Assoc.			4,305,200	0.16
Bonanno Real Estate			4,043,200	0.15
	<u>\$ 245,708,400</u>	<u>\$ 4.90 %</u>	<u>\$ 179,590,300</u>	<u>\$ 6.77 %</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	
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
2016	85,417,625	85,417,625	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,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/ Lease Purchase Agreements			
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	40,972	518
2016	17,300,000	1,545,356	18,845,356	40,972 *	460

Source: District records

\* Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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	0.38	466
2016	17,300,000		17,300,000	0.34	422

Source: District records

**TEANECK BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BOND DEBT  
AS OF DECEMBER 31, 2015  
(Unaudited)**

	<b><u>Total Debt</u></b>
Direct Debt:	
Teaneck Board of Education	\$ 17,300,000
Township of Teaneck (1)	<u>35,891,213</u>
	<u>53,191,213</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	29,780,670
Bergen County Utilities Authority - Water Pollution (B)	<u>11,986,954</u>
	<u>41,767,624</u>
Total Direct and Overlapping Debt	<u><u>\$ 94,958,837</u></u>

**Source:**

(1) Township of Teaneck's 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Teaneck by dividing the municipality's 2015 equalized value by the total 2015 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 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	\$ 208,277,979
Total Net Debt Applicable to Limit	19,946,000	19,390,590	13,630,000	12,980,000	16,565,000	23,710,000	22,330,000	20,810,000	9,115,000	8,190,000
Legal Debt Margin	<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>	<u>\$ 200,087,979</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.85%	8.63%	5.62%	5.24%	6.79%	10.02%	9.76%	9.44%	4.31%	3.93%

Source: Annual Debt Statements

Legal Debt Margin Calculation June 30, 2016

Equalized Valuation Basis

2015	\$ 5,280,444,211
2014	5,147,860,165
2013	<u>5,192,544,065</u>
	<u>\$ 15,620,848,441</u>

Average Equalized Valuation of Taxable Property

\$ 5,206,949,480.33

Debt Limit (4 % of average equalization value)

208,277,979

Less: Total Net Debt Applicable to Limit

8,190,000

Legal Debt Margin

\$ 200,087,979

**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>
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	73,536	5.20%
2015	40,972	N/A	4.40%

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>2016</u>		<u>2007</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>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>	<u>2016</u>
Instruction										
Regular	292.5	283.0	296.5	296.9	236.6	246.2	239.0	241.0	245.8	236.0
Special Education	97.5	106.0	127.5	132.6	123.4	137.4	140.8	143.8	136.0	107.8
Other Instruction	1.0	1.0	1.0	1.0	1.0	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student & Instruction Related Services	91.0	91.0	101.8	96.8	95.0	92.0	91.5	89.0	79.0	76.8
General Administration	5.5	5.0	3.3	4.3	3.0	4.0	4.0	4.0	4.0	4.0
School Administrative Services	31.0	35.0	36.0	36.0	35.0	34.0	33.0	31.0	32.0	30.0
Plant Operations and Maintenance	112.5	115.0	110.5	108.5	96.5	98.0	95.5	83.5	60.0	27.0
Pupil Transportation	10.0	10.0	9.0	11.0	1.0	1.0	1.0	1.0	1.0	1.0
Business and Other Support Services	11.0	10.0	13.0	16.0	15.0	15.0	14.0	14.0	15.0	12.0
Community School	5.0	5.0	4.5	6.0	6.0	3.7	2.0	1.0	2.0	1.0
Total	<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>	<u>498.6</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	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 <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change									
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%
2016	4,018	97,848,974	24,353	-1.28%		460.10	8.9	7.8	9.6	3,604	3,500	0.00%	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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Bryant-Kindergarten/Pre-K (1926)										
Square Feet	47,438	47,438	47,438	47,438	47,438	47,438	47,338	47,338	47,338	47,338
Capacity (students)	475	475	475	475	475	475	475	314	314	314
Enrollment	345	288	292	367	366	352	328	345	299	289
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	375	375	375
Enrollment	411	373	385	406	380	365	339	411	376	364
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	322	322	322
Enrollment	374	371	354	347	319	346	391	374	356	331
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	321	321	321
Enrollment	375	327	305	321	352	309	335	375	317	303
<b><u>Middle School</u></b>										
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	676	676	676
Enrollment	690	669	626	624	614	598	577	690	582	541
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	641	641	641
Enrollment	611	558	555	576	560	570	525	611	513	503
 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	1,203	1,203	1,203
Enrollment	1,459	1,396	1,398	1,369	1,336	1,298	1,272	1,459	1,280	1,304
 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, 2016:										
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>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>	<u>2016</u>
Teaneck Sr. High (#050)	\$ 490,756	\$ 618,357	\$ 526,983	\$ 477,898	\$ 392,018	\$ 454,271	\$ 414,218	\$ 435,390	\$ 373,186	\$ 425,165
Benjamin Franklin Middle School (#060)	226,142	294,547	238,789	185,205	161,360	177,288	172,698	187,865	164,120	197,409
Thomas Jefferson Middle School (#070)	251,812	319,761	267,972	199,156	179,666	186,301	196,548	197,230	189,742	207,287
Bryant (#080)	119,133	140,552	108,934	94,760	73,689	83,199	81,183	93,155	87,910	93,261
Hawthorne (#110)	116,255	133,688	115,099	96,526	92,565	95,720	95,253	95,680	113,518	97,270
Lowell (#130)	95,672	132,144	124,384	89,683	73,332	83,997	110,949	93,635	75,399	92,804
Whittier (#150)	146,222	196,666	120,333	102,949	85,635	96,002	102,111	103,225	88,223	108,588
Eugene Field (#999)	<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>	<u>49,253</u>
District-Wide Total	<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>	<u>\$ 1,271,037</u>

Source: District Records

**TEANECK BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Co.		
Property-Blanket Building/Contents	\$ 179,686,729	\$ 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	2,000,000/1,000,000 Each Occurrence	
Comprehensive Crime Coverage	100,000/400,000 Excess	5,000
Automobile Coverage - Great American Insurance Co.	1,000,000	
Umbrella Liability - Selective Insurance Company	9,000,000	10,000 Retention
Excess Liability Umbrella - (Fireman's Fund)	50,000,000 Group Agg	
Educator's Legal Liability - Darwin National Assurance Co.	1,000,000	
Pollution Coverage - Ace American Insurance	4,000,000	15,000

Source: NESBIG/Burton Agency

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of 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, 2016 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 November 15, 2016.

**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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Teaneck Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 15, 2016.

### **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  
November 15, 2016





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of 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) Compliance Supplement and the New Jersey OMB Circular 15-08 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, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

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

Management of the 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education, as of and for the fiscal year ended June 30, 2016 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 November 15, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Lerch, 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  
November 15, 2016

TEANECK BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Carryover Deferred Revenue	Carryover Accounts Receivable	Cash Received	Budgetary Expenditures	Funds Released		Balance, June 30, 2016			MEMO GAAP Receivable
											AR Adjustment	Def Rev Adjustment	(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	S010A150030	NCLB515016	9/1/15-8/31/16	\$ 711,003		\$ 84,241	\$ (84,241)	\$ 364,694	\$ 499,550			\$ (430,550)	\$ 295,694		\$ (134,856)
NCLB Title I	84.010A		NCLB515015	9/1/14-8/31/15	561,608	\$ (52,737)	(84,241)	84,241	52,737	-	\$ 84,306	\$ (84,306)	-	-	-	-
						(52,737)	-	-	417,431	499,550	84,306	(84,306)	(430,550)	295,694	-	(134,856)
NCLB Title II- Part A	84.367A	S367A150029	NCLB515016	9/1/15-8/31/16	118,195		97,336	(97,336)	71,051	89,105	21,712	(21,712)	(122,768)	104,714		(18,054)
NCLB Title II- Part A	84.367A		NCLB515015	9/1/14-8/31/15	119,449	(17,608)	(97,336)	97,336	17,608	-	-	-	-	-	-	-
						(17,608)	-	-	88,659	89,105	21,712	(21,712)	(122,768)	104,714	-	(18,054)
NCLB Title III	84.365A	S365A150030	NCLB515016	9/1/15-8/31/16	27,556		15,552	(15,552)	3,159	28,375			(39,949)	14,733		(25,216)
NCLB Title III	84.365A		NCLB515015	9/1/14-8/31/15	32,237	(8,085)	(15,552)	15,552	8,085	-	-	-	-	-	-	-
NCLB Title III Immigrant	84.365A	S365A150030	NCLB515016	9/1/15-8/31/16			17,927	(17,927)	608	15,806	2,121	(2,121)	(15,198)	-		(15,198)
NCLB Title III Immigrant	84.365A		NCLB515015	9/1/14-8/31/15	19,164	(479)	(17,927)	17,927	479	-	7,839	(7,839)	-	-	-	-
Total NCLB Title III Cluster						(8,564)	-	-	12,331	44,181	9,960	(9,960)	(55,147)	14,733	-	(40,414)
IDEA Part B Basic	84.027	H027A150100	IDEA515016	9/1/15-8/31/16	1,040,484		20,257	(20,257)	786,908	1,036,133			(273,833)	24,608		(249,225)
IDEA Part B Basic	84.027		IDEA515015	9/1/14-8/31/15	989,251	(92,046)	(20,257)	20,257	92,046	-	-	-	-	-	-	-
IDEA Part B Preschool	84.173	H173A150114	IDEA515016	9/1/15-8/31/16	25,918		442	(442)	22,390	24,490			(3,970)	1,870		(2,100)
IDEA Part B Preschool	84.173		IDEA515015	9/1/14-8/31/15	24,625	(2,100)	(442)	442	2,100	-	-	-	-	-	-	-
Total Special Education Cluster						(94,146)	-	-	903,444	1,060,623	-	-	(277,803)	26,478	-	(251,325)
Total Special Revenue Fund						(173,055)	-	-	1,421,865	1,693,459	115,978	(115,978)	(886,268)	441,619	-	(444,649)
U.S. Department of Agriculture																
Passed-through State Department of Education																
Enterprise Fund:																
School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/14-6/30/16	106,947				84,657	106,947			(22,290)			(22,290)
School Breakfast Program	10.553		N/A	7/1/14-6/30/15	99,935	(21,894)			21,894	-			-	-	-	-
NSLP - Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	554,829				451,054	554,829			(103,775)			(103,775)
NSLP - Cash Assistance	10.555		N/A	7/1/14-6/30/15	523,056	(103,312)			103,312	-			-	-	-	-
NSLP - Non Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	100,656				100,656	100,656			-	-	-	-
NSLP - Non Cash Assistance	10.555		N/A	7/1/14-6/30/15	101,664	6,729	-	-	-	6,729	-	-	-	-	-	-
Total Child Nutrition Program Cluster / Enterprise Fund						(118,477)	-	-	761,573	769,161	-	-	(126,065)	-	-	(126,065)
U.S. Department of Health and Human Services																
Passed-through State Department of Education																
General Fund:																
Medicaid Reimbursement Program (SEMI)	93.778		N/A	7/1/15-6/30/16	69,099	-	-	-	69,099	69,099	-	-	-	-	-	-
Total General Fund						-	-	-	69,099	69,099	-	-	-	-	-	-
Total Federal Financial Awards						\$ (291,532)	\$ -	\$ -	\$ 2,252,537	\$ 2,531,719	\$ 115,978	\$ (115,978)	\$ (1,012,333)	\$ 441,619	-	\$ (570,714)

The Notes to the Schedules of Expenditures 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, 2016**

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Accts Rec Adjustments	Unearn Rev Adjustments	Balance, June 30, 2016			MEMO	
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 2,567,656		\$ 2,401,561	\$ 2,567,656				\$ (166,095)				\$ 2,567,656
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	2,567,656	\$ (156,482)	156,482									
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	730,527		683,271	730,527				(47,256)				730,527
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	730,527	(44,521)	44,521									
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	40,420		37,805	40,420				(2,615)				40,420
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	40,420	(2,464)	2,464									
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	40,420		37,806	40,420				(2,614)				40,420
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	40,420	(2,463)	2,463		-	-	-		-	-	-	
Total State Aid Public Cluster				(205,930)	3,366,373	3,379,023	-	-	-	(218,580)	-	-	-	3,379,023
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	1,887,212		1,765,133	1,887,212				(122,079)				1,887,212
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	1,887,212	(115,013)	115,013									
Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	124,132			124,132				(124,132)			\$ (124,132)	124,132
Nonpublic Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	155,604	(155,604)	155,604									
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	975,270			975,270				(975,270)				975,270
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	874,109	(874,109)	874,109									
Homeless Tuition	N/A	7/1/15-6/30/16	75,756			75,756				(75,756)			(75,756)	75,756
Homeless Tuition	N/A	7/1/14-6/30/15	159,661	(159,661)	156,236					(3,425)			(3,425)	-
Homeless Tuition	N/A	7/1/13-6/30/14	57,046	(57,046)	57,046								-	-
On Behalf TPAF Pension System Contribution	16-495-034-5094-002	7/1/15-6/30/16	2,493,006		2,493,006	2,493,006								2,493,006
On Behalf TPAF NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	124,186		124,186	124,186								124,186
On Behalf TPAF Post Retirement Medical Contrib	16-495-034-5094-001	7/1/15-6/30/16	3,116,353		3,116,353	3,116,353								3,116,353
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	2,536,702		2,409,027	2,536,702				(127,675)			(127,675)	2,536,702
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	2,651,461	(126,768)	126,768	-	-	-	-	-	-	-	-	-
Total General Fund				(1,694,131)	14,758,854	14,711,640	-	-	-	(1,646,917)	-	-	(330,988)	14,711,640
Special Revenue Fund:														
Auxiliary Services Chpt 192:														
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	29,694		29,694	26,565						\$ 3,129		26,565
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	21,589	7,167			\$ 7,167							
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	27,694		27,694	25,969						1,725		25,969
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	16,626	3,654			3,654							
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	6,287	(6,126)	6,126	-	-	-	-	-	-	-	-	-
Total Auxiliary Services (Chpt 192) Cluster				4,695	63,514	52,534	10,821	-	-	-	-	4,854	-	52,534
Handicapped Services Chpt 193:														
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	86,427		86,427	75,340						11,087		75,340
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	100,677	16,378			16,378							
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	7,524		7,524	6,939						585		6,939
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	5,301	2,297			2,297							
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	23,465		23,465	20,421						3,044		20,421
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	20,402	5,885	-	-	5,885	-	-	-	-	-	-	-
Total Handicapped Services (Chpt 192) Cluster				24,560	117,416	102,700	24,560	-	-	-	-	14,716	-	102,700
New Jersey Nonpublic Aid														
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	36,201		36,201	34,066						2,135		34,066
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	33,425	1,562			1,562							
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	75,420		75,420	75,420								75,420
Nonpublic Technology	16-100-034-5120-373	7/1/15-6/30/16	16,484		16,484	12,827						3,657		12,827
Nonpublic Technology	15-100-034-5120-373	7/1/14-6/30/15	17,952	1,083			1,083							
Nonpublic Security	16-100-034-5120-084	7/1/15-6/30/16	20,950		20,950	20,396						554		20,396
Department of Children and Families														
School Based Youth Services	16ALPB	7/1/15-6/30/16	308,892		306,723	308,892				(2,169)			(2,169)	308,892
School Based Youth Services	15ALPB	7/1/14-6/30/15	307,892	(2,330)	2,330									
School Based Youth Services	14ALBP	7/1/13-6/30/14	307,616	315	-	-	-	-	-	-	-	315	-	-
Total Special Revenue Fund				29,885	639,038	606,835	38,026	-	-	(2,169)	-	26,231	(2,169)	606,835

TEANECK BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Accts Rec Adjustments	Unearn Rev Adjustments	Balance, June 30, 2016			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		\$ 45,789	\$ 394,100		\$ 63,784	\$ (63,784)	\$ (348,311)			\$ (348,311)	\$ 394,100
Hawthorne ES Roof Replacement	5150-110-14-G1HO	7/1/14-6/30/15	451,544	\$ (170,411)	45,154	281,133	-	-	-	(406,390)	-	-	(406,390)	451,544
Total Capital Projects				(170,411)	90,943	675,233	-	63,784	(63,784)	(754,701)	-	-	(754,701)	845,644
State Department of Agriculture														
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	14,367		11,720	14,367				(2,647)			(2,647)	14,367
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	14,875	(3,230)	3,230	-	-	-	-	-	-	-	-	-
Total Enterprise Fund				(3,230)	14,950	14,367	-	-	-	(2,647)	-	-	(2,647)	14,367
Sub-Total State Financial Assistance				(1,837,887)	15,503,785	16,008,075	\$ 38,026	63,784	(63,784)	(2,406,434)	-	26,231	(1,090,505)	16,178,486
Less: On-Behalf TPAF Contributions Not Subject to Single Audit and Major Program Determination														
TPAF Pension System Contributions	16-485-034-5094-002	7/1/15-6/30/16			(2,493,006)	(2,493,006)								(2,493,006)
TPAF Pension - NCGI Premium	16-485-034-5094-004	7/1/15-6/30/16			(124,186)	(124,186)								(124,186)
TPAF Post Retirement Medical	16-495-034-5094-001	7/1/15-6/30/16			(3,116,352)	(3,116,352)		-	-	-	-	-	-	(3,116,352)
Total State Financial Assistance Subject to Single Audit and Major Program Determination				\$ (1,837,887)	\$ 9,770,241	\$ 10,274,531	\$ 38,026	\$ 63,784	\$ (63,784)	\$ (2,406,434)	\$ -	\$ 26,231	\$ (1,090,505)	\$ 10,444,942

The Notes to the Schedules of Expenditures 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, 2016**

**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 the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$120,877 for the general fund and a decrease of \$7,912 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	\$ 69,099	\$ 14,590,763	\$ 14,659,862
Special Revenue Fund	1,693,459	605,494	2,298,953
Capital Projects Fund		675,233	675,233
Food Service Fund	<u>769,161</u>	<u>14,367</u>	<u>783,528</u>
Total Awards Financial Assistance	<u>\$ 2,531,719</u>	<u>\$ 15,885,857</u>	<u>\$ 18,417,576</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, 2016**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,536,702 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$2,617,192 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,116,353 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

**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.

**NOTE 7 DE MINIMIS DIRECT COST RATE**

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

**TEANECK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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?        yes   X   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 2 CFR 200 section 516(a) of the U.S. Uniform Guidance        yes   X   no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>IDEA Part B Preschool</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</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: \$ 750,000

Auditee qualified as low-risk auditee?        yes   X   no

## State Awards Section

\$ 750,000

Internal Control over compliance:

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

x	yes	no
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GMIS Number(s)	Name of State Program
16-495-034-5120-014	Transportation Aid/Non-Public Transportation Aid
16-495-034-5120-089	Special Education Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-098	PARCC Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-100-034-5120-473	Extraordinary Aid
16-495-034-5094-003	Reimbursement TPAF Social Security

**TEANECK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

***Part 2 – Schedule of Financial Statement Findings***

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

There were none.

**TEANECK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**CURRENT YEAR FEDERAL AWARDS**

There were none.

**TEANECK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**CURRENT YEAR STATE AWARDS**

**Finding 2016-001**

Our audit of purchases and contract awards for compliance with Public School Contracts Law revealed the following:

- Certain contract awards in excess of the bid threshold were not approved in the minutes.
- A contract for educational staffing services in excess of the bid threshold was not procured through a public bid or competitive contracting process.
- Professional service contract awards were not subsequently advertised.
- Notification was not submitted to the Office of State Comptroller for a contract that exceeded two million dollars.

**State Program Information**

Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
PARCC Readiness Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-097

**Criteria or Specific Requirement**

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions – N.J.S.A. 18A:18A – Public School Contracts Law.

**Condition**

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

**Questioned Costs**

Unknown.

**Context**

A contract award for \$37,000 and \$85,000 to the same vendor for professional technology engineering services was not awarded by resolution of the Board nor was the contract award advertised in the official newspaper. A contract award for educational staffing services that exceeded \$2 million dollars was not procured through a public bid or competitive contracting process and was neither advertised in the newspaper as a professional service contract award nor was the Office of the State Comptroller notified as required.

**TEANECK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**CURRENT YEAR STATE AWARDS**

**Finding 2016-001 (Continued)**

**Effect**

Noncompliance with the Public School Contracts Law.

**Cause**

See Condition.

**Recommendation**

Efforts be made to ensure purchases and contract awards in excess of the bid threshold are made in accordance with the Public School Contracts Law.

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

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

**TEANECK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 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.

**Current Status**

Corrective action was taken.