

**SCHOOL DISTRICT OF THE
TOWNSHIP OF TEANECK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

**School District
of**

TEANECK

**TEANECK BOARD OF EDUCATION
Teaneck, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2019**

Comprehensive Annual Financial Report

of the

TEANECK BOARD OF EDUCATION
Teaneck, New Jersey

Year Ended June 30, 2019

Prepared by

Melissa Simmons
Business Administrator/Board Secretary

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INTRODUCTORY SECTION



TEANECK PUBLIC SCHOOLS
One Merrison Street
Teaneck, New Jersey 07666

November 21, 2019

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, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 activities and 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 activities and funds 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 2017/18 fiscal year with an enrollment of 3,971 students. The following details the changes in the student enrollment of the district over the last 10 years.

OFFICIAL ENROLLMENT

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

Fiscal Year	Student Enrollment	Percent Change
2018/19	3900	-.02%
2017/18	3,971	+.5%
2016/17	3,953	-1.6%
2015/16	4,018	-1.3%
2014/15	4,071	-0.7%
2013/14	4,098	-0.8%
2012/13	4,131	-1.5%
2011/12	4,196	-2.6%
2010/11	4,308	+2.8%
2009/10	4,192	-2.1%

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

- 2. **ECONOMIC CONDITION AND OUTLOOK:** The economic environment for the past fiscal year has been positive. Within the Township there has been positive growth that is evidenced by 4 new residential complexes being constructed. Even though enrollment has been decreasing over the past 10 years, there seems to have been a stabilization in this trend and the expectation is that the enrollment will stay steady over the next five years with a slight increase expected from the new residential construction.

2. ECONOMIC CONDITION AND OUTLOOK (Continued):

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 2018/19, 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 2018/19 budget included \$6,234,035 expended for tuition to these charter schools.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 90.48% of the 2018/19 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:

Social Studies

In Social Studies, we realigned the curriculum guides for United States History I and United States History II at the high school level. The purpose of the realignment was to ensure students receive instruction in current United States' history. The curriculum was realigned and updated to include new units of study, pacing calendars, supportive curricular documents, instructional resources, and alignment to the New Jersey Student Learning Standards. Additionally, the district benchmark assessments were updated for each course.

The district also implemented an instructional improvement system, edConnect, with social studies teachers in grades 2, 5, 7, 8 and 9-12. Teachers used edConnect to administer district benchmark assessments. This system helps streamline the data collection process and provides students with practice and preparation for the PARCC. EdConnect will be implemented in grades 3-4 and 6 during the 2017-18 school year.

Collaborative meetings were held between social studies and English teachers in grades 9-12. Teachers engaged in an analysis of PARCC data in order to come to a common understanding of the PARCC assessment and student expectations related to their comprehension of informational text. Teachers were provided with instructional reading strategies to support student comprehension of informational text.

Science

In science, we implemented the new science program Science Fusion/Science Dimensions in grades 6-8. In addition, the grades 6-8 science curriculum was rewritten and aligned to the NGSS in the summer of 2016, then revised to NJSLS-Science in the summer of 2017.

3. MAJOR INITIATIVES (Continued):

English Language Arts/Literacy

The district implemented a new language arts literacy program in grades five and six. *Journeys* is a comprehensive reading and writing program that is aligned to the New Jersey Student Learning Standards. In addition, the high school English and Social Studies departments worked together closely to share best practices for reading informational and expository texts. The ESL department completed a full-year of Chromebook and Google Apps training to support the use of educational technology as a tool for language acquisition and learning.

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 2016/17 school year the district implemented a repaving project which will continue in the 17/18 and 18/19 school years. Also, we completed the installation of lockers at Benjamin Franklin and Thomas Jefferson Middle Schools. We are began an initiative to abate asbestos in the schools. Bryant and Lowell Schools were selected for the 18/19 school year.
6. Preschool Early Education Aid: In October of 2018, the District was awarded \$1,200,000 in Preschool Early Education Aid with an enrollment of 141 three and four year old students.
7. 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.

7. INTERNAL ACCOUNTING CONTROLS (Continued):

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.

8. 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, 2018. These are re-appropriated automatically into the following fiscal year, and as a result, increase the approved budget.
9. 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.
10. DEBT ADMINISTRATION: As of June 30, 2018, the district has two (2) outstanding general obligation bond issues, two (2) outstanding capital lease obligations for building improvements, and one (1) ESIP obligation bond issue.

10. DEBT ADMINISTRATION (Continued):

The first 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 \$1,015,000.

The second 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 2016 refunding bonds is \$6,260,000.

The first capital lease 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 \$257,804.

The second capital lease obligation was issued on September 1, 2016 to finance technology upgrades and network wiring in District facilities. This outstanding principal is \$1,264,800.

The Energy Savings Improvement Program (ESIP) obligation bonds were issued in April of 2012 with a maturity date of June 2027 and the outstanding principal balance is \$5,275,000. The bonds financed 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.

Lastly, the district initiated a 1 to 1 Chromebook program at Teaneck High School and Benjamin Franklin and Thomas Jefferson Middle Schools. Accordingly, we issued a capital lease in the amount of \$901,300. At the end of the year the balance was \$585,370.

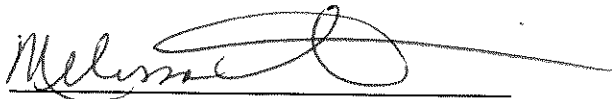
11. CASH MANAGEMENT: The investment policy of the district is guided in large part by State statute as detailed in the Notes to the Financial Statements. The district has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions 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.
12. 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.

13. INDEPENDENT AUDIT: New Jersey State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkocz, Cerullo & Cuva, P.A. 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.

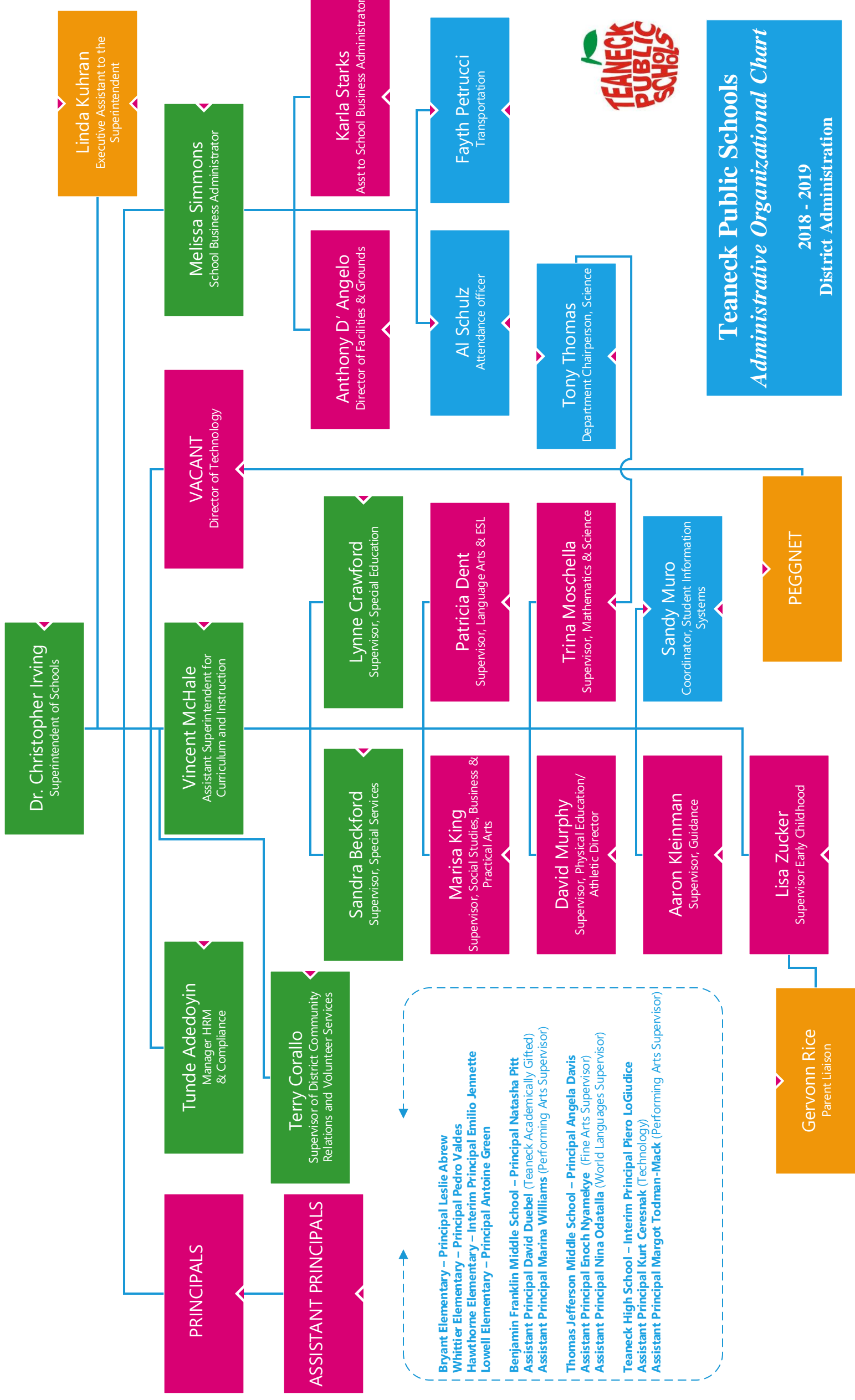
14. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Teaneck School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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,



Melissa Simmons

Business Administrator/Board Secretary



Teaneck Public Schools
Administrative Organizational Chart
 2018 - 2019
 District Administration

**TEANECK BOARD OF EDUCATION
BERGEN COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Ardie Walser, President	2020
Clara Williams, Vice President	2020
Victoria Fisher	2021
Martin Ramirez	2019
Sarah Rappoport	2021
Gerald Reiner	2021
Sebastian Rodriguez	2019
Howard Rose	2020
Denise Sanders	2019

Other Officials

Dr. Christopher Irving, Superintendent of Schools

Melissa Simmons, School Business Administrator/Board Secretary

Karla Starks, Business Comptroller/Assistant Board Secretary

Anthony Bianchi, Treasurer of School Monies

TEANECK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

June 30, 2019

Attorney

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Parsippany, NJ 07054

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Pompton Lakes, New Jersey 07442

Official Depositories

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Hackensack, NJ 07666

CAPITAL ONE BANK
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Edison, NJ 08837

TEANECK FEDERAL CREDIT UNION
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PO Box 1016
Teaneck, NJ 07666

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Teaneck School District
County of Bergen, New Jersey
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 Board of Education of the Township of Teaneck School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District'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 misstatements, 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Honorable President and
Members of the Board of Education
Page 2.

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Teaneck Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the 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, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents 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 the 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 Township of Teaneck Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject 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 it.

Honorable President and
Members of the Board of Education
Page 4.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2019 on our consideration of the Township of 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 Township of Teaneck Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 21, 2019

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**TEANECK BOARD OF EDUCATION
TEANECK, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

As management of the Township of Teaneck School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Township of Teaneck School District for the fiscal year ended June 30, 2019.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

In total, net position increased \$8,037,074. Net position of governmental activities increased \$8,017,002 while net assets of business-type activity increased by \$20,072.

General revenues accounted for \$120,662,083 in revenue or 95 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,362,114 or 5 percent of total revenues of \$127,024,197.

The School District had \$116,957,624 in expenses related to governmental activities; only \$4,111,079 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements, other financing services and property taxes) of \$120,863,547 were adequate to provide for these programs.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Township of Teaneck School District's basic financial statements. The Township of Teaneck School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Township of Teaneck School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township of Teaneck School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township of Teaneck School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Township of Teaneck School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township of Teaneck School District include instruction, support services and special schools. The business-type activities of the Township of Teaneck School District include the food service program and the community school.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Teaneck School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Township of Teaneck School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township of Teaneck School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The Township of Teaneck School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

The Township of Teaneck School District maintain two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Township of Teaneck School District uses enterprise funds to account for its food service program and community school.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Township of Teaneck School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position was \$19,179,533 at June 30, 2019 and \$11,142,459 at June 30, 2018, respectively. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2019 compared to 2018 (Table 1) and change in net position (Table 2) of the School District.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>Restated 2018</u>	<u>2019</u>	<u>Restated 2018</u>	<u>2019</u>	<u>Restated 2018</u>
Assets						
Current and Other Assets	18,021,187	13,548,426	1,191,357	1,184,002	19,212,544	14,732,428
Capital Assets	<u>44,157,158</u>	<u>45,473,346</u>	<u>36,683</u>	<u>21,137</u>	<u>44,193,841</u>	<u>45,494,483</u>
Total Assets	<u>62,178,345</u>	<u>59,021,772</u>	<u>1,228,040</u>	<u>1,205,139</u>	<u>63,406,385</u>	<u>60,226,911</u>
Deferred Outflows:						
Unamortized Bond Issuance Costs	242,049	284,864			242,049	284,864
Deferred Outflows of Resources						
Related to PERS	<u>3,303,037</u>	<u>4,656,356</u>	<u> </u>	<u> </u>	<u>3,303,037</u>	<u>4,656,356</u>
Total Deferred Outflows	<u>3,545,086</u>	<u>4,941,220</u>	<u> </u>	<u> </u>	<u>3,545,086</u>	<u>4,941,220</u>
Liabilities						
Current Liabilities	4,591,467	1,633,330	304,467	318,280	4,895,934	1,951,610
Noncurrent Liabilities	<u>28,630,465</u>	<u>40,319,338</u>	<u> </u>	<u> </u>	<u>28,630,465</u>	<u>40,319,338</u>
Total Liabilities	<u>33,221,932</u>	<u>41,952,668</u>	<u>304,467</u>	<u>318,280</u>	<u>33,526,399</u>	<u>42,270,948</u>
Deferred Inflows:						
Deferred Commodities Revenue				6,304	0	6,304
Unamortized Bond Issuance						
Premiums	889,029				889,029	0
Deferred Inflows of Resources						
Related to PERS	<u>13,356,510</u>	<u>12,159,920</u>	<u> </u>	<u> </u>	<u>13,356,510</u>	<u>12,159,920</u>
Total Deferred Inflows	<u>14,245,539</u>	<u>12,159,920</u>	<u> </u>	<u>6,304</u>	<u>14,245,539</u>	<u>12,166,224</u>
Net Assets						
Net Investment in Capital Assets	28,805,759	30,555,010	36,683	44,083	28,842,442	30,599,093
Restricted	15,372,914	5,380,642			15,372,914	5,380,642
Unrestricted	<u>(25,922,713)</u>	<u>(25,696,694)</u>	<u>886,890</u>	<u>859,418</u>	<u>(25,035,823)</u>	<u>(24,837,276)</u>
Total Net Position	<u>18,255,960</u>	<u>10,238,958</u>	<u>923,573</u>	<u>903,501</u>	<u>19,179,533</u>	<u>11,142,459</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2019 compared to 2018.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues:						
Charges for Services		139,948	1,440,622	1,542,000	1,440,622	1,681,948
Operating Grants and Contributions	4,111,079	37,121,970	810,413	794,663	4,921,492	37,916,633
Capital Grants and Contributions		27,229			0	27,229
General Revenues:						
Taxes:						
Property taxes	90,855,713	88,655,985			90,855,713	88,655,985
Federal and State Aid not Restricted	28,991,474				28,991,474	0
Federal and State Aid - Capital Outlay	56,916				56,916	0
Tuition Received	88,373				88,373	0
Transportation Received	45,832				45,832	0
Rents and Royalties	71,749				71,749	0
Miscellaneous	602,908				602,908	0
Other Financing Sources/(Uses)	<u>150,582</u>	<u>317,682</u>	<u>(201,464)</u>	<u> </u>	<u>(50,882)</u>	<u>317,682</u>
Total Revenues and Transfers	<u>124,974,626</u>	<u>126,262,814</u>	<u>2,049,571</u>	<u>2,336,663</u>	<u>127,024,197</u>	<u>128,599,477</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

start

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Functions/Program Expenses						
Instruction:						
Regular	29,704,504	49,686,728			29,704,504	49,686,728
Special Education	11,726,104	25,491,773			11,726,104	25,491,773
Other Special Instruction	2,753,549				2,753,549	0
School Sponsored/Other						
Instructional	1,472,663	5,580,493			1,472,663	5,580,493
Support Services:						
Tuition	8,693,821				8,693,821	0
Attendance & Social Work	323,900				323,900	0
Health Services	1,070,725				1,070,725	0
Student & Instruction						
Related Services	13,156,856	16,090,033			13,156,856	16,090,033
General Administrative						
Services	1,511,085	1,566,309			1,511,085	1,566,309
School Administrative Services	3,902,038	5,574,062			3,902,038	5,574,062
Central Services & Adm.						
Information Technology	2,050,178	1,992,964			2,050,178	1,992,964
Plant Operations and						
Maintenance	7,808,758	9,722,253			7,808,758	9,722,253
Pupil Transportation	5,546,318	5,232,574			5,546,318	5,232,574
Allocated Benefits	5,413,152				5,413,152	0
Unallocated Benefits	11,489,829				11,489,829	0
Charter Schools	6,234,035				6,234,035	0
Capital Outlay - Non-Depreciable	1,735,427				1,735,427	0
Interest on Long-Term Debt	270,032	445,359			270,032	445,359
Unallocated Depreciation	1,971,687				1,971,687	0
Amortization	122,963				122,963	0
Food Service			1,404,842	1,371,517	1,404,842	1,371,517
Community School			<u>624,657</u>	<u>629,545</u>	<u>624,657</u>	<u>629,545</u>
Total Expenses	<u>116,957,624</u>	<u>121,382,548</u>	<u>2,029,499</u>	<u>2,001,062</u>	<u>118,987,123</u>	<u>123,383,610</u>
Increase or (Decrease) in						
Net Position	<u>8,017,002</u>	<u>4,880,266</u>	<u>20,072</u>	<u>335,601</u>	<u>8,037,074</u>	<u>5,215,867</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$118,987,123. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$90,855,713 because some of the cost was paid by those who benefitted from the programs \$1,440,622, by other governments and organizations who subsidized certain programs with grants and contributions \$4,921,492, unrestricted federal and state aid \$28,991,474, tuition received \$88,373, and by miscellaneous sources \$669,607.

Revenues for the District’s business-type activities (food service program and community school) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Business type activities revenues exceeded expenses by \$20,072.
- ✓ Charges for services provided totaled \$1,440,622 represents amounts paid by consumers for daily food services and community school programs.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$810,413.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2019, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$91,711,091	78.9%	\$2,548,814	2.86%	\$89,162,277
State Source	22,493,203	19.4%	3,608,905	19.11%	18,884,298
Federal Source	<u>2,005,665</u>	<u>1.7%</u>	<u>(49,464)</u>	(2.41)%	<u>2,055,129</u>
Total	<u>\$116,209,959</u>	<u>100.0%</u>	<u>\$6,108,255</u>	5.55%	<u>\$110,101,704</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$37,669,498	33.5%	\$(29,004,662)	(43.50)%	\$66,674,160
Undistributed	71,288,347	63.4%	35,617,007	99.85%	35,671,340
Debt Service	1,317,722	1.2%	(1,685,129)	(56.12)%	3,002,851
Capital Outlay	<u>2,174,076</u>	<u>1.9%</u>	<u>1,662,143</u>	324.68%%	<u>511,933</u>
Total	<u>\$112,449,643</u>	<u>100.0%</u>	<u>\$6,589,359</u>	6.22%	<u>\$105,860,284</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2019, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$3,116,921 for increases in federal and state grant awards.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

General Fund

The general fund actual revenue was \$110,083,479 including transfers. That amount is \$13,178,904 above the final amended budget of \$96,904,575. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$12,325,604 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state and federal aids of \$254,948, and an excess of \$598,352 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$107,013,344 including transfers which is \$6,101,266 above the final amended budget of \$100,932,730. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$12,325,604, and \$6,224,338 unexpended budgeted funds.

General fund had total revenues of \$110,083,479 including transfers and total expenditures and transfers of \$107,013,344 with an ending fund balance of \$17,363,796.

Special Revenue Fund

The special revenue fund actual revenue was \$4,182,504 including transfers. That amount is \$924,276 below the final amended budget of \$5,106,780. The variance between the actual revenue and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$4,182,504, which is \$924,276 below the final amended budget of \$5,106,780. The variance between actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019 the School District had \$79,037,651 invested in sites, buildings, equipment. Of this amount \$34,843,810 in depreciation has been taken over the years. We currently have a net book value of \$44,193,841.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sites and Improvements	\$1,601,471	\$1,601,471		\$	\$1,601,471	\$1,601,471
Buildings and Improvements	39,755,580	41,191,289			39,755,580	41,191,289
Furniture, Equipment and Vehicles	<u>2,800,107</u>	<u>3,068,870</u>	<u>36,683</u>	<u>44,083</u>	<u>2,836,790</u>	<u>3,112,953</u>
	<u>\$44,157,158</u>	<u>\$45,861,630</u>	<u>\$36,683</u>	<u>\$44,083</u>	<u>\$44,193,841</u>	<u>\$45,905,713</u>

Debt Administration

At June 30, 2019, the District had \$31,962,399 of long-term debt. Of this amount, \$2,976,436 is for compensated absences; \$12,550,000 is school improvement serial bonds; \$2,154,419 is for obligations under capital leases; and \$14,281,544 is for net pension liability.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
School Energy Savings Obligation Refunding Bonds – April 15, 2012	\$5,275,000	\$5,775,000
Pension Refunding Bonds (ERIP) – August 7, 2013	1,015,000	1,500,000
School Refunding Bonds – April 27, 2016	<u>6,260,000</u>	<u>6,840,000</u>
	<u>\$12,550,000</u>	<u>\$14,115,000</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2019-2020 school year that is greater than the level of the 2018-2019 school year.

These factors were considered in preparing the Township of Teaneck School District's budgets for the 2019-2020 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Teaneck Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Melissa Simmons
Business Administrator/Board Secretary
Teaneck Board of Education
1 Merrison Street
Teaneck, NJ 07666

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TEANECK BOARD OF EDUCATION
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	7,314,109	1,134,088	8,448,197
Receivables, Net	1,823,767	38,479	1,862,246
Inventory		18,790	18,790
Restricted Assets:			
Cash and Cash Equivalents	8,883,311		8,883,311
Capital Assets, Net:			
Land	1,601,471		1,601,471
Other Capital Assets, Net	42,555,687	36,683	42,592,370
Total Assets	<u>62,178,345</u>	<u>1,228,040</u>	<u>63,406,385</u>
Deferred Outflow of Resources:			
Unamortized Bond Issuance Costs	242,049		242,049
Deferred Outflows of Resources Related to PERS	3,303,037		3,303,037
Total Deferred Outflows	<u>3,545,086</u>		<u>3,545,086</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	1,665,403	1,705	1,667,108
Payable to State Government	131,674		131,674
Unearned Revenue	191,450	302,762	494,212
Noncurrent Liabilities:			
Due Within One Year	2,602,940		2,602,940
Due Beyond One Year	28,630,465		28,630,465
Total Liabilities	<u>33,221,932</u>	<u>304,467</u>	<u>33,526,399</u>
Deferred Inflow of Resources:			
Unamortized Bond Issuance Premiums	889,029		889,029
Deferred Inflows of Resources Related to PERS	13,356,510		13,356,510
Total Deferred Inflows	<u>14,245,539</u>		<u>14,245,539</u>
NET POSITION			
Net Investment in Capital Assets	28,805,759	36,683	28,842,442
Restricted for:			
Debt Service	1		1
Capital Projects	7,145,551		7,145,551
Other Purposes	8,227,362		8,227,362
Unrestricted (Deficit)	<u>(25,922,713)</u>	<u>886,890</u>	<u>(25,035,823)</u>
Total Net Position	<u>18,255,960</u>	<u>923,573</u>	<u>19,179,533</u>

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

TEANECK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	24,130,762	5,573,742		1,989,276	(27,715,228)		(27,715,228)
Special Education	9,342,211	2,383,893			(11,726,104)		(11,726,104)
Other Instruction	2,172,538	581,011			(2,753,549)		(2,753,549)
School Sponsored/Other Instructional Support Services:	1,220,801	251,862			(1,472,663)		(1,472,663)
Tuition	8,693,821				(8,693,821)		(8,693,821)
Attendance & Social Work	265,768	58,132			(323,900)		(323,900)
Health Services	931,064	139,661			(1,070,725)		(1,070,725)
Student & Instruction Related Services	11,568,399	1,588,457	2,121,803		(11,035,053)		(11,035,053)
General Administrative Services	1,395,332	115,753			(1,511,085)		(1,511,085)
School Administrative Services	3,090,879	811,159			(3,902,038)		(3,902,038)
Central Services & Administrative							
Information Technology	1,785,784	264,394			(2,050,178)		(2,050,178)
Plant Operations and Maintenance	7,271,506	537,252			(7,808,758)		(7,808,758)
Pupil Transportation	5,521,065	25,253			(5,546,318)		(5,546,318)
Allocated Benefits	5,413,152				(5,413,152)		(5,413,152)
Unallocated benefits	11,489,829				(11,489,829)		(11,489,829)
Charter School	6,234,035				(6,234,035)		(6,234,035)
Capital Outlay - Non-Depreciable	1,735,427				(1,735,427)		(1,735,427)
Interest on Long-Term Debt	270,032				(270,032)		(270,032)
Unallocated Depreciation	1,971,687				(1,971,687)		(1,971,687)
Amortization	122,963				(122,963)		(122,963)
Total Governmental Activities	104,627,055	12,330,569	-	4,111,079	(112,846,545)		(112,846,545)
Business-Type Activities:							
Food Service	1,404,842		680,607	810,413		86,178	86,178
Community School	624,657		760,015			135,358	135,358
Total Business-Type Activities	2,029,499		1,440,622	810,413		221,536	221,536
Total Primary Government	106,656,554		1,440,622	4,921,492	(112,846,545)		(112,625,009)
General Revenues:							
Taxes:							
Levied for General Purposes					89,541,831		89,541,831
Taxes Levied for Debt Service					1,313,882		1,313,882
Federal and State Aid Not Restricted					28,991,474		28,991,474
Federal and State Aid - Capital Outlay					56,916		56,916
Tuition from Other LEAs Within the State					88,373		88,373
Transportation Fees from Individuals					4,770		4,770
Transportation Fees from Other LEAs					41,062		41,062
Rents and Royalties					71,749		71,749
Miscellaneous Income					602,908		602,908
Other Financing Sources/(Uses)					150,582	(201,464)	(50,882)
Total General Revenues, Special Items, Extraordinary Items and Transfers					120,863,547	(201,464)	120,662,083
Change in Net Position					8,017,002	20,072	8,037,074
Net Position—Beginning (Restated)							11,142,459
Net Position—Ending							19,179,533

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

FUND FINANCIAL STATEMENTS

TEANECK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents					
Checking	7,250,858		63,250	1	7,314,109
Accounts Receivable -					
Intergovernmental - State	1,119,403	29,467			1,148,870
Intergovernmental - Federal		560,003			560,003
Intergovernmental - Other	62,894	25,000			87,894
Interfund Receivables	105,952				105,952
Restricted Cash and Cash Equivalents:					
Capital Reserve	7,082,301				7,082,301
Maintenance Reserve	1,701,010				1,701,010
Tuition Reserve	100,000				100,000
Total Assets	17,422,418	614,470	63,250	1	18,100,139
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	531,056	212,394			743,450
Intergovernmental Payable:					
State		131,674			131,674
Interfund Payable		78,952			78,952
Unearned Revenue		191,450			191,450
Total Liabilities	531,056	614,470	-	-	1,145,526
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	1,558,493				1,558,493
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,942,818				1,942,818
Capital Reserve	7,082,301				7,082,301
Maintenance Reserve	1,701,010				1,701,010
Tuition Reserve	100,000				100,000
Assigned to:					
Year-End Encumbrances	2,789,529				2,789,529
Designated by the BOE for Subsequent Year's Expenditures	135,512				135,512
Capital Projects Fund			63,250		63,250
Debt Service Fund				1	1
Unassigned:					
General Fund	1,581,699				1,581,699
Total Fund Balances	16,891,362	-	63,250	1	16,954,613
Total Liabilities and Fund Balances	17,422,418	614,470	63,250	1	

TEANECK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2019

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 \$(78,633,506) and the Accumulated Depreciation, is \$(34,476,348)	44,157,158
Accrued Liability for Interest on Long-Term Debt is not Due and Payable in the Current Period and is not Reported as a Liability in the Funds	(244,629)
Accounts Payable for Subsequent Pension Payment is not a Payable in the Funds	(677,324)
Bond Issuance Premiums are Reported as Revenues in the Governmental Funds in the Year of the Receipt. The Original Premiums were \$1,340,159 and Accumulated Amortization is \$451,130.	(889,029)
Bond Issuance Costs are Reported as Expenditures in the Governmental Funds in the Year of the Expenditure. The Costs are \$257,407 and Accumulated Amortization is \$112,174	145,233
Loss 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. The Loss was \$552,783 and Accumulated Amortization is \$455,967	96,816
Deferred Outflows and Inflows of Resources are Applicable to Future Periods and Therefore are Not Reported in the Funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	3,303,037
Deferred Inflows of Resources Related to PERS Pension Liability	(13,356,510)
Long-Term Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported as Liabilities in the Funds (see Note 7)	<u>(31,233,405)</u>
Net Position of Governmental Activities	<u><u>18,255,960</u></u>

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

TEANECK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	89,541,831			1,313,882	90,855,713
Tuition from Other LEAs Within the State	88,373				88,373
Transportation Fees from Individuals	4,770				4,770
Transportation Fees from Other LEA's	41,062				41,062
Rents and Royalties	71,749				71,749
Interest Earned on Capital Reserve Funds	6,500				6,500
Interest Earned on Maintenance Reserve	10				10
Miscellaneous	596,398	46,516			642,914
Total - Local Sources	90,350,693	46,516	-	1,313,882	91,711,091
State Sources	20,275,308	2,217,895			22,493,203
Federal Sources	102,081	1,903,584			2,005,665
Total Revenues	110,728,082	4,167,995	-	1,313,882	116,209,959
EXPENDITURES					
Current:					
Regular Instruction	22,944,672	1,989,276			24,933,948
Special Education Instruction	9,342,211				9,342,211
Other Special Instruction	2,172,538				2,172,538
School Sponsored/Other Instructional	1,220,801				1,220,801
Support Services and Undistributed Costs:					
Tuition	8,693,821				8,693,821
Attendance & Social Work	265,768				265,768
Health Services	931,064				931,064
Student & Instruction Related Services	9,450,032	2,121,803			11,571,835
General Administrative Services	1,398,528				1,398,528
School Administrative Services	3,103,690				3,103,690
Central Services & Administrative					
Information Technology	1,790,626				1,790,626
Plant Operations and Maintenance	7,852,275				7,852,275
Pupil Transportation	5,521,065				5,521,065
Allocated Benefits	5,413,152				5,413,152
Unallocated Benefits	6,186,884				6,186,884
On-Behalf Contributions	12,325,604				12,325,604
Transfer to Charter Schools	6,234,035				6,234,035
Debt Service:					
Principal				1,065,000	1,065,000
Interest and Charges				252,722	252,722
Capital Outlay	2,117,160	56,916			2,174,076
Total Expenditures	106,963,926	4,167,995	-	1,317,722	112,449,643
Excess (Deficiency) of Revenues Over Expenditures	3,764,156	-	-	(3,840)	3,760,316
OTHER FINANCING SOURCES (USES)					
Transfers Out - Agency Funds	(49,418)				(49,418)
Transfers In - Community School	200,000				200,000
Capital Leases (Non-Budgeted)	901,300				901,300
Total Other Financing Sources and Uses	1,051,882	-	-	-	1,051,882
Net Change in Fund Balances	4,816,038	-	-	(3,840)	4,812,198
Fund Balance—July 1	12,075,324	-	63,250	3,841	12,142,415
Fund Balance—June 30	16,891,362	-	63,250	1	16,954,613

The accompanying Notes to Basic 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
Fiscal Year Ended June 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2)		4,812,198
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 Outlays Exceeded Depreciation in the Period.		
	Depreciation Expense	(1,971,687)
	Depreciable Outlays	<u>266,945</u>
		(1,704,742)
Repayment of Long-Term Debt is Reported as 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. In the Current Year, These Amounts Consist of:		
	General Bond Obligations	1,565,000
	Lease Purchase Agreement	56,029
	Capital Lease Obligations	<u>1,023,915</u>
		2,644,944
Proceeds from Debt Issues are a Financing Source in the Governmental Funds. They are not Revenue in the Statement of Activities; Issuing Debt Increases Long-Term Liabilities in the Statement of Net Position. Capital Lease Proceeds		
		(901,300)
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 Change in Interest is an Adjustment in the Reconciliation.		
	Prior Year	227,319
	Current Year	<u>(244,629)</u>
		(17,310)
In the Statement of Activities, Certain Operating Expenses, e.g., Compensated Absences (Vacations) are Measured by the Amounts Earned During the Year. In the Governmental Funds, However, Expenditures for These Items are Reported in the Amount of Financial Resources Used (Paid). When the Earned Amount Exceeds the Paid Amount, the Difference is Reduction in the Reconciliation (-); When the Paid Amount Exceeds the Earned Amount the Difference is an Addition to the Reconciliation (+).		
	Increase in Compensated Absences Payable	728,994
District Pension Contributions are Reported as Expenditures in the Governmental Funds When Made. However, per GASB No. 68 They are Reported as Deferred Outflows of Resources in the Statement of Net Position Because the Reported Net Pension Liability is Measured a Year before the District's Report Date. Pension Expense, Which is the Change in the Net Pension Liability Adjusted for Changed in Deferred Outflows and Inflows of Resources Related to Pensions, is Reported in the Statement of Activities.		
	District Pension Contributions	721,477
	Add: Pension Expense Reduction	<u>1,855,704</u>
	(Increase)/Decrease in Pension Expense	2,577,181
Per GASB No. 68, Non-Employer Contributing Entities are Required to Record any Increases in Revenue and Expense for On-behalf TPAF Pension Payments Paid by the State of New Jersey on the Statement of Activities That are in Excess of Those Amounts Reported in the Fund Financial Statements.		
	Increase in On-behalf State Aid TPAF Pension	6,143,685
	Increase in On-behalf TPAF Pension Expense	(6,143,685)
The Governmental Funds Report the Effect of Bond Premiums When Debt is First Issued. Whereas These Amounts are Deferred and Amortized in the Statement of Activities (+)		
		86,286
The Governmental Funds Report the Effect of Issuance Costs When Debt is First Issued. Whereas These Amounts are Deferred and Amortized in the Statement of Activities (-)		
		(209,249)
Per GASB No. 75 Non-Employer Contributing Entities are Required to Record an Increases in Revenue and Expense for On-behalf TPAF Post Employment Medical Payments Paid by the State of New Jersey on the Statement of Activities That are in Excess of Those Amounts Reported in the Fund Financial Statements		
	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	2,470,400
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(2,470,400)</u>
Change in Net Position of Governmental Activities		<u><u>8,017,002</u></u>

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

TEANECK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Food Service Program</u>	<u>Community School</u>	<u>Totals</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	303,268	830,820	1,134,088
Accounts Receivable:			
State	779	-	779
Federal	37,700	-	37,700
Inventories	18,790	-	18,790
Total Current Assets	<u>360,537</u>	<u>830,820</u>	<u>1,191,357</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	404,145	-	404,145
Less Accumulated Depreciation	<u>(367,462)</u>	<u>-</u>	<u>(367,462)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>36,683</u>	<u>-</u>	<u>36,683</u>
Total Assets	<u>397,220</u>	<u>830,820</u>	<u>1,228,040</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	498	1,207	1,705
Unearned Revenue	30,159	272,603	302,762
Total Current Liabilities	<u>30,657</u>	<u>273,810</u>	<u>304,467</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	36,683	-	36,683
Unrestricted	<u>329,880</u>	<u>557,010</u>	<u>886,890</u>
Total Net Position	<u>366,563</u>	<u>557,010</u>	<u>923,573</u>

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

TEANECK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Business-type Activities - Enterprise Fund		
	Food Service Program	Community School	Totals
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	559,939	-	559,939
Daily Sales - Non-Reimbursable Programs	61,301	-	61,301
Special Functions	49,347		49,347
Vending Sales	10,020		10,020
Program Fees	-	760,015	760,015
Total Operating Revenues	<u>680,607</u>	<u>760,015</u>	<u>1,440,622</u>
Operating Expenses:			
Cost of Sales - Reimbursable	580,244	-	580,244
Cost of Sales - Non-Reimbursable	6,185	-	6,185
Salaries	612,780	420,700	1,033,480
Benefits	55,610	88,834	144,444
Purchased Professional and Technical Services	62,400	6,490	68,890
Other Purchased Services	-	47,606	47,606
Contracted Services-Transportation	-	9,090	9,090
Communications/Telephone	-	2,664	2,664
Supplies and Materials	57,432	15,139	72,571
Other Objects	-	16,169	16,169
Miscellaneous Expenditures	22,791	17,965	40,756
Depreciation	7,400	-	7,400
Total Operating Expenses	<u>1,404,842</u>	<u>624,657</u>	<u>2,029,499</u>
Operating Income (Loss)	<u>(724,235)</u>	<u>135,358</u>	<u>(588,877)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	15,343	-	15,343
Federal Sources:			
National School Lunch Program	120,784		120,784
National School Breakfast Program	569,520		569,520
Food Distribution Program	104,766		104,766
Total Nonoperating Revenues (Expenses)	<u>810,413</u>	<u>-</u>	<u>810,413</u>
Income (Loss) before Contributions & Transfers	<u>86,178</u>	<u>135,358</u>	<u>221,536</u>
Other Financing Sources/(Uses)			
Cancellation of Prior Year Accounts Receivable	(1,464)	-	(1,464)
Transfer to General Fund		(200,000)	(200,000)
Change in Net Position	<u>84,714</u>	<u>(64,642)</u>	<u>20,072</u>
Total Net Position—Beginning (Restated)	<u>281,849</u>	<u>621,652</u>	<u>903,501</u>
Total Net Position—Ending	<u><u>366,563</u></u>	<u><u>557,010</u></u>	<u><u>923,573</u></u>

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

TEANECK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Food Service Program	Community School	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	696,267	804,489	1,500,756
Payments to Employees for Salaries and Benefits		(509,534)	(509,534)
Payments to Suppliers	(1,370,226)	(115,158)	(1,485,384)
Net Cash Provided by (Used for) Operating Activities	<u>(673,959)</u>	<u>179,797</u>	<u>(494,162)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	18,954		18,954
Federal Sources	918,572		918,572
Payments to General Fund		(200,000)	(200,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>937,526</u>	<u>(200,000)</u>	<u>737,526</u>
Net Increase (Decrease) in Cash and Cash Equivalents	263,567	(20,203)	243,364
Balances—Beginning of Year	39,701	851,023	890,724
Balances—End of Year	<u>303,268</u>	<u>830,820</u>	<u>1,134,088</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(724,235)	135,358	(588,877)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
(Increase) Decrease in Accounts Receivable	6,889	-	6,889
Depreciation and Net Amortization	7,400	-	7,400
Food Distribution Program	104,766	-	104,766
(Increase) Decrease in Inventories	(4,223)	-	(4,223)
Increase (Decrease) in Accounts Payable	(73,233)	(35)	(73,268)
Increase (Decrease) in Unearned Revenue	8,677	44,474	53,151
Total Adjustments	<u>50,276</u>	<u>44,439</u>	<u>94,715</u>
Net Cash Provided by (Used for) Operating Activities	<u>(673,959)</u>	<u>179,797</u>	<u>(494,162)</u>

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

TEANECK BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Private Purpose Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	114,412	1,763,999
Total Assets	<u>114,412</u>	<u>1,763,999</u>
LIABILITIES		
Payable to Student Groups		152,928
Payroll Deductions and Withholdings		904,585
Summer savings plan		629,255
Flexible Spending Program		50,231
Interfund Payable		27,000
Total Liabilities	<u> </u>	<u>1,763,999</u>
NET POSITION		
Reserved for Scholarships	<u>114,412</u>	

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

TEANECK BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2019

	Private Purpose Scholarship Funds
ADDITIONS	
Contributions:	
Donations	1,050
Total Contributions	1,050
Investment Earnings:	
Interest	260
Net Investment Earnings	260
Total Additions	1,310
DEDUCTIONS	
Scholarships Awarded	5,500
Total Deductions	5,500
Change in Net Position	(4,190)
Net Position—Beginning of the Year	118,602
Net Position—End of the Year	114,412

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

NOTES TO THE FINANCIAL STATEMENTS

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The financial statements of the Board of Education of the Township of Teaneck School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Township of Teaneck School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Township of Teaneck School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. 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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, middle schools and a high school, located in the Township of Teaneck. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Presentation

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund and the Community School Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

C. Measurement Focus

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Measurement Focus, (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Basis of Accounting, (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Budgets/Budgetary Control, (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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.

F. Encumbrances

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 reservations of 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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

G. Cash, Cash Equivalents and Investments, (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

I. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the Governmental Funds-Special Revenue Fund and the Enterprise Fund-Business-Type Activities represent cash that has been received not yet earned. See Note 1(F) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Accounting and Financial Reporting for Pensions (continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to pension and deferred amounts relating to unamortized bond premiums.

R. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

R. Fund Balances, (continued)

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. New Accounting Standards:

During fiscal year 2019, the District adopted the following GASB Statements:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement.* The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

X. New Accounting Standards, (continued)

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. .

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2019, \$41,488 of the District's bank balance of \$23,138,746 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District 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. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 3. RECEIVABLES

Receivables at June 30, 2019, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$1,148,870	\$779	\$1,149,649
Federal Aid	560,003	37,700	597,703
Other	87,894		87,894
Interfunds	<u>105,952</u>		<u>27,000</u>
Gross Receivables	1,902,719	38,479	1,862,246
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$1,902,719</u></u>	<u><u>\$38,479</u></u>	<u><u>\$1,862,246</u></u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2019, consist of the following:

\$78,952	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u>27,000</u>	Due to the General Fund from the FSA Account for cash advanced.
<u><u>\$105,952</u></u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 4. INTERFUND BALANCES AND ACTIVITY, (continued)

Interfund transfers for the year ended June 30, 2019 consisted of the following:

\$49,418	Due from the General Fund to the Agency Fund for expenses paid.
<u>200,000</u>	Due from the Community School Fund to the General Fund for budgeted revenue.
<u>\$249,418</u>	

NOTE 5. CAPITAL ASSETS

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

	Restated Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities				
Capital Assets That Are Not Being Depreciated:				
Land	\$1,601,471	\$ _____	\$ _____	\$1,601,471
Total Capital Assets, Not Being Depreciated	<u>1,601,471</u>	<u> </u>	<u> </u>	<u>1,601,471</u>
Building and building improvements	61,326,631	6,065		61,332,696
Improvements Other than Buildings	5,311,060			5,311,060
Machinery and equipment	<u>10,442,396</u>	<u>260,880</u>	<u>(314,997)</u>	<u>10,388,279</u>
Totals at Historical Cost	<u>77,080,087</u>	<u>266,945</u>	<u>(314,997)</u>	<u>77,032,035</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(21,522,605)	(1,301,118)		(22,823,723)
Improvements Other than Buildings	(3,923,797)	(140,656)		(4,064,453)
Machinery and Equipment	<u>(7,373,256)</u>	<u>(529,913)</u>	<u>314,997</u>	<u>(7,588,172)</u>
Total Accumulated Depreciation	<u>(32,819,658)</u>	<u>(1,971,687)</u>	<u>314,997</u>	<u>(34,476,348)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>44,260,429</u>	<u>(1,704,742)</u>	<u> </u>	<u>42,555,687</u>
Governmental Activities Capital Assets, Net	<u>\$45,861,900</u>	<u>(\$1,704,742)</u>	<u>\$ </u>	<u>\$44,157,158</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 5. CAPITAL ASSETS, (continued)

	Restated Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Business-Type Activities				
Machinery and Equipment	\$404,145	\$	\$	\$404,145
Less Accumulated Depreciation For:				
Machinery and Equipment	<u>(360,062)</u>	<u>(7,400)</u>	_____	<u>(367,462)</u>
Business-Type Activities Capital Assets, Net	<u>\$44,083</u>	<u>(\$7,400)</u>	<u>\$</u> _____	<u>\$36,683</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

NOTE 6. LONG-TERM OBLIGATIONS

Advance and Current Refundings of Debt

On August 22, 2013, the District issued \$3,325,000 in School District Refunding Bonds having an interest rate of 0.90% to 3.50%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$3,220,000 and the total interest payments defeased was \$759,500. The net proceeds of \$3,261,130 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of the refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position.

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 advance refund certain principal maturities and certain interest payments of the 2006 School District Refunding Bonds of the District. The total bond principal defeased was \$7,960,000 and the total interest payments defeased was \$759,500. The net proceeds of \$8,132,354 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of the refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

Changes in long-term obligations for the fiscal year ended June 30, 2019 are as follows:

	<u>Balance June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds payable:						
General obligation debt	\$14,115,000	\$	\$(1,565,000)	\$12,550,000	\$1,625,000	\$10,925,000
Total Bonds Payable	<u>14,115,000</u>	<u> </u>	<u>(1,565,000)</u>	<u>12,550,000</u>	<u>1,625,000</u>	<u>10,925,000</u>
Other Liabilities:						
Lease purchase agreement	56,029		(56,029)			
Obligations under capital lease	2,277,034	901,300	(1,023,915)	2,154,419	977,940	1,176,479
Compensated absences payable	2,976,436	324,080	(1,053,074)	2,247,442		2,247,442
Net Pension Liability PERS	<u>20,085,960</u>	<u> </u>	<u>(5,804,416)</u>	<u>14,281,544</u>	<u> </u>	<u>14,281,544</u>
Total other liabilities	<u>25,395,459</u>	<u>1,225,380</u>	<u>(7,937,434)</u>	<u>18,683,405</u>	<u>977,940</u>	<u>17,705,465</u>
Total Governmental Activities	<u>\$39,510,459</u>	<u>\$1,225,380</u>	<u>(\$9,502,434)</u>	<u>\$31,233,405</u>	<u>\$2,602,940</u>	<u>\$28,630,465</u>

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the board are general obligation bonds.

Outstanding bonds payable at June 30, 2019 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2019</u>
2012 School Energy Savings Obligation Refunding Bonds	\$8,180,000	4/5/2012	2.0%-4.5%	4/1/2027	\$5,275,000
2013 Pension Refunding Bonds (ERIP)	\$3,325,000	8/22/2013	0.9%-3.5%	1/1/2020	\$1,015,000
2016 Refunding Bonds	\$7,615,000	4/27/2016	1.0%-4.0%	7/15/2030	\$6,260,000

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$1,625,000	\$437,625	\$2,062,625
2021	1,685,000	381,613	2,066,613
2022	1,200,000	330,100	1,530,100
2023	1,135,000	291,750	1,426,750
2024	1,165,000	254,500	1,419,500
2025-2029	4,795,000	595,063	5,390,063
2030-2031	945,000	32,812	977,812
	<u>\$12,550,000</u>	<u>\$2,323,463</u>	<u>\$14,873,463</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2019 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District has entered into capital lease obligations for capital improvements to Hawthorne and Bryant Elementary Schools Roof Projects expiring on September 25, 2019, a technology upgrades and network wiring project expiring on August 31, 2021, two district-wide copiers expiring September 28, 2019 and May 15, 2021, and chromebooks expiring on November 1, 2020. The following is a schedule of future minimum lease payments for these Capital leases, and the present value of the net minimum lease payments at June 30, 2019:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$977,940	\$91,151	\$1,069,091
2021	744,045	49,574	793,619
2022	432,434	11,210	443,644
	<u>\$2,154,419</u>	<u>\$151,935</u>	<u>\$2,306,354</u>
Total minimum lease payments			\$2,306,354
Less: Amount representing interest			<u>(\$151,935)</u>
			<u>\$2,154,419</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. OPERATING LEASES

The District has commitments to lease certain office equipment and structures for classroom use under operating leases that expire in 2025. In addition, the District had a space rental lease for Pre-K Classrooms that expired in 2019. Total operating lease payments made during the year ended June 30, 2019 were \$42,349.

Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$478,100
2021	84,288
2022	84,288
2023	84,288
2024	73,593
2025	<u>10,377</u>
	<u>\$814,934</u>

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

Benefits Provided

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/19	\$721,477	\$4,062
6/30/18	799,346	7,822
6/30/17	986,096	4,770

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI	Long-Term Disability
<u>Ending</u> 6/30/19	<u>Contributions</u> \$6,580,231	<u>Contributions</u> \$3,047,262	<u>Premium</u> \$137,741	<u>Insurance</u> \$5,229
6/30/18	5,107,097	3,378,613	123,936	5,340
6/30/17	3,778,629	3,262,534	136,908	5,475

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,555,141 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2019, the District had a liability of \$14,281,544 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion 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, 2018, the District's proportion was .0725338000 percent, which was a decrease of (.0001375202) percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$(1,855,704). At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$272,351	\$73,640
Changes of assumptions	2,353,362	4,566,478
Net difference between projected and actual earnings on pension plan investments		133,961
Changes in proportion and differences between the District's contributions and proportionate share of contributions		8,582,431
District contributions subsequent to the measurement date	<u>677,324</u>	<u> </u>
Total	<u>\$3,303,037</u>	<u>\$13,356,510</u>

The \$677,324 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Year ended June 30:	
2019	\$99,121
2020	(137,235)
2021	(984,085)
2022	(853,020)
2023	(273,147)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's Proportion	0.0725338000%	0.0862858232%

Actuarial Assumptions

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2018</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$17,957,396	\$14,281,544	\$11,197,739

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>220,624,838</u>
	<u>\$220,624,838</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The net pension liability associated with the District 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 school districts and the State, actuarially determined. At June 30, 2018, the proportion of the TPAF net pension liability associated with the District was 0.3467970568%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$12,861,657 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

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

Inflation rate	2.25%
Salary Increases	
2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. PENSION PLANS, (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68, (continued)**

Discount Rate

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, respectively, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

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

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2019 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>135,031,378</u>
	<u>\$135,031,378</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

(b) *Discount Rate*

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of \$5,517,662 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Township of Teaneck School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	VALIC Financial Advisors
Faculty Service Group	Security Benefit
Lincoln Investment Planning	

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund.

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Teaneck Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). 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. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 12. CAPITAL RESERVE ACCOUNT, (continued)

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$4,075,801
Increased by:	
Interest Earnings	6,500
Deposits Approved by Board Resolution	<u>3,000,000</u>
	<u>3,006,500</u>
Ending balance, June 30, 2019	<u>\$7,082,301</u>

NOTE 13. MAINTENANCE RESERVE ACCOUNT

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 increase the balance in the maintenance 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve account for the July 1, 2018 to June 30, 2019 fiscal years is as follows:

Beginning balance, July 1, 2018	\$1,201,000
Increased by:	
Interest Earnings	10
Deposits Approved by Board Resolution	<u>500,000</u>
	<u>500,010</u>
Ending balance, June 30, 2019	<u>\$1,701,010</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 14. TUITION RESERVE

A tuition reserve was established by the Teaneck Board of Education by inclusion of \$100,000 on June 27, 2018 for the accumulation of funds for use in subsequent fiscal years. The reserve for tuition is maintained in the general fund. The tuition reserve represent a year end fund balance classification to reserve unrestricted fund balance for a foreseeable future tuition adjustment pursuant to N.J.A.C. 6A:23A-17.1(f). The tuition reserve enables the district to reserve fund balance for an anticipated large tuition adjustment for the current contract year. The major contributing factor for tuition adjustments and use of the reserve is a significant change from estimated to the actual enrollment.

The activity of the tuition reserve for the July 1, 2018 to June 30, 2019 fiscal year is a follows:

Beginning balance, July 1, 2018	<u>\$100,000</u>
Ending balance, June 30, 2019	<u>\$100,000</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] – Of the \$16,891,362 General Fund fund balance at June 30, 2019, \$2,789,529 reserved for encumbrances; \$3,501,311 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,942,818 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2020); \$7,082,301 has been reserved in the Capital Reserve Account; \$1,701,010 has been reserved in the Maintenance Reserve Account; \$100,000 has been reserved in the Tuition Reserves Account; \$135,512 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ended June 30, 2020; \$1,581,699 is unreserved and undesignated.

Debt Service Fund – The Debt Service Fund balance at June 30, 2019 of \$1 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — 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 reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2019 is \$3,501,311. Of this amount, \$1,558,493 is the result of current year operations.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$12,841
Supplies	<u>5,949</u>
	<u>\$18,790</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 17. INVENTORY, (continued)

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 18. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - 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.

NOTE 19. RETROACTIVE RESTATEMENT DUE TO UPDATED FIXED ASSET SCHEDULE

During fiscal year 2019, the District's fixed asset report was updated to reflect adjustments not made prior to the issuance of the June 30, 2018 audit report. The following adjustments were made to the capital asset schedule and the Statement of Net Position as of June 30, 2018:

	<u>Balance June 30, 2018</u>	<u>Restatement</u>	<u>Restated Balance June 30, 2018</u>
<u>GOVERNMENTAL FUNDS:</u>			
Assets:			
Capital Assets Being Depreciated, Net	\$43,871,875	\$388,554	\$44,260,429
Net Assets:			
Net Investment in Capital Assets	30,166,456	388,554	30,555,010
Total Net Position:	9,850,404	388,554	10,238,958
<u>BUSINESS-TYPE ACTIVITIES:</u>			
Assets:			
Capital Assets Being Depreciated, Net	\$2,1137	\$22,946	\$44,083
Net Assets:			
Net Investment in Capital Assets	21,137	22,946	44,083
Total Net Position:	880,555	22,946	903,501

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 21, 2019, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	89,541,831		89,541,831	89,541,831	
Tuition from Other LEAs Within the State	53,347		53,347	88,373	35,026
Transportation Fees from Individuals				4,770	4,770
Transportation Fees from Other LEAs				41,062	41,062
Rents and Royalties				71,749	71,749
Interest Earned on Capital Reserve Funds	6,500		6,500	6,500	
Interest Earned on Maintenance Reserve	10		10	10	
Unrestricted Miscellaneous Revenues	150,653		150,653	596,398	445,745
Total - Local Sources	<u>89,752,341</u>		<u>89,752,341</u>	<u>90,350,693</u>	<u>598,352</u>
Revenues from State Sources:					
Categorical Special Education Aid	2,694,376		2,694,376	2,694,376	
Categorical Security Aid	945,902		945,902	945,902	
Categorical Transportation Aid	2,348,999		2,348,999	2,348,999	
Extraordinary Aid	859,386		859,386	848,567	(10,819)
NTE Homeless Reimbursement				87,864	87,864
Non Public Transportation				179,393	179,393
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				3,047,262	3,047,262
On-behalf TPAF Pension (non-budgeted)				6,580,231	6,580,231
On-behalf TPAF NCGI Premium (non-budgeted)				137,741	137,741
On-behalf TPAF LTDI				5,229	5,229
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,555,141	2,555,141
Total - State Sources	<u>6,848,663</u>		<u>6,848,663</u>	<u>19,430,705</u>	<u>12,582,042</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative (SEMI)	103,571		103,571	78,070	(25,501)
Medicaid Administrative Claiming (MAC)				24,011	24,011
Total - Federal Sources	<u>103,571</u>		<u>103,571</u>	<u>102,081</u>	<u>(1,490)</u>
TOTAL REVENUES	<u>96,704,575</u>		<u>96,704,575</u>	<u>109,883,479</u>	<u>13,178,904</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,243,992		1,243,992	998,830	245,162
Grades 1-5 - Salaries of Teachers	6,461,380	(134,255)	6,327,125	6,106,574	220,551
Grades 6-8 - Salaries of Teachers	5,569,021	49,080	5,618,101	5,358,780	259,321
Grades 9-12 - Salaries of Teachers	8,692,732	(124,669)	8,568,063	8,349,181	218,882
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	10,000	18,900	28,900	28,900	
Purchased Technical Services	97,701	(18,379)	79,322	61,833	17,489
Other Purchased Services (400-500 Series)	197,000	(16,400)	180,600	106,170	74,430
General Supplies	1,949,206	(221,305)	1,727,901	1,592,881	135,020
Textbooks	428,496	106,992	535,488	341,523	193,965
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>24,649,528</u>	<u>(340,036)</u>	<u>24,309,492</u>	<u>22,944,672</u>	<u>1,364,820</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	1,362,350	(132,804)	1,229,546	1,142,767	86,779
Purchased Professional - Educational Services	581,399	(462,092)	119,307	107,917	11,390
General Supplies	1,000		1,000	629	371
Total Learning and/or Language Disabilities	<u>1,944,749</u>	<u>(594,896)</u>	<u>1,349,853</u>	<u>1,251,313</u>	<u>98,540</u>
Behavioral Disabilities					
Salaries of Teachers	287,000	6,700	293,700	293,700	
Purchased Professional - Educational Services	56,989	57,522	114,511	108,015	6,496
Total Behavioral Disabilities	<u>343,989</u>	<u>64,222</u>	<u>408,211</u>	<u>401,715</u>	<u>6,496</u>
Multiple Disabilities					
Salaries of Teachers	733,900	13,000	746,900	629,116	117,784
Purchased Professional - Educational Services	696,245	39,169	735,414	674,374	61,040
General Supplies	50,000	(10,544)	39,456	29,416	10,040
Total Multiple Disabilities	<u>1,480,145</u>	<u>41,625</u>	<u>1,521,770</u>	<u>1,332,906</u>	<u>188,864</u>
Resource Room/Resource Center:					
Salaries of Teachers	5,338,178	1,446	5,339,624	5,238,190	101,434
Purchased Professional - Educational Services	284,742	123,543	408,285	384,867	23,418
General Supplies	28,000		28,000	82	27,918
Total Resource Room/Resource Center	<u>5,650,920</u>	<u>124,989</u>	<u>5,775,909</u>	<u>5,623,139</u>	<u>152,770</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	299,300		299,300	299,300	
General Supplies	1,500		1,500	596	904
Total Preschool Disabilities - Part Time	<u>300,800</u>		<u>300,800</u>	<u>299,896</u>	<u>904</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	122,300	6,600	128,900	90,440	38,460
Professional Svcs-Educational Services	227,794	45,000	272,794	257,020	15,774
General Supplies	5,000		5,000	3,040	1,960
Total Preschool Disabilities - Full-Time	<u>355,094</u>	<u>51,600</u>	<u>406,694</u>	<u>350,500</u>	<u>56,194</u>
Home Instruction:					
Salaries of Teachers	45,000	30,960	75,960	65,608	10,352
Professional Svcs-Educational Services	20,000		20,000	17,134	2,866
Total Home Instruction	<u>65,000</u>	<u>30,960</u>	<u>95,960</u>	<u>82,742</u>	<u>13,218</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>10,140,697</u>	<u>(281,500)</u>	<u>9,859,197</u>	<u>9,342,211</u>	<u>516,986</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,693,125		1,693,125	1,686,864	6,261
Total Basic Skills/Remedial - Instruction	<u>1,693,125</u>		<u>1,693,125</u>	<u>1,686,864</u>	<u>6,261</u>
Bilingual Education - Instruction					
Salaries of Teachers	425,078	57,656	482,734	482,734	
General Supplies	8,000		8,000	2,940	5,060
Total Bilingual Education - Instruction	<u>433,078</u>	<u>57,656</u>	<u>490,734</u>	<u>485,674</u>	<u>5,060</u>
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	237,896	24,503	262,399	261,138	1,261
Purchased Services (300-500 Series)	3,600	(2,209)	1,391	1,391	
Supplies and Materials	53,778	(9,756)	44,022	44,022	
Other Objects	18,000	3,417	21,417	19,718	1,699
Total School-Sponsored Co/Extra Curricular Activities - Instruction	<u>313,274</u>	<u>15,955</u>	<u>329,229</u>	<u>326,269</u>	<u>2,960</u>
School-Sponsored Athletics - Instruction					
Salaries	724,086	(19,188)	704,898	679,358	25,540
Purchased Services (300-500 Series)	59,414	10,950	70,364	57,251	13,113
Supplies and Materials	120,000	22,634	142,634	119,009	23,625
Other Objects	39,602		39,602	38,914	688
Total School-Sponsored Athletics - Instruction	<u>943,102</u>	<u>14,396</u>	<u>957,498</u>	<u>894,532</u>	<u>62,966</u>
TOTAL INSTRUCTION	<u>38,172,804</u>	<u>(533,529)</u>	<u>37,639,275</u>	<u>35,680,222</u>	<u>1,959,053</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular		55,745	55,745	17,173	38,572
Tuition to Other LEAs Within the State - Special	1,726,930	(286,479)	1,440,451	1,439,701	750
Tuition to County Voc. School Dist. - Regular	620,532	26,782	647,314	647,314	
Tuition to County Voc. School Dist. - Special	336,024	(68,294)	267,730	267,730	
Tuition to CSSD & Regional Day Schools	1,708,260	(457,628)	1,250,632	1,250,632	
Tuition to Private Schools for the Disabled Within State	4,524,060	691,792	5,215,852	4,364,035	851,817
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	682,194	(44,777)	637,417	634,742	2,675
Tuition - State Facilities	72,494		72,494	72,494	
Total Undistributed Expenditures - Instruction:	<u>9,670,494</u>	<u>(82,859)</u>	<u>9,587,635</u>	<u>8,693,821</u>	<u>893,814</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	224,876		224,876	217,073	7,803
Purchased Professional and Technical Services	62,470	(5,300)	57,170	46,430	10,740
Other Purchased Services (400-500 Series)	2,265		2,265	2,265	
Total Undistributed Expend. - Attend. & Social Work	<u>289,611</u>	<u>(5,300)</u>	<u>284,311</u>	<u>265,768</u>	<u>18,543</u>
Undist. Expend. - Health Services					
Salaries	589,121	(6,000)	583,121	521,518	61,603
Purchased Professional and Technical Services	304,600	161,215	465,815	401,215	64,600
Other Purchased Services (400-500 Series)	2,000	(715)	1,285	111	1,174
Supplies and Materials	15,961	(3,950)	12,011	8,220	3,791
Total Undistributed Expenditures - Health Services	<u>911,682</u>	<u>150,550</u>	<u>1,062,232</u>	<u>931,064</u>	<u>131,168</u>
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	599,128		599,128	594,283	4,845
Purchased Prof. Services-Educational Services	1,735,780	(147,775)	1,588,005	1,264,375	323,630
Supplies and Materials	5,000		5,000	1,576	3,424
Total Undist. Expend. - Speech, OT, PT & Related Services	<u>2,339,908</u>	<u>(147,775)</u>	<u>2,192,133</u>	<u>1,860,234</u>	<u>331,899</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	173,000	7,650	180,650	172,150	8,500
Purchased Professional - Educational Services	1,675,966	(250,150)	1,425,816	1,112,051	313,765
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	<u>1,848,966</u>	<u>(242,500)</u>	<u>1,606,466</u>	<u>1,284,201</u>	<u>322,265</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,542,980	(2,334)	1,540,646	1,518,195	22,451
Salaries of Secretarial and Clerical Assistants	272,397	(6)	272,391	201,562	70,829
Other Salaries	83,095	(1)	83,094	83,028	66
Purchased Professional - Educational Services	3,000	(100)	2,900	2,625	275
Other Purchased Prof. and Tech. Services	10,800	4,600	15,400	13,559	1,841
Other Purchased Services (400-500 Series)	11,600		11,600	9,475	2,125
Supplies and Materials	15,000	12,084	27,084	17,899	9,185
Total Undist. Expend. - Guidance	<u>1,938,872</u>	<u>14,243</u>	<u>1,953,115</u>	<u>1,846,343</u>	<u>106,772</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,752,050	(58,072)	1,693,978	1,516,035	177,943
Salaries of Secretarial and Clerical Assistants	199,499		199,499	188,662	10,837
Unused Vacation Payment to Terminated/Retired Staff	6,500		6,500		6,500
Purchased Professional - Educational Services	400,000	338,990	738,990	683,726	55,264
Other Purchased Professional and Technical Services	6,000	(6,000)			
Other Purchased Services (400-500 Series)	37,551	1,931	39,482	32,952	6,530
Misc. Pur Services (400-500 Series)	5,000		5,000	1,640	3,360
Supplies and Materials	46,157	(8,931)	37,226	15,144	22,082
Other Objects	600		600	339	261
Total Undist. Expend. - Child Study Teams	<u>2,453,357</u>	<u>267,918</u>	<u>2,721,275</u>	<u>2,438,498</u>	<u>282,777</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	439,444	(11,991)	427,453	397,250	30,203
Salaries of Secretarial and Clerical Assistants	174,146		174,146	165,839	8,307
Other Salaries	3,000		3,000		3,000
Purchased Prof - Educational Services	175,000	17,557	192,557	192,557	
Other Purch Services (400-500 Series)	7,895	(725)	7,170	4,887	2,283
Supplies and Materials	35,000	(3,269)	31,731	27,160	4,571
Total Undist. Expend. - Improvement of Inst. Services	<u>834,485</u>	<u>1,572</u>	<u>836,057</u>	<u>787,693</u>	<u>48,364</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	478,198		478,198	463,301	14,897
Purchased Professional and Technical Services	45,000		45,000	45,000	
Supplies and Materials	52,500	(612)	51,888	46,939	4,949
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>575,698</u>	<u>(612)</u>	<u>575,086</u>	<u>555,240</u>	<u>19,846</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	439,444	(3,971)	435,473	395,209	40,264
Salaries of Other Professional Staff	264,100	10,000	274,100	138,925	135,175
Salaries of Secretarial and Clerical Assistants	107,200		107,200	97,148	10,052
Other Purchased Services (400-500 Series)	28,921	18,230	47,151	38,994	8,157
Supplies and Materials	3,500		3,500	2,539	961
Other Objects	5,400		5,400	5,008	392
Total Undist. Expend. - Instructional Staff Training Serv.	<u>848,565</u>	<u>24,259</u>	<u>872,824</u>	<u>677,823</u>	<u>195,001</u>
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	405,794	26,448	432,242	432,242	
Legal Services	270,000	131,481	401,481	400,890	591
Audit Fees	48,000	3,783	51,783	51,736	47
Architectural/Engineering Services	16,000	80,673	96,673	48,964	47,709
Purchased Technical Services		37,900	37,900	37,900	
Communications/Telephone	164,494	9,440	173,934	143,455	30,479
BOE Other Purchased Services	13,750	(5,644)	8,106	8,106	
Other Purch Services (400-500 Series)	182,915	(40,779)	142,136	142,136	
General Supplies	5,000	5,515	10,515	10,515	
BOE In-House Training/Meeting Supplies	6,500	(1,402)	5,098	5,098	
Judgements Against The School District	120,000	(44,160)	75,840	75,840	
Misc. Expenditures	16,671	(4,783)	11,888	10,983	905
BOE Membership Dues and Fees	30,000	663	30,663	30,663	
Total Undist. Expend. - Supp. Serv. - General Administration	<u>1,279,124</u>	<u>199,135</u>	<u>1,478,259</u>	<u>1,398,528</u>	<u>79,731</u>

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,875,702	(25,000)	1,850,702	1,799,358	51,344
Salaries of Other Professional Staff	143,940	(10,000)	133,940	131,543	2,397
Salaries of Secretarial and Clerical Assistants	1,065,266	35,000	1,100,266	1,098,113	2,153
Purchased Professional and Technical Services		2,500	2,500		2,500
Other Purchased Services (400-500 Series)	40,500	(10,446)	30,054	16,800	13,254
Supplies and Materials	52,630		66,554	51,948	14,606
Other Objects	12,000	(1,196)	10,804	5,928	4,876
Total Undist. Expend. - Support Serv. - School Administration	<u>3,190,038</u>	<u>4,782</u>	<u>3,194,820</u>	<u>3,103,690</u>	<u>91,130</u>
Undist. Expend. - Central Services					
Salaries	807,296	134,246	941,542	940,253	1,289
Purchased Technical Services	74,727	21,358	96,085	82,771	13,314
Misc. Pur Services (400-500 Series)	107,373	(64,827)	42,546	37,337	5,209
Supplies and Materials	35,638	(642)	34,996	29,692	5,304
Miscellaneous Expenditures	2,275	4,020	6,295	6,295	
Total Undist. Expend. - Central Services	<u>1,027,309</u>	<u>94,155</u>	<u>1,121,464</u>	<u>1,096,348</u>	<u>25,116</u>
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	3,200	48,728	51,928	47,044	4,884
Purchased Professional Services	559,000	8,144	567,144	567,144	
Purchased Technical Services	40,662		40,662	40,662	
Other Purchased Services (400-500 Series)		2,994	2,994	2,994	
Supplies and Materials	30,919	6,035	36,954	36,434	520
Total Undist. Expend. - Support Serv. - Administrative	<u>633,781</u>	<u>65,901</u>	<u>699,682</u>	<u>694,278</u>	<u>5,404</u>
Undist. Expend. - Required Maint. for School Facilities (261)					
Information Technology	<u>633,781</u>	<u>65,901</u>	<u>699,682</u>	<u>694,278</u>	<u>5,404</u>
Salaries	686,654	(82,671)	603,983	603,292	691
Cleaning, Repair and Maintenance Services	501,208	7,562	508,770	270,972	237,798
General Supplies	192,000	118,694	310,694	290,643	20,051
Total Undist. Expend. - Required Maint. for School Facilities	<u>1,379,862</u>	<u>43,585</u>	<u>1,423,447</u>	<u>1,164,907</u>	<u>258,540</u>
Undist. Expend. - Custodial Services (262)					
Salaries	798,827	48,147	846,974	845,883	1,091
Salaries of Non-Instructional Aides		3,053	3,053	3,053	
Purchased Professional and Technical Services	35,583	(12,507)	23,076	23,076	
Cleaning, Repair and Maintenance Services	2,510,129	(59,056)	2,451,073	2,442,475	8,598
Other Purchased Property Services	80,000	1,595	81,595	81,595	
Insurance	423,767	3,319	427,086	427,086	
Miscellaneous Purchased Services	469,739	1,459	471,198	470,780	418
General Supplies	228,782	131,193	359,975	308,614	51,361
Energy (Natural Gas)	250,000	47,213	297,213	289,302	7,911
Energy (Electricity)	600,000	(111,285)	488,715	479,710	9,005
Other Objects	11,000	(5,969)	5,031	5,031	
Interest - Energy Savings Impr Prog Bonds	241,938	(1)	241,937	241,937	
Principal - Energy Savings Impr Prog Bonds	500,000		500,000	500,000	
Total Undist. Expend. - Custodial Services	<u>6,149,765</u>	<u>47,161</u>	<u>6,196,926</u>	<u>6,118,542</u>	<u>78,384</u>
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	283,400	73,070	356,470	356,470	
Total Undist. Expend. - Care and Upkeep of Grounds	<u>283,400</u>	<u>73,070</u>	<u>356,470</u>	<u>356,470</u>	
Undist. Expend. - Security (266)					
Salaries	122,000	75,500	197,500	197,500	
Purchased Professional and Technical Services		14,856	14,856	14,856	
Total Undist. Expend. - Security	<u>122,000</u>	<u>90,356</u>	<u>212,356</u>	<u>212,356</u>	
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Regular	71,180	20	71,200	71,200	
Salaries for Pupil Trans (Other than Bet. Home & Sch.)		23,100	23,100	23,100	
Other Purchased Prof. and Tech. Services	5,600	(2,553)	3,047	3,047	
Contract Services - Aid in Lieu Pymts - NonPub Sch.	401,000	(82,868)	318,132	318,132	
Contract Services (Between Home & School)-Vendors	1,898,421	(149,544)	1,748,877	1,748,877	
Contract Services (Other than Between Home & School)-Vendors	261,737	(41,914)	219,823	219,823	
Contract Services (Sp. Ed. Students)-Vendors	1,252,880	(132,623)	1,120,257	1,119,605	652
Contract Services (Reg. Students) - ESCs & CTSA's	376,905		610,386	610,386	
Contract Services (Spl. Ed. Students) - ESCs & CTSA's	1,181,896	223,123	1,405,019	1,405,019	
General Supplies	500	521	1,021	1,021	
Transportation Supplies		855	855	855	
Total Undist. Expend. - Student Transportation Services	<u>5,450,119</u>	<u>71,598</u>	<u>5,521,717</u>	<u>5,521,065</u>	<u>652</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
ALLOCATED BENEFITS					
Regular Programs - Instruction					
Health Benefits	2,987,773		2,987,773	2,987,773	
Total Regular Programs - Instruction	<u>2,987,773</u>		<u>2,987,773</u>	<u>2,987,773</u>	
Special Programs - Instruction					
Health Benefits	2,489,811		2,489,811	2,425,379	64,432
Unused Sick Payment to Terminated/Retired Staff	77,600		77,600		77,600
Total Special Programs - Instruction	<u>2,567,411</u>		<u>2,567,411</u>	<u>2,425,379</u>	<u>142,032</u>
Child Study Teams					
Unused Sick Payment to Terminated/Retired Staff	12,000		12,000		12,000
Total Child Study Teams	<u>12,000</u>		<u>12,000</u>		<u>12,000</u>
Custodial Services					
Unused Sick Payment to Terminated/Retired Staff	9,000	(9,000)			
Total Custodial Services	<u>9,000</u>	<u>(9,000)</u>			
TOTAL ALLOCATED BENEFITS	<u>5,576,184</u>	<u>(9,000)</u>	<u>5,567,184</u>	<u>5,413,152</u>	<u>154,032</u>
UNALLOCATED BENEFITS (291)					
Group Insurance	213,769	(31,063)	182,706	182,706	
Social Security Contributions	753,593	47,985	801,578	801,578	
TPAF Contributions - ERIP		18,454	18,454		18,454
Other Retirement Contributions-PERS	777,200	(51,276)	725,924	725,724	200
Unemployment Compensation	133,200	12,206	145,406	108,301	37,105
Workmen's Compensation	281,552		281,552	281,552	
Health Benefits	5,353,231	(875,739)	4,477,492	3,664,823	812,669
Tuition Reimbursement	3,800	(646)	3,154	1,750	1,404
Other Employee Benefits	464,648	(18,454)	446,194	420,450	25,744
TOTAL UNALLOCATED BENEFITS	<u>7,980,993</u>	<u>(898,533)</u>	<u>7,082,460</u>	<u>6,186,884</u>	<u>895,576</u>
On-behalf TPAF Post Retirement Medical (non-budgeted)				3,047,262	(3,047,262)
On-behalf TPAF Pension (non-budgeted)				6,580,231	(6,580,231)
On-behalf TPAF NCGI Premium (non-budgeted)				137,741	(137,741)
On-behalf TPAF LTDI				5,229	(5,229)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,555,141	(2,555,141)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>12,325,604</u>	<u>(12,325,604)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>7,980,993</u>	<u>(898,533)</u>	<u>7,082,460</u>	<u>18,512,488</u>	<u>(11,430,028)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>54,784,213</u>	<u>(238,294)</u>	<u>54,545,919</u>	<u>62,932,509</u>	<u>(8,386,590)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>92,957,017</u>	<u>(771,823)</u>	<u>92,185,194</u>	<u>98,612,731</u>	<u>(6,427,537)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
Equipment		3,050	3,050		3,050
Total Equipment		<u>3,050</u>	<u>3,050</u>		<u>3,050</u>
Undistributed					
Undistributed Expenditures - Instruction		28,950	28,950	28,827	123
Undistributed Expenditures - Support Services - Related		2,950	2,950	2,950	
Undistributed Expenditures - School Administration		2,977	2,977	2,977	
Undistributed Expenditures - Central Services	15,723	2,202	17,925	17,925	
Undistributed Expenditures - Administrative Information Technology		29,773	29,773	2,287	27,486
Undistributed Expenditures - Required Maintenance for Schools	9,027	107,652	116,679	33,871	82,808
Undistributed Expenditures - Custodial Services	663,822	10,035	673,857	670,529	3,328
School Buses-Special	65,618	2,197	67,815	67,815	
Total Equipment	<u>754,190</u>	<u>186,736</u>	<u>940,926</u>	<u>827,181</u>	<u>113,745</u>
Facilities Acquisition and Construction Services					
Construction Services	476,404	582,037	1,058,441	6,175	1,052,266
Lease Purchase Agreements - Principal	253,842		253,842	253,842	
Assessment for Debt Service on SDA Funding	128,662		128,662	128,662	
Total Facilities Acquisition and Construction Services	<u>858,908</u>	<u>582,037</u>	<u>1,440,945</u>	<u>388,679</u>	<u>1,052,266</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Various Equipment				901,300	(901,300)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>901,300</u>	<u>(901,300)</u>
TOTAL CAPITAL OUTLAY	<u>1,613,098</u>	<u>771,823</u>	<u>2,384,921</u>	<u>2,117,160</u>	<u>267,761</u>
Transfer of Funds to Charter Schools	6,292,545		6,292,545	6,234,035	58,510
TOTAL EXPENDITURES	<u>100,862,660</u>		<u>100,862,660</u>	<u>106,963,926</u>	<u>(6,101,266)</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,158,085)		(4,158,085)	2,919,553	7,077,638
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				901,300	901,300
Operating Transfers Out:					
Transfers to Cover Deficit (Agency Funds)	(70,070)		(70,070)	(49,418)	20,652
Operating Transfer In					
Transfers from Other Funds	200,000		200,000	200,000	
Total Other Financing Sources/(Uses):	<u>129,930</u>		<u>129,930</u>	<u>1,051,882</u>	<u>921,952</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(4,028,155)		(4,028,155)	3,971,435	7,999,590
Fund Balance, July 1	13,392,361		13,392,361	13,392,361	
Fund Balance, June 30	<u>9,364,206</u>		<u>9,364,206</u>	<u>17,363,796</u>	<u>7,999,590</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,971,684)		(1,971,684)	(1,971,684)	
Increase in Capital Reserve:					
Principal				3,000,000	(3,000,000)
Interest Deposit to Capital Reserve	6,500		6,500	6,500	
Increase in Maintenance Reserve:					
Principal				500,000	(500,000)
Interest Deposit to Maintenance Reserve	10		10	10	
Budgeted Fund Balance	<u>(2,062,981)</u>		<u>(2,062,981)</u>	<u>2,436,609</u>	<u>10,999,590</u>
	<u>(4,028,155)</u>		<u>(4,028,155)</u>	<u>3,971,435</u>	<u>7,499,590</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				1,558,493	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				1,942,818	
Capital Reserve				7,082,301	
Maintenance Reserve				1,701,010	
Tuition Reserve				100,000	
Committed Fund Balance:					
Year-end Encumbrances				2,789,529	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				135,512	
Unassigned Fund Balance				<u>2,054,133</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>17,363,796</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				472,434	
Total Fund Balance per Governmental Funds (GAAP)				<u>16,891,362</u>	

TEANECK BOARD OF EDUCATION
 Budgetary Comparison Schedule
 Special Revenue Fund
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	150,894		150,894	61,025	(89,869)
State Sources	356,927	2,235,278	2,592,205	2,217,895	(374,310)
Federal Sources	1,632,932	730,749	2,363,681	1,903,584	(460,097)
Total Revenues	1,989,859	3,116,921	5,106,780	4,182,504	(924,276)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	163,287		163,287	715,533	72,772
Purchased Professional - Educational Services	351,765		351,765	228,277	123,488
Other Purchased Services (400-500 series)	890,687	(195,932)	694,755	675,877	18,878
General Supplies	32,834	419,228	452,062	316,443	135,619
Textbooks	48,610	15,843	64,453	61,668	2,785
Other Objects	12,214	12,214	12,214	5,987	6,227
Total Instruction	1,597,149	766,405	2,363,554	2,003,785	359,769
Support Services:					
Salaries of Supervisors of Instruction	117,227	346,987	464,214	431,869	32,345
Salaries of Program Directors	17,145	17,145	17,145	-	17,145
Salaries of Secretarial and Clerical Assistants	7,560	7,560	7,560	7,560	-
Salaries of Community Parent Involvement Spec.	56,000	56,000	56,000	46,667	9,333
Salaries of Master Teachers	70,000	70,000	70,000	14,700	55,300
Personal Services - Employee Benefits	181,051	181,051	181,051	171,964	9,087
Purchased Educ. Services - Contracted Pre-K	40,435	40,435	40,435	40,435	-
Purchased Professional - Educational Services	526,370	526,370	691,625	575,079	116,546
Other Purchased Professional Services	78,604	321,022	399,626	333,021	66,605
Purchased Technical Services	31,624	102,780	134,404	87,348	47,056
Rentals		31,664	31,664	31,664	-
Contr. Trans. Serv. (Bet. Home & Sch)		16,808	16,808	16,808	-
Contr. Trans. Serv. (Field Trips)		91,447	91,447	63,645	27,802
Travel		62,995	62,995	30,886	32,109
Miscellaneous Purchased Services		202,834	202,834	176,422	26,412
Supplies and Materials		181,615	181,615	92,959	88,656
Other Purchased Services		2,549	2,549	2,549	-
Other Objects		4,276	4,276	776	3,500
Total Support Services	392,710	2,263,538	2,656,248	2,121,803	534,445
Facilities Acquisition and Const. Serv.:					
Instructional Equipment		86,478	86,478	56,916	29,562
Noninstructional Equipment		500	500	-	500
Total Facilities Acquisition and Const. Serv.	-	86,978	86,978	56,916	30,062
Total Expenditures	1,989,859	3,116,921	5,106,780	4,182,504	924,276
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

**TEANECK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2019**

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
	<u> </u>	<u> </u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	[C-1]&[C-2] 109,883,479	4,182,504
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized.		
Prior Year		1,390
Current Year		(15,899)
 The Last State Aid Payment is Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes	 1,317,037	
 The Last State Aid Payment is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which Does Not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33).	 <u>(472,434)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 [B-2] <u>110,728,082</u>	 <u>4,167,995</u>
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	[C-1]&[C-2] 106,963,926	4,182,504
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.		
Prior Year		1,390
Current Year		(15,899)
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 [B-2] <u>106,963,926</u>	 <u>4,167,995</u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

TEANECK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1427875467%	\$ 27,289,537	\$ 9,766,548	279.42%	48.72%
2015	0.1420455467%	26,594,811	9,132,014	291.23%	52.08%
2016	0.1341405534%	30,111,866	8,183,038	367.98%	47.93%
2017	0.1109986328%	32,874,611	5,608,033	586.21%	40.14%
2018	0.0862858232%	20,085,960	5,382,195	373.19%	48.10%
2019	0.0725338000%	14,281,544	4,865,371	293.53%	83.06%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TEANECK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 1,171,003	\$ (1,171,003)	\$ -	\$ 9,132,014	12.82%		
2016	1,153,249	(1,153,249)	-	8,183,038	14.09%		
2017	986,096	(986,096)	-	5,608,033	17.58%		
2018	799,346	(799,346)	-	5,382,195	14.85%		
2019	721,477	(721,477)	-	4,865,371	14.83%		

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TEANECK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's	District's	State's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	District's Covered Payroll - TPAF Employee's	Net Position as a Percentage of the Total Pension Liability
2014	0.3623525363%	\$ -	\$ 183,130,122	0.00%	\$ 34,862,168	33.76%
2015	0.3609823303%	-	192,933,307	0.00%	33,506,107	33.64%
2016	0.3470830492%	-	219,371,309	0.00%	35,294,602	28.74%
2017	0.3268878548%	-	257,150,800	0.00%	35,395,251	22.33%
2018	0.3481086969%	-	234,707,436	0.00%	34,841,100	25.41%
2019	0.3467970568%	-	220,624,838	0.00%	36,643,126	26.49%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TEANECK BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2019

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEANECK BOARD OF EDUCATION
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

	2019	2018
Total OPEB Liability		
Service Costs	\$ 4,824,717	\$ 5,742,154
Interest on Total OPEB Liability	5,636,868	4,906,873
Differences between Expected and Actual Expenditures	(10,806,089)	
Changes in Assumptions	(15,495,526)	(20,392,834)
Gross Benefit Payments	(3,610,691)	(2,989,225)
Contribution from the Member	124,791	110,071
Net Changes in total Share of OPEB Liability	(19,325,930)	(12,622,961)
Total OPEB Liability - Beginning	154,357,308	166,980,269
Total OPEB Liability - Ending	\$ 135,031,378	\$ 154,357,308
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	135,031,378	154,357,308
Total OPEB Liability - Ending	\$ 135,031,378	\$ 154,357,308
District's Covered Employee Payroll	\$ 41,508,497	\$ 40,223,295
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Notes to Schedule:

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

Change in benefit terms None

Change in assumptions Assumptions used in calculating the OPEB liability are presented
in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Supplementary Schedules

SPECIAL REVENUE FUND

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1a)	I.D.E.A Part B Basic	Preschool	ESEA Title I, Part A	ESEA Title I, Part A Reallocated	ESEA Title II, Part A Training & Recruiting	ESEA Title III	Totals 2019
REVENUES								
Local Sources	61,025							61,025
State Sources	2,217,895							2,217,895
Federal Sources	5,860	1,078,020	27,610	624,260	29,160	113,812	24,862	1,903,584
Total Revenues	2,284,780	1,078,020	27,610	624,260	29,160	113,812	24,862	4,182,504
EXPENDITURES:								
Instruction:								
Salaries of Teachers	379,264			325,769				715,533
Purchased Professional - Educational Services	14,121	199,320		14,161	675		10,500	228,277
Other Purchased Services (400-500 series)	1,500	672,627		1,750				675,877
General Supplies	169,105	33,437		90,646	21,393		1,862	316,443
Textbooks	61,668							61,668
Other Objects	5,987							5,987
Total Instruction	631,645	905,384	-	432,326	22,068	-	12,362	2,003,785
Support Services:								
Salaries of Supervisors of Instruction	354,270	11,800		61,224			4,575	431,869
Salaries of Secretarial and Clerical Assistants	-			7,560				7,560
Salaries of Community Parent Involvement Spec.	46,667							46,667
Salaries of Master Teachers	14,700							14,700
Personal Services - Employee Benefits	127,466	903		42,442			1,153	171,964
Purchased Educ. Services - Contracted Pre-K	40,435							40,435
Purchased Professional - Educational Services	560,722			14,061	296			575,079
Other Purchased Professional Services	175,720	128,493	27,610		1,198			333,021
Purchased Technical Services	412					86,936		87,348
Rentals	31,664							31,664
Contr. Trans. Serv. (Bet. Home & Sch)	16,808							16,808
Contr. Trans. Serv. (Field Trips)	12,919			43,954			6,772	63,645
Travel	1,195			2,815				30,886
Miscellaneous Purchased Services	176,422					26,876		176,422
Supplies and Materials	92,959							92,959
Other Objects	776							776
Total Support Services	1,653,135	141,196	27,610	172,056	1,494	113,812	12,500	2,121,803
Facilities Acquisition and Const. Serv.:								
Instructional Equipment	-	31,440		19,878	5,598			56,916
Total Facilities Acquisition and Const. Serv.	-	31,440	-	19,878	5,598	-	-	56,916
Total Expenditures	2,284,780	1,078,020	27,610	624,260	29,160	113,812	24,862	4,182,504
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1b)	Dept. of Children and Families - School Based Youth Services Aid		N.J. Nonpublic Auxiliary Services Chapter 192		N.J. Nonpublic Textbook Aid	Total Carried Forward
		ESEA Title IV	Compensatory Education	ESL	Transportation		
REVENUES							
Local Sources	61,025						61,025
State Sources	1,755,880	5,860	61,166	17,083	15,810	61,668	2,217,895
Federal Sources	-						5,860
Total Revenues	1,816,905	5,860	61,166	17,083	15,810	61,668	2,284,780
EXPENDITURES:							
Instruction:							
Salaries of Teachers	379,264						379,264
Purchased Professional - Educational Services	14,121						14,121
Other Purchased Services (400-500 series)	-	1,500					1,500
General Supplies	147,110	3,678					169,105
Textbooks	-					61,668	61,668
Other Objects	2,899						5,987
Total Instruction	543,394	5,178	-	-	-	61,668	631,645
Support Services:							
Salaries of Supervisors of Instruction	69,387						69,387
Salaries of Secretarial and Clerical Assistants	-						-
Salaries of Community Parent Involvement Spec.	46,667						46,667
Salaries of Master Teachers	14,700						14,700
Personal Services - Employee Benefits	127,466						127,466
Purchased Educ. Services - Contracted Pre-K	40,435						40,435
Purchased Professional - Educational Services	482,473						482,473
Other Purchased Professional Services	159,910			17,083			175,720
Purchased Technical Services	-	412			15,810		412
Rentals	31,664						31,664
Contr. Trans. Serv. (Bet Home & Sch)	16,808						16,808
Contr. Trans. Serv. (Field Trips)	12,919						12,919
Travel	925	270					1,195
Miscellaneous Purchased Services	176,422						176,422
Supplies and Materials	92,959						92,959
Other Objects	776						776
Total Support Services	1,273,511	682	61,166	17,083	15,810	-	1,653,135
Facilities Acquisition and Const. Serv.:							
Instructional Equipment	-						-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-
Total Expenditures	1,816,905	5,860	61,166	17,083	15,810	61,668	2,284,780
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1c)	N.J. Nonpublic Security Aid	N.J. Nonpublic Home Instruction	N.J. Nonpublic Handicapped Services, Chapter 193		Total Carried Forward
				Supplemental Instruction	Examination & Classification	
REVENUES						
Local Sources	61,025					61,025
State Sources	1,233,953	175,940	2,544	100,315	186,792	1,755,880
Federal Sources	-					
Total Revenues	1,294,978	175,940	2,544	100,315	186,792	1,816,905
EXPENDITURES:						
Instruction:						
Salaries of Teachers	379,264					379,264
Purchased Professional - Educational Services	14,121					14,121
Other Purchased Services (400-500 series)	-					-
General Supplies	147,110					147,110
Textbooks	-					-
Other Objects	2,899					2,899
Total Instruction	543,394	-	-	-	-	543,394
Support Services:						
Salaries of Supervisors of Instruction	69,387					69,387
Salaries of Secretarial and Clerical Assistants	-					-
Salaries of Community Parent Involvement Spec.	46,667					46,667
Salaries of Master Teachers	14,700					14,700
Personal Services - Employee Benefits	127,466					127,466
Purchased Educ. Services - Contracted Pre-K	40,435					40,435
Purchased Professional - Educational Services	136,486		2,544	100,315	186,792	482,473
Other Purchased Professional Services	1,296	158,614				159,910
Purchased Technical Services	-					-
Rentals	31,664					31,664
Contr. Trans. Serv. (Bet. Home & Sch)	16,808					16,808
Contr. Trans. Serv. (Field Trips)	12,919					12,919
Travel	925					925
Miscellaneous Purchased Services	176,422					176,422
Supplies and Materials	75,633	17,326				92,959
Other Objects	776					776
Total Support Services	751,584	175,940	2,544	100,315	186,792	1,273,511
Facilities Acquisition and Const. Serv.:						
Instructional Equipment	-					-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-
Total Expenditures	1,294,978	175,940	2,544	100,315	186,792	1,816,905
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2019

	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Aid	Preschool Education Aid	Dept. of Law and Public Safety - Juvenile Justice Partnership	Township of Teaneck FORUM Grant	Miscellaneous Donations	Total Carried Forward
REVENUES							
Local Sources	108,051	42,335	1,014,127	69,440	34,923	26,102	61,025
Slate Sources							1,233,953
Federal Sources							-
Total Revenues	108,051	42,335	1,014,127	69,440	34,923	26,102	1,294,978
EXPENDITURES:							
Instruction:							
Salaries of Teachers			325,210	40,608	13,446		379,264
Purchased Professional - Educational Services			4,650	6,275	3,196		14,121
Other Purchased Services (400-500 series)				7,901	9,377	21,760	-
General Supplies		41,039	67,033				147,110
Textbooks							-
Other Objects					2,899		2,899
Total Instruction	-	41,039	396,893	54,784	28,918	21,760	543,394
Support Services:							
Salaries of Supervisors of Instruction			62,036		3,351	4,000	69,387
Salaries of Secretarial and Clerical Assistants			46,667				46,667
Salaries of Community Parent Involvement Spec.			14,700				14,700
Salaries of Master Teachers			124,075	3,391			127,466
Personal Services - Employee Benefits			40,435				40,435
Purchased Educ. Services - Contracted Pre-K			31,750				31,750
Purchased Professional - Educational Services	104,736						136,486
Other Purchased Professional Services		1,296					1,296
Purchased Technical Services							-
Rentals			31,664				31,664
Contr. Trans. Serv. (Bet. Home & Sch)			16,808				16,808
Contr. Trans. Serv. (Field Trips)				11,265	1,654		12,919
Travel			925				925
Miscellaneous Purchased Services			175,080		1,000	342	176,422
Supplies and Materials	3,315		72,318				75,633
Other Objects			776				776
Total Support Services	108,051	1,296	617,234	14,656	6,005	4,342	751,584
Facilities Acquisition and Const. Serv.:							
Instructional Equipment							-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-
Total Expenditures	108,051	42,335	1,014,127	69,440	34,923	26,102	1,294,978
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2019

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	325,210	325,210	
Purchase Professional and Technical Services	72,061	4,650	67,411
General Supplies	68,685	67,033	1,652
Total Instruction	<u>465,956</u>	<u>396,893</u>	<u>69,063</u>
Support Services:			
Salaries of Supervisors of Instruction	62,036	62,036	
Salaries of Community Parent Involvement Spec.	56,000	46,667	9,333
Salaries of Master Teachers	70,000	14,700	55,300
Personal Services - Employee Benefits	124,092	124,075	17
Purchased Educ. Services - Contracted Pre-K	40,435	40,435	
Purchased Professional - Educational Services	31,750	31,750	
Rentals	31,664	31,664	
Contr. Trans. Serv. (Bet. Home & Sch)	16,808	16,808	
Contr. Trans. Serv. (Field Trips)	1,000		1,000
Travel	925	925	
Miscellaneous Purchased Services	202,834	175,080	27,754
Supplies and Materials	102,300	72,318	29,982
Other Objects	1,000	776	224
Total Support Services	<u>740,844</u>	<u>617,234</u>	<u>123,610</u>
Facility Acquisition and Construction Services:			
Instructional Equipment	16,000		16,000
Total Expenditures	<u>1,222,800</u>	<u>1,014,127</u>	<u>208,673</u>

Summary of Location Totals

Total revised 2018-19 Preschool Education Aid	1,222,800
Add: Actual Preschool Education Aid Carryover (June 30, 2018)	
Add: Budgeted Transfer from the General Fund 2018-19	
Total Preschool Education Aid Funds Available for 2018-19 Budget	<u>1,222,800</u>
Less: 2017-18 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)	<u>1,222,800</u>
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2019	
Add: June 30, 2019 Unexpended Preschool Education Aid	<u>208,673</u>
2018-19 Carryover - Preschool Education Aid/Preschool	<u>208,673</u>

CAPITAL PROJECTS FUND

**TEANECK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budgetary Basis
Fiscal Year Ended June 30, 2019**

Revenues and Other Financing Sources

State Sources	-
Bond Proceeds and Transfers	-
Other Sources	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	-

-

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	-
Land and Improvements	-
Construction Services	-
Equipment Purchases	-
Transfer to Capital Reserve	-
Transfer to Debt Service Fund	-

-

Excess (Deficiency) of Revenues Over (Under) Expenditures -

Fund Balance - Beginning 63,250

Fund Balance - Ending 63,250

63,250

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Energy Savings Improvement Program
Fiscal Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Bond Proceeds and Transfers	8,180,000		8,180,000	8,180,000
Other Sources (Premium on Bonds)	698,088		698,088	698,088
Transfers from Capital Reserve				
Transfers from Capital Outlay				
Interest Income				
	<u>8,878,088</u>	<u>-</u>	<u>8,878,088</u>	<u>8,878,088</u>
Expenditures and Other Financing Uses				
Salaries	5,000		5,000	5,000
Purchased Professional and Technical Services	1,070,613		1,070,613	1,079,136
Land and Improvements				
Construction Services	6,137,763		6,137,763	6,148,952
Equipment Purchases				
Project Balances Transferred:				
General Fund	<u>1,645,000</u>		<u>1,645,000</u>	<u>1,645,000</u>
	<u>8,858,376</u>	<u>-</u>	<u>8,858,376</u>	<u>8,878,088</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,712</u>	<u>-</u>	<u>19,712</u>	<u>-</u>
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 Authorization Cost	8,878,088			
Additional Authorized Cost				
Revised Authorized Cost	8,878,088.00			
Percentage Increase Over Original Authorized Cost	-			
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-Budgetary Basis
Hawthorne Elementary School Roof Replacement
Fiscal Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	451,544		451,544	451,544
Bond Proceeds and Transfers				
Other Sources (Capital Lease Proceeds)	711,346		711,346	711,346
Transfers from Capital Reserve				
Transfers from Capital Outlay				
Interest Income	723		723	723
	<u>1,163,613</u>	<u>-</u>	<u>1,163,613</u>	<u>1,163,613</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	53,937		53,937	53,937
Land and Improvements				
Construction Services	1,073,977		1,073,977	1,109,676
Equipment Purchases				
Project Balances Transferred:				
General Fund				
	<u>1,127,914</u>	<u>-</u>	<u>1,127,914</u>	<u>1,163,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,699</u>	<u>-</u>	<u>35,699</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 Authorization Cost	\$ 1,072,187			
Additional Authorized Cost	91,426			
Revised Authorized Cost	\$ 1,163,613			
Percentage Increase Over Original Authorized Cost	9%			
Percentage Completion	97%			
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-Budgetary Basis
Technology Upgrade/Network Wiring
Fiscal Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Bond Proceeds and Transfers				
Other Sources (Capital Lease Proceeds)	2,500,000		2,500,000	2,500,000
Transfers from Capital Reserve				
Transfers from Capital Outlay				
Interest Income	7,839		7,839	7,839
	2,507,839	-	2,507,839	2,507,839
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services				
Land and Improvements				
Construction Services	2,500,000		2,500,000	2,507,839
Equipment Purchases				
Project Balances Transferred:				
General Fund				
	2,500,000	-	2,500,000	2,507,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,839	-	7,839	-
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 2,500,000			
Additional Authorized Cost	1,317			
Revised Authorized Cost	2,501,317			
Percentage Increase Over Original Authorized Cost	0%			
Percentage completion	100%			
Original Target Completion Date	6/30/2017			
Revised Target Completion Date	6/30/2017			

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2019

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2019
			Prior Years	Current Year	
Energy Savings Improvement Program	4/15/2012	8,878,088	8,858,376		19,712
Hawthorne School Roof Replacement	1/16/2015	1,163,613	1,127,914		35,699
Technology Upgrade/Network Wiring	9/1/2016	2,507,839	2,500,000		7,839
		<u>12,549,540</u>	<u>12,486,290</u>		<u>63,250</u>

PROPRIETARY FUNDS

TEANECK BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2019

	Food Service Program	Community School	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	303,268	830,820	1,134,088
Accounts Receivable:			
State	779		779
Federal	37,700		37,700
Inventories	18,790		18,790
Total Current Assets	360,537	830,820	1,191,357
Noncurrent Assets:			
Capital Assets:			
Equipment	404,145		404,145
Less Accumulated Depreciation	(367,462)		(367,462)
Total Capital Assets (Net of Accumulated Depreciation)	36,683	-	36,683
Total Assets	397,220	830,820	1,228,040
LIABILITIES			
Current Liabilities:			
Accounts Payable	498	1,207	1,705
Unearned Revenue	30,159	272,603	302,762
Total Current Liabilities	30,657	273,810	304,467
Total Liabilities	30,657	273,810	304,467
NET POSITION			
Net Investment in Capital Assets	36,683	-	36,683
Unrestricted	329,880	557,010	886,890
Total Net Position	366,563	557,010	923,573

TEANECK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2019

	Business-type Activities - Enterprise Fund		
	Food Service Program	Community School	Totals
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	559,939		559,939
Daily Sales - Non-Reimbursable Programs	61,301		61,301
Special Functions	49,347		49,347
Vending Sales	10,020		10,020
Program Fees		760,015	760,015
Total Operating Revenues	<u>680,607</u>	<u>760,015</u>	<u>1,440,622</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	580,244		580,244
Cost of Sales - Non-Reimbursable Programs	6,185		6,185
Salaries	612,780	420,700	1,033,480
Benefits	55,610	88,834	144,444
Purchased Professional and Technical Services	62,400	6,490	68,890
Other Purchased Services		47,606	47,606
Contracted Services-Transportation		9,090	9,090
Communications/Telephone		2,664	2,664
Supplies and Materials	57,432	15,139	72,571
Other Objects		16,169	16,169
Miscellaneous Expenditures	22,791	17,965	40,756
Depreciation	7,400		7,400
Total Operating Expenses	<u>1,404,842</u>	<u>624,657</u>	<u>2,029,499</u>
Operating Income (Loss)	<u>(724,235)</u>	<u>135,358</u>	<u>(588,877)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	15,343		15,343
Federal Sources:			
National School Breakfast Program	120,784		120,784
National School Lunch Program	569,520		569,520
Food Distribution Program	104,766		104,766
Total Nonoperating Revenues (Expenses)	<u>810,413</u>	<u>-</u>	<u>810,413</u>
Income (Loss) before Contributions & Transfers	<u>86,178</u>	<u>135,358</u>	<u>221,536</u>
Other Financing Sources/(Uses)			
Cancellation of Prior Year Accounts Receivable	(1,464)		(1,464)
Transfer to General Fund		(200,000)	(200,000)
Change in Net Position	84,714	(64,642)	20,072
Total Net Position—Beginning (Restated)	<u>281,849</u>	<u>621,652</u>	<u>903,501</u>
Total Net Position—Ending	<u><u>366,563</u></u>	<u><u>557,010</u></u>	<u><u>923,573</u></u>

TEANECK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2019

	Food Service Program	Community School	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	696,267	804,489	1,500,756
Payments to Employees for Salaries and Benefits		(509,534)	(509,534)
Payments to Suppliers	(1,370,226)	(115,158)	(1,485,384)
Net Cash Provided by (Used for) Operating Activities	<u>(673,959)</u>	<u>179,797</u>	<u>(494,162)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	18,954		18,954
Federal Sources	918,572		918,572
Payments to General Fund		(200,000)	(200,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>937,526</u>	<u>(200,000)</u>	<u>737,526</u>
Net Increase (Decrease) in Cash and Cash Equivalents	263,567	(20,203)	243,364
Balances—Beginning of Year	39,701	851,023	890,724
Balances—End of Year	<u>303,268</u>	<u>830,820</u>	<u>1,134,088</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	(724,235)	135,358	(588,877)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
(Increase) Decrease in Accounts Receivable	6,889		6,889
Depreciation and Net Amortization	7,400		7,400
Food Distribution Program	104,766		104,766
(Increase) Decrease in Inventories	(4,223)		(4,223)
Increase (Decrease) in Accounts Payable	(73,233)	(35)	(73,268)
Increase (Decrease) in Unearned Revenue	8,677	44,474	53,151
Total Adjustments	<u>50,276</u>	<u>44,439</u>	<u>94,715</u>
Net Cash Provided by (Used for) Operating Activities	<u>(673,959)</u>	<u>179,797</u>	<u>(494,162)</u>

FIDUCIARY FUND

TEANECK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Private Purpose Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	114,412	1,763,999
Total Assets	<u>114,412</u>	<u>1,763,999</u>
LIABILITIES		
Payable to Student Groups		152,928
Payroll Deductions and Withholdings		904,585
Summer Savings Plan		629,255
Flexible Spending Program		50,231
Interfund Payable		27,000
Total Liabilities	<u> </u>	<u>1,763,999</u>
NET POSITION		
Reserved for Scholarships	<u>114,412</u>	

TEANECK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2019

	Private Purpose Scholarships Funds
ADDITIONS	
Contributions:	
Donations	1,050
Total Contributions	1,050
Investment Earnings:	
Interest	260
Net Investment Earnings	260
Total Additions	1,310
DEDUCTIONS	
Scholarships Awarded	5,500
Total Deductions	5,500
Change in Net Position	(4,190)
Net Position—Beginning of the Year	118,602
Net Position—End of the Year	114,412

TEANECK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2019

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Elementary Schools:				
Hawthorne School	5,237	24,524	23,257	6,504
Bryant School	1,117	7,451	6,730	1,838
Lowell School	2,084	5,904	6,039	1,949
Total Elementary Schools	<u>8,438</u>	<u>37,879</u>	<u>36,026</u>	<u>10,291</u>
Middle Schools:				
Thomas Jefferson School	20,029	47,460	47,066	20,423
Benjamin Franklin School	31,911	24,867	27,495	29,283
Total Middle Schools	<u>51,940</u>	<u>72,327</u>	<u>74,561</u>	<u>49,706</u>
High School:				
Teaneck High School	60,732	174,776	151,099	84,409
Total High School	<u>60,732</u>	<u>174,776</u>	<u>151,099</u>	<u>84,409</u>
Athletic Departments:				
Athletic Department	3,931	310		4,241
Total Athletic Department	<u>3,931</u>	<u>310</u>		<u>4,241</u>
Music Departments:				
Music Department	4,691	1,050	1,460	4,281
Total Music Department	<u>4,691</u>	<u>1,050</u>	<u>1,460</u>	<u>4,281</u>
Total All Schools	<u>129,732</u>	<u>286,342</u>	<u>263,146</u>	<u>152,928</u>

**TEANECK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2019**

	<u>Balance June 30, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Payroll Deductions and Withholdings	558,568	23,919,404	23,573,387	904,585
Summer Savings Plan	628,065	629,255	628,065	629,255
Net Payroll	2,989	27,350,101	27,353,090	
Flexible Spending Account	34,413	124,835	109,017	50,231
Due to Other Funds	10,000	92,000	75,000	27,000
	<u>1,234,035</u>	<u>52,115,595</u>	<u>51,738,559</u>	<u>1,611,071</u>

LONG-TERM DEBT

TEANECK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2019

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
School Energy Savings Obligation Refunding Bonds	April 15, 2012	8,180,000	4/1/20	545,000	4.00%	5,775,000	500,000	5,275,000
			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%						
Pension Refunding Bonds (ERIP)	August 7, 2013	3,325,000	7/1/19	500,000	3.20%	1,500,000	485,000	1,015,000
			7/1/20	515,000	3.50%			
School Refunding Bonds	April 27, 2016	7,615,000	7/15/19	580,000	2.00%	6,840,000	580,000	6,260,000
			7/15/20	570,000	4.00%			
			7/15/21	555,000	2.56%			
			7/15/22	545,000	2.00%			
			7/15/23	525,000	2.00%			
			7/15/24	525,000	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%						
						<u>14,115,000</u>	<u>1,565,000</u>	<u>12,550,000</u>

TEANECK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases and Lease Purchase Agreements
June 30, 2019

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2018	Issued	Retired	Balance, June 30, 2019
			Date	Amount					
Capital Leases									
Hawthorne & Bryant Elementary School Roof Improvements	September 25, 2014	1,250,000	9/25/19	257,804	1.56%	511,646	253,842	257,804	
Savin Copiers	August 14, 2013	392,535			5.08%	29,309	29,309	-	
Savin Copiers	October 28, 2014	8,959	6/28/19	158	2.63%	2,505	1,871	634	
			7/28/19	158	2.63%				
			8/28/19	159	2.63%				
			9/28/19	159	2.63%				
Savin Copiers	April 11, 2016	112,235	7/15/19	1,917	4.18%	68,297	22,486	45,811	
			8/15/19	1,923					
			9/15/19	1,930					
			10/15/19	1,937					
			11/15/19	1,943					
			12/15/19	1,950					
			1/15/20	1,957					
			2/15/20	1,964					
			3/15/20	1,971					
			4/15/20	1,977					
			5/15/20	1,984					
			6/15/20	1,991					
			7/15/20	1,998					
			8/15/20	2,005					
			9/15/20	2,012					
			10/15/20	2,019					
			11/15/20	2,026					
			12/15/20	2,033					
			1/15/21	2,040					
			2/15/21	2,048					
			3/15/21	2,055					
			4/15/21	2,062					
			5/15/21	2,069					

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,313,882	-	1,313,882	1,313,882	-
Total - Local Sources	1,313,882	-	1,313,882	1,313,882	-
Total Revenues	1,313,882	-	1,313,882	1,313,882	-
EXPENDITURES:					
Regular Debt Service:					
Interest	252,723	-	252,723	252,722	(1)
Principal	1,065,000	-	1,065,000	1,065,000	-
Total Regular Debt Service	1,317,723	-	1,317,723	1,317,722	(1)
Total Expenditures	1,317,723	-	1,317,723	1,317,722	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,841)	-	(3,841)	(3,840)	1
Fund Balance, July 1	3,841		3,841	3,841	-
Fund Balance, June 30	-		-	1	1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	3,841		3,841	3,840	(1)

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

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Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district 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 (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

Teaneck Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
			Restated		Restated				Restated	
Governmental activities										
Invested in Capital Assets	\$ 27,900,242	\$ 27,808,537	\$ 29,832,741	\$ 27,689,490	\$ 30,923,632	\$ 31,030,357	\$ 31,076,698	\$ 31,428,231	\$ 30,555,010	\$ 28,805,759
Restricted	899,886	643,243	1,191,255	3,236,970	571,338	324,625	833,187	1,788,028	5,380,642	15,372,914
Unrestricted	(3,820,722)	(1,782,172)	(2,316,760)	(1,892,086)	(29,821,336)	(33,550,664)	(30,514,996)	(28,346,121)	(25,696,694)	(25,922,713)
Total Governmental Activities Net Position	\$ 24,979,406	\$ 26,669,608	\$ 28,707,236	\$ 29,034,374	\$ 1,673,634	\$ (2,195,682)	\$ 1,394,889	\$ 4,870,138	\$ 10,238,958	\$ 18,255,960
Business-type Activities										
Invested in Capital Assets	\$ 132,953	\$ 101,233	\$ 81,353	\$ 67,630	\$ 55,021	\$ 45,373	\$ 35,613	\$ 27,769	\$ 44,083	\$ 36,683
Restricted			(33,550)		140,807	201,619	325,827	617,185	859,418	886,890
Unrestricted	123,100	76,294	47,803	84,428	195,828	246,992	361,440	644,954	903,501	923,573
Total Business-type Activities Net Position	\$ 256,053	\$ 177,527	\$ 47,803	\$ 152,058	\$ 195,828	\$ 246,992	\$ 361,440	\$ 644,954	\$ 903,501	\$ 923,573
District-wide										
Invested in Capital Assets	\$ 28,033,195	\$ 27,909,770	\$ 29,914,094	\$ 27,757,120	\$ 30,978,653	\$ 31,075,730	\$ 31,112,311	\$ 31,456,000	\$ 30,555,010	\$ 28,842,442
Restricted	899,886	643,243	1,191,255	3,236,970	571,338	324,625	833,187	1,788,028	5,380,642	15,372,914
Unrestricted	(3,697,622)	(1,705,878)	(2,350,310)	(1,807,658)	(29,680,529)	(33,349,045)	(30,189,169)	(27,728,936)	(24,837,276)	(25,035,823)
Total District Net Position	\$ 25,235,459	\$ 26,847,135	\$ 28,755,039	\$ 29,186,432	\$ 1,869,462	\$ (1,948,690)	\$ 1,756,329	\$ 5,515,092	\$ 11,098,376	\$ 19,179,533

Source: CAFR Seehdhle A-1

* - GASB Statement No.63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Teaneck Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 34,139,305	\$ 30,421,657	\$ 32,671,988	\$ 33,576,131	\$ 33,856,291	\$ 45,216,191	\$ 43,078,084	\$ 47,544,166	\$ 49,686,728	\$ 29,704,504
Special Education	16,598,057	17,263,704	16,711,830	17,934,087	9,680,177	22,910,881	22,521,039	25,413,050	25,491,773	11,726,104
Other Special Instruction	4,861,567	3,382,495	4,061,728	4,049,272	3,273,279	5,104,799	4,899,904	5,257,184	5,580,493	2,753,549
School Sponsored/Other Instructional										1,472,663
Tuition										8,693,821
Attendance & Social Work										323,900
Health Services										1,070,725
Student & Instruction Related Services	14,235,446	13,183,619	14,361,913	14,780,095	17,404,977	15,985,738	17,767,423	17,174,153	16,090,033	13,156,856
General Administrative Services	1,410,162	1,122,333	1,080,471	1,494,069	1,014,942	1,346,018	1,238,269	1,377,257	1,566,309	1,511,085
School Administrative Services	4,200,508	4,416,827	4,189,822	4,257,991	3,040,882	4,797,201	5,504,071	6,205,382	5,574,062	3,902,038
Central Services & Administrative										
Information Technology	1,790,946	1,982,452	1,993,106	2,125,032	1,481,017	2,162,372	2,550,972	2,533,001	1,992,964	2,050,178
Plant Operations & Maintenance	9,631,766	10,012,275	9,025,685	8,314,322	7,707,536	8,742,070	7,863,553	7,926,277	9,722,253	7,808,758
Pupil Transportation	5,134,633	4,853,999	4,696,541	4,567,081	4,395,157	5,090,466	5,261,919	5,276,477	5,232,574	5,546,318
Allocated Benefits										5,413,152
Unallocated Benefits	4,274,546	4,322,115	4,363,312	4,815,127						11,489,829
Charter Schools										6,234,035
Capital Outlay - Non-Depreciable	847,364	833,217	920,530	1,129,319	820,419	682,245	556,367	503,691	445,359	1,735,427
Interest on Long-Term Debt										270,032
Unallocated Depreciation					1,734,667					1,971,687
Amortization										122,963
Employee Benefits										
Total Governmental Activities Expenses	97,124,300	91,794,693	94,076,926	97,042,526	97,144,854	112,037,981	111,241,601	119,210,638	121,382,548	116,957,624
Business-Type Activities:										
Food Service	1,350,203	1,325,864	1,397,117	1,202,883	1,479,468	1,420,191	1,466,292	1,335,533	1,371,517	1,404,842
Child Care	884,402	859,294	858,905	708,373	564,347	498,653	526,953	644,259	629,545	624,657
Total Business-Type Activities Expense	2,234,605	2,185,158	2,256,022	1,911,256	2,043,815	1,918,844	1,993,245	1,979,792	2,001,062	2,029,499
Total District Expenses	\$ 99,358,905	\$ 93,979,851	\$ 96,332,948	\$ 98,953,782	\$ 99,188,669	\$ 113,956,825	\$ 113,234,846	\$ 121,190,430	\$ 123,383,610	\$ 118,987,123
Program Revenues										
Governmental Activities:										
Charges for Services:										
Special Education (Tuition)	\$ 187,773	\$ 183,867	\$ 205,243	\$ 139,183	\$ 67,734	\$ 8,034	\$ 113,759	\$ 176,152	\$ 139,948	
Rentals				27,470	40,427					
Student and Instruction Related Services					7,620					
Pupil Transportation	1,391	13,896,066	16,260,691	17,291,743	13,364,250	25,289,979	28,102,362	34,763,640	37,121,970	4,111,079
Operating Grants and Contributions	13,382,713	202,209	504,250			186,499	675,233	64,475	27,229	
Capital Grants and Contributions	417,097		16,970,184							
Total Governmental Activities Program Revenues	13,988,974	14,282,142	16,970,184	17,458,396	13,480,031	25,484,512	28,891,354	35,004,267	37,289,147	4,111,079

Teaneck Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 3,704,385									
Unreserved	678,054									
Restricted		2,721,849	5,565,249	7,175,206	1,968,780	324,592	1,922,495	4,456,718	8,902,842	12,384,622
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	2,596,779	2,451,442	2,925,041
Unassigned		1,087,713	(79,344)	320,670	767,775	(435,844)	499,672	679,845	721,040	1,581,699
Total General Fund	\$ 4,382,439	\$ 6,873,375	\$ 8,955,665	\$ 8,879,027	\$ 6,701,812	\$ 1,309,105	\$ 3,991,820	\$ 7,733,342	\$ 12,075,324	\$ 16,891,362
All Other Governmental Funds										
Reserved	\$ 290,768									
Unreserved	539,451									
Restricted		1,307,769	7,795,275	1,516,881	1,224,801	1,647,932	502,159	67,653	67,091	63,251
Assigned										
Total All Other Governmental Funds	\$ 830,219	\$ 1,307,769	\$ 7,795,275	\$ 1,516,881	\$ 1,224,801	\$ 1,647,932	\$ 502,159	\$ 67,653	\$ 67,091	\$ 63,251

Source: CAFR Schedule B-1

**Teaneck Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property Tax Levy	\$ 79,142,790	\$ 78,894,065	\$ 79,235,126	\$ 79,546,326	\$ 80,716,841	\$ 82,351,466	\$ 85,417,625	\$ 87,068,117	\$ 88,655,985	\$ 90,855,713
Tuition Charges	187,773	183,867	205,243	139,183	67,734	8,034	113,759	176,152	139,948	88,373
Transportation Fees	1,391				7,620					45,832
Rentals				27,470	40,427	24,813				71,749
Interest Earnings	34,349	51,159	19,927	82,082	61,893	24,538	17,195	24,426	73,568	6,510
Miscellaneous	329,281	456,835	638,879	692,169	694,931	606,879	872,144	933,306	292,776	642,914
State Sources	12,419,416	11,081,930	13,905,994	14,908,247	13,336,840	14,883,649	15,871,490	17,083,759	18,884,298	22,493,203
Federal Sources	2,824,347	2,932,654	2,482,081	1,848,522	1,712,393	1,764,121	1,762,558	1,994,360	2,055,129	2,005,665
Total Revenue	94,939,347	93,600,510	96,487,250	97,243,999	96,638,679	99,663,500	104,054,771	107,280,120	110,101,704	116,209,959
Expenditures										
Instruction										
Regular Instruction	34,144,175	30,353,393	32,515,309	33,564,746	33,967,601	39,789,210	36,630,907	38,013,929	40,233,331	24,933,948
Special Education Instruction	16,597,980	17,264,938	16,713,108	17,934,087	9,680,177	21,234,038	20,203,902	21,979,369	22,126,629	9,342,211
Other Special Instruction	4,859,251	3,383,004	4,062,282	4,049,272	3,273,279	4,350,846	3,998,073	4,004,204	4,314,200	2,172,538
School Sponsored/Other Instructional Support Services:										
Tuition										1,220,801
Attendance & Social Work										8,693,821
Health Services										265,768
Student & Instruction Related Services										931,064
General Administrative Services	14,226,151	13,080,340	14,251,100	14,645,500	17,404,977	15,491,161	16,922,739	16,013,238	15,492,291	11,571,835
School Administrative Services	1,508,645	1,172,764	1,074,120	1,552,943	945,329	1,388,638	1,264,599	1,355,640	1,439,293	1,398,528
Central Services & Administrative	4,155,819	4,397,523	4,179,353	4,275,614	3,040,882	4,340,892	4,799,231	5,181,268	4,921,124	3,103,690
Information Technology	1,790,932	1,982,676	1,993,324	2,125,032	1,481,017	2,075,126	2,448,307	2,362,775	1,978,763	1,790,626
Plant Operations & Maintenance	8,520,674	8,937,828	7,849,296	7,047,981	7,707,536	7,334,229	6,337,644	6,306,791	6,643,839	7,852,275
Pupil Transportation	5,134,631	4,854,016	4,696,557	4,567,081	4,395,157	5,086,630	5,243,572	5,255,958	5,196,030	5,521,065
Allocated Benefits										5,413,152
Unallocated Benefits					12,735,510					6,186,884
On-Behalf Contributions										12,325,604
Transfer to Charter Schools	4,274,546	4,322,115	4,363,312	4,815,127						6,234,035
Debt Service:										
Principal	945,000	1,015,177	1,350,245	1,580,573	1,625,000	2,210,634	2,162,849	2,708,873	2,408,414	1,065,000
Interest and Other Charges	831,259	800,597	833,259	1,250,502	959,960	822,229	786,133	544,756	594,437	252,722
Cost of Issuance		19,698	93,496				117,364			
Capital Outlay	1,608,203	728,345	2,820,781	6,190,573	3,672,844	992,268	1,839,461	2,966,297	511,933	2,174,076
Total Expenditures	98,597,266	92,312,414	96,795,542	103,599,031	100,889,269	105,115,901	102,754,781	106,693,098	105,860,284	112,449,643
Excess (Deficiency) of Revenues over (under) Expenditures	(3,657,919)	1,288,096	(308,292)	(6,355,032)	(4,250,590)	(5,452,401)	1,299,990	587,022	4,241,420	3,760,316

Teaneck Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)		\$ 1,680,390			\$ 684,949 (69,613)	\$ 1,550,990	\$ 112,235	\$ 2,719,994		\$ 901,300
Cancellation of Accounts Receivable			8,180,000				7,615,000			
Bond Proceeds			698,088		63,870		642,071			
Premium on Sale of Bonds							(8,132,354)			
Payment to Refunded Debt Bond Escrow Agent			339,572	431,605	718,431		1,001,453	440,000	100,000	200,000
Transfers In	1,640,502	556,255	(339,572)	(431,605)	(718,431)		(1,001,453)	(440,000)		(49,418)
Transfers Out	(1,640,502)	(556,255)								
Total Other Financing Sources (Uses)	-	1,680,390	8,878,088	-	679,206	1,550,990	236,952	2,719,994	100,000	1,051,882
Net Change in Fund Balances	\$ (3,657,919)	\$ 2,968,486	\$ 8,569,796	\$ (6,355,032)	\$ (3,571,384)	\$ (3,901,411)	\$ 1,536,942	\$ 3,307,016	\$ 4,341,420	\$ 4,812,198
Debt Service as a Percentage of Noncapital Expenditures	1.83%	1.98%	2.32%	2.91%	2.66%	2.91%	2.92%	3.14%	2.85%	1.2%

**Teaneck Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Interest on Investments	Transportation Fees	Tuition Revenue	Emergency Performance		Refund of Prior year Expenses	Rentals	Misc.	Total
				Rebates					
2010	34,349	1,391	187,773				23,166	65,626	312,305
2011	51,095		183,867			75,817	35,651	80,737	427,167
2012	19,927		205,243			26,325	36,496	199,192	487,183
2013	82,082		139,183			67,832	27,470	215,028	531,595
2014	61,893	7,620	67,734				40,427	195,976	373,650
2015	24,444	12,900	8,034			79,909	24,813	190,527	340,627
2016	17,119	5,280	113,759	278,268		122,866	16,907	82,677	636,876
2017	22,773	66,295	176,152	295,402		110,870	23,470	93,040	788,002
2018	66,744	3,840	139,948	1,953		177,050	18,448	42,823	450,806
2019	133,220	45,832	88,373	20,520		357,830	71,749	91,338	808,862

Source: District Records

**Teaneck Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Residential				Commercial		Industrial		Apartment		Total Assessed Value		Less: Tax-Exempt Property		Public Utilities ^a		Net Valuation Taxable		Total Direct School Tax Rate ^b		Estimated Actual (County Equalized Value)		% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations											
2010	\$ 28,599,600	\$5,250,478,800	\$ 572,256,800	\$ 42,596,300	\$ 191,725,400	\$6,085,656,900	\$ 565,901,000.00	\$	7,236,257	\$6,092,893,157	1.297	\$6,130,053,183	99.39%										
2011	\$ 25,463,300	\$5,243,263,500	\$ 565,495,900	\$ 42,596,300	\$ 184,038,300	\$6,060,857,300	\$ 567,130,600.00	\$	5,815,726	\$6,066,673,026	1.306	\$5,834,628,366	103.98%										
2012	\$ 23,156,300	\$5,202,928,400	\$ 557,720,900	\$ 41,484,700	\$ 186,093,300	\$6,011,383,600	\$ 570,785,800.00	\$	5,549,185	\$6,016,932,785	1.322	\$5,786,499,545	103.98%										
2013	\$ 24,818,100	\$5,069,989,600	\$ 553,520,800	\$ 41,343,700	\$ 219,962,200	\$5,909,634,400	\$ 571,155,900.00	\$	5,307,402	\$5,914,941,802	1.365	\$5,456,608,194	108.40%										
2014	\$ 26,244,900	\$4,980,162,600	\$ 550,175,000	\$ 40,204,300	\$ 219,780,400	\$5,816,567,200	\$ 567,515,209.00	\$	5,516,191	\$5,822,083,391	1.415	\$5,133,113,007	113.42%										
2015	\$ 24,888,700	\$4,197,404,500	\$ 523,577,300	\$ 36,765,600	\$ 233,785,900	\$5,016,422,000	\$ 561,714,200.00	\$	4,691,390	\$5,021,113,390	1.701	\$5,082,712,384	98.79%										
2016	\$ 28,296,600	\$4,199,996,400	\$ 516,527,300	\$ 36,765,600	\$ 231,869,900	\$5,013,455,800	\$ 561,310,100.00	\$	4,418,973	\$5,017,874,773	1.735	\$5,298,002,372	94.71%										
2017	\$ 30,694,700	\$4,217,971,300	\$ 502,513,400	\$ 34,805,600	\$ 231,198,700	\$5,017,183,700	\$ 571,641,300.00	\$	4,301,902	\$5,021,485,602	1.766	\$5,498,094,904	91.33%										
2018	\$ 28,885,600	\$4,241,567,100	\$ 501,407,900	\$ 34,805,600	\$ 229,331,700	\$5,035,997,900	\$ 582,199,700.00	\$	4,471,088	\$5,040,468,988	1.803	\$5,600,641,438	90.00%										
2019	\$ 23,693,300	\$4,259,287,200	\$ 557,122,000	\$ 34,805,600	\$ 227,837,700	\$5,102,745,800	\$ 582,868,800.00	\$	4,471,088	\$5,107,216,888	1.816	\$5,924,981,003	86.20%										

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**Teaneck Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Years**

(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	Teaneck Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Teaneck	Bergen County	
2010	1.297		1.297	0.834	0.197	2.33
2011	1.306		1.306	0.858	0.199	2.36
2012	1.322		1.322	0.865	0.210	2.40
2013	1.365		1.365	0.912	0.209	2.49
2014	1.415		1.415	0.925	0.231	2.57
2015	1.701		1.701	1.095	0.251	3.05
2016	1.735		1.735	1.092	0.269	3.10
2017	1.766		1.766	1.092	0.285	3.14
2018	1.776	0.027	1.803	1.089	0.281	3.17
2019	1.790	0.026	1.816	1.100	0.281	3.20

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

**Teaneck Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
A. Sanzari Enterprises	\$ 50,202,900	1	0.85%	\$ 56,210,100	1	0.92%
Glenpointe Associates	\$ 46,631,600	2	0.79%			
A. Sanzari Enterprises	\$ 46,508,500	3	0.78%			
A. Sanzari Enterprises	\$ 33,800,400	4	0.57%			
SNH Teaneck Properties, LLC	\$ 32,122,000	5	0.54%			
CRP Heritage Pointe, LLC	\$ 31,685,000	6	0.53%			
A. Sanzari Enterprises	\$ 25,922,800	7	0.44%			
Teaneck Garden Owners Corp.	\$ 17,257,000	8	0.29%	16,500,000	6	0.27%
A. Sanzari Enterprises	\$ 11,175,200	9	0.19%			
Cedar Holding Assoc.	\$ 10,500,000	10	0.18%			
Care One at Teaneck, LLC				14,568,000	8	0.24%
Teaneck Limited PTNP				44,400,000	2	0.73%
Glenpointe Associates III				43,186,000	3	0.71%
Glenpointe Associates II				40,714,500	4	0.67%
Glenpointe Associates				31,324,200	5	0.51%
Givaudan-Roure Fragrance Corp.				15,266,400	7	0.25%
Glenpointe Associates II				13,469,200	9	0.22%
Individual Taxpayer				11,348,700	10	0.19%
Total	\$ 305,805,400		5.16%	\$ 286,987,100		4.71%

Net Assessed Valuation: \$ 5,924,981,003 \$ 6,092,893,157

Source: Municipal Tax Assessor.

Exhibit J-9

**Teaneck Board of Education
Property Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	79,142,790	79,142,790	100.00%	\$ -
2011	78,894,065	78,894,065	100.00%	\$ -
2012	79,235,126	79,235,126	100.00%	\$ -
2013	79,546,326	79,546,326	100.00%	\$ -
2014	80,716,841	80,716,841	100.00%	\$ -
2015	82,351,466	82,351,466	100.00%	\$ -
2016	85,417,625	85,417,625	100.00%	\$ -
2017	87,068,117	87,068,117	100.00%	\$ -
2018	88,655,985	88,655,985	100.00%	\$ -
2019	90,855,713	90,855,713	100.00%	\$ -

Source: Municipal Tax Collector

**Teaneck Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Temporary Note Payable	Capital Leases	Total District		
2010	17,545,000	-	-	-	-	17,545,000	0.668%	\$ 65,992
2011	16,565,000	-	\$ 1,645,213	-	-	18,210,213	0.660%	\$ 68,865
2012	23,710,000	-	1,329,968	-	-	25,039,968	0.868%	\$ 71,789
2013	22,330,000	-	1,003,730	-	-	23,333,730	0.815%	\$ 71,100
2014	20,810,000	-	1,219,379	-	-	22,029,379	0.742%	\$ 73,637
2015	19,075,000	-	2,165,970	-	-	21,240,970	0.684%	\$ 76,821
2016	17,300,000	-	1,545,356	-	-	18,845,356	0.596%	\$ 77,901
2017	15,645,000	-	3,211,477	-	-	18,856,477	0.571%	\$ 81,203
2018	14,115,000	-	2,333,063	-	-	16,448,063	Not Available	Not Available
2019	12,550,000	-	2,154,419	-	-	14,704,419	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Teaneck Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	17,545,000	-	17,545,000	0.29%	\$ 266
2011	16,565,000	-	16,565,000	0.27%	\$ 241
2012	23,710,000	-	23,710,000	0.39%	\$ 330
2013	22,330,000	-	22,330,000	0.38%	\$ 314
2014	20,810,000	-	20,810,000	0.36%	\$ 283
2015	19,075,000	-	19,075,000	0.38%	\$ 248
2016	17,300,000	-	17,300,000	0.34%	\$ 222
2017	15,645,000	-	15,645,000	0.31%	\$ 193
2018	14,115,000	-	14,115,000	0.28%	Not available
2019	12,550,000	-	12,550,000	Not available	Not available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

Teaneck Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2018

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2019			\$ 12,550,000
Net Overlapping Debt of School District:			
Township of Teaneck	100.000%	\$ 61,358,843	
County of Bergen	3.170%	\$ 27,368,082	
Bergen County Utilities Authority - Water Pollution	6.660%	\$ 9,959,224	
Subtotal, Overlapping Debt		<u>\$ 98,686,149</u>	
Total Direct and Overlapping Debt			<u>\$ 111,236,149</u>

Sources: Teaneck Municipal Finance Officer / Bergen County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Ramsey. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Teaneck Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 247,887,546	\$ 243,822,451	\$ 236,575,160	\$ 228,885,336	\$ 220,359,706	\$ 211,547,745	\$ 208,277,979	\$ 212,020,125	\$ 217,488,318	\$ 218,623,183
Total Net Debt Applicable to Limit	17,545,000	16,565,000	23,710,000	22,330,000	20,810,000	19,075,000	17,300,000	15,645,000	14,115,000	12,550,000
Legal Debt Margin	\$ 230,342,546	\$ 227,257,451	\$ 212,865,160	\$ 206,555,336	\$ 199,549,706	\$ 192,472,745	\$ 190,977,979	\$ 196,375,125	\$ 203,373,318	\$ 206,073,183
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.08%	6.79%	10.02%	9.76%	9.44%	9.02%	8.31%	7.38%	6.49%	5.74%

	2018	2017	2019
Equalized Valuation Basis	5,600,641,438	5,498,094,904	5,298,002,372
[A] \$	16,396,738,714		
Average Equalized Valuation of Taxable Property	[A/3]		
\$	5,465,579,571		
Debt Limit (4 % of Average Equalization Value)	[B]		
Net Bonded School Debt	[C]		
Legal Debt Margin	[B-C]		
	218,623,183		
	12,550,000		
	\$ 206,073,183		

Source: Abstract of Rates and District Records CAFR Schedule J-7

a Limit set by NJS A 18A:24-19 for a K through 12 district, other % limits would be applicable for other districts

**Teaneck Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2010	39,814	\$ 2,627,405,488	65,992		7.40%
2011	40,071	\$ 2,759,489,415	68,865		7.00%
2012	40,185	\$ 2,884,840,965	71,789		7.60%
2013	40,276	\$ 2,863,623,600	71,100		6.50%
2014	40,334	\$ 2,970,074,758	73,637		5.20%
2015	40,445	\$ 3,107,025,345	76,821		4.40%
2016	40,565	\$ 3,160,054,065	77,901		4.20%
2017	40,669	\$ 3,302,444,807	81,203		3.90%
2018	40,619	Not Available	Not Available		3.40%
2019	Not Available	Not Available	Not Available		Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- ^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

Teaneck Board of Education
Principal Employers
Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	-	0	0.00%		1	0.00%
	-	0	0.00%		2	0.00%
	-	0	0.00%		3	0.00%
	-	0	0.00%		4	0.00%
	-	0	0.00%		5	0.00%
	-	0	0.00%		6	0.00%
	-	0	0.00%		7	0.00%
	-	0	0.00%		8	0.00%
	-	0	0.00%		9	0.00%
	-	0	0.00%		10	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-		0.00%	-		0.00%
	-		0.00%	-		0.00%

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.

Source: Township of Teaneck

**Teaneck Board of Education
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	297	237	246	239	241	246	236	225	228	231
Special education	128	123	137	141	144	136	108	104	112	113
Other Instruction	1	1	3	3	3	3	3	3	3	3
Support Services:										
Student & Instruction Related Services	102	95	92	92	89	79	77	74	73	67
General Administrative Services	3	3	4	4	4	4	4	4	4	4
School Administrative Services	36	35	34	33	31	32	30	33	30	28
Plant Operations and Maintenance	110	97	98	95	84	60	27	23	22	23
Pupil Transportation	9	1	1	1	1	1	1	1	1	2
Business and Other Support Services	13	15	15	14	14	15	12	8	8	12
Community School	4	6	4	2	1	2	1	1	2	2
Total	703	613	634	624	612	578	499	476	483	485

Source: District Personnel Records

**Teaneck Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching	Pupil/Teacher Ratio		High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
2010	4,192	89,768,295	21,414	0.81%	433	12	9	10	4,020	3,786	2.03%	94.18%
2011	4,308	89,748,597	20,833	-2.71%	385	11	9	10	3,955	3,769	-1.62%	95.30%
2012	4,196	91,697,761	21,854	4.90%	391	11	9	10	3,875	3,706	-2.02%	95.64%
2013	4,131	94,577,383	22,895	4.76%	396	11	8	9	3,791	3,685	-2.17%	97.20%
2014	4,098	97,216,425	23,723	3.62%	388	14	8	8	3,745	3,656	-1.21%	97.62%
2015	4,071	101,090,770	24,832	4.67%	448	8	7	9	3,604	3,500	-3.77%	97.11%
2016	4,018	97,848,974	24,353	-1.93%	460	9	8	10	3,604	3,500	0.00%	97.11%
2017	3,953	100,473,172	25,417	4.37%	408	10	9	11	3,498	3,397	-2.94%	97.11%
2018	3,575	102,345,500	28,628	12.63%	405	9	8	9	3,554	3,461	1.60%	97.38%
2019	3,900	108,957,845	27,938	-2.41%	399	9	9	9	3,534	3,352	-0.56%	94.85%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities.

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay, Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Teaneck Board of Education
School Building Information
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Buildings										
Elementary										
Bryant (Kindergarten/Pre-K)										
Square Feet	47,438	47,438	47,438	47,338	47,338	47,338	47,338	47,338	47,338	47,338
Capacity (Students)	475	475	475	475	314	314	314	314	314	314
Enrollment	367	366	352	328	345	299	289	273	296	287
Whittier (Grades 1-4)										
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	375	375	375	375	375	375
Enrollment	406	380	365	339	411	376	364	352	329	340
Hawthorne (Grades 1-4)										
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	322	322	322	322	322	322
Enrollment	347	319	346	391	374	356	331	304	300	314
Lowell (Grades 1-4)										
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	321	321	321	321	321	321
Enrollment	321	352	309	335	375	317	303	317	343	338
Middle School										
Thomas Jefferson Middle School (Grades 5-8)										
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	676	676	676	676	676	676
Enrollment	624	614	598	577	690	582	541	548	547	526
Benjamin Franklin Middle School (Grades 5-8)										
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	641	641	641	641	641	641
Enrollment	576	560	570	525	611	513	503	510	542	538
High School										
Teaneck High School (Grades 9-12)										
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	1,203	1,203	1,203	1,203	1,203	1,203
Enrollment	1,369	1,336	1,298	1,272	1,459	1,280	1,304	1,250	1,218	1,165
Other										
Eugene Field School (Administration Building)										
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, 2019										
Elementary = 4										
Middle School = 2										
High School = 1										
Other = 1										
Source: District records, ASSA										
Note: Enrollment is based on students enrolled within the District - out of district students have not been included										

Teaneck Board of Education
 General Fund
 Schedule of Required Maintenance for School Facilities
 Last Ten Fiscal Years
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXXX

School Facilities	Project # (s)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Teaneck High School	N/A	389,665	541,534	409,111	425,165	373,186	435,390	414,218	454,271	392,018	477,898
Benjamin Franklin Middle School	N/A	180,925	255,142	188,668	197,409	164,120	187,865	172,698	177,288	161,360	185,205
Thomas Jefferson Middle School	N/A	189,979	267,909	197,709	207,287	189,742	197,230	196,548	186,301	179,666	199,156
Bryant Elementary	N/A	85,474	120,535	88,352	93,261	87,910	93,155	81,183	83,199	73,689	94,760
Hawthorne Elementary	N/A	89,148	125,717	92,022	97,270	113,518	95,680	95,253	95,720	92,565	96,526
Lowell Elementary	N/A	85,055	119,945	87,934	92,804	75,399	93,635	110,949	83,997	73,332	89,683
Whittier Elementary	N/A	99,521	140,345	103,380	108,588	88,223	103,225	102,111	96,002	85,635	102,949
Eugene Field	N/A	45,140	63,657	45,970	49,253	54,466	57,813	54,733	43,544	40,248	50,985
Grand Total		\$ 1,164,907	\$ 1,634,784	\$ 1,213,146	\$ 1,271,037	\$ 1,146,564	\$ 1,263,993	\$ 1,227,693	\$ 1,220,322	\$ 1,098,513	\$ 1,297,162

**Teaneck Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2018
Unaudited**

Company	Type of Coverage	Coverage	Deductible
Great American Insurance Co.	School Package Policy:		
	Property-Blanket Building/Contents	\$ 179,771,729	\$ 5,000
	Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
	Flood Zones A & V	2,000,000	500,000
	Comprehensive General Liability	2,000,000	
	Comprehensive Crime Coverage	100,000 Per Employee/ 500,000 Per Loss	5,000 100,000
Great American Insurance Co.	Automobile Coverage	1,000,000	
Great American Insurance Co.	Umbrella Liability	9,000,000	10,000 Retention
Fireman's Fund	Excess Liability Umbrella	50,000,000 Group Agg.	
Greenwich Insurance Co.	Educator's Legal Liability	1,000,000	
Safety National Insurance	Employer's Liability Coverage	1,000,000	
Chubb/Ace American	Pollution Coverage	4,000,000	15,000
Selective Insurance Co.	Surety Bond Coverage:		
	Anthony Bianchi, Treasurer of School Monies	425,000	
	Melissa Simmons, School Business Administrator/ Board Secretary	280,000	

Source: District Records

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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K-1
Page 1 of 2

**INDEPENDENT AUDITOR'S 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**

Honorable President and
Members of the Board of Education
Township of Teaneck School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of Teaneck School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Township of 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 Township of Teaneck Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of 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 Township of Teaneck Board of Education's financial statements are free of 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Township of Teaneck School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 21, 2019.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 21, 2019

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE
AND N.J. OMB CIRCULAR 15-08**

REVISED

Honorable President and
Members of the Board of Education
Township of Teaneck School District
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Township of Teaneck School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Teaneck Board of Education's major federal and state programs for the year ended June 30, 2019. The Township of Teaneck Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB

Circular 15-08 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Township of 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 Township of Teaneck Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of 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 year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Township of 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 Township of Teaneck Board of Education's internal control over compliance with the type 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 Uniform Guidance and N.J. 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 Township of 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 and 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 and 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 and 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.

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 Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Steven D. Wielkocz

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Licensed Public School Accountant
No. 816

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 21, 2019

TOWNSHIP OF TEANECK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2019		MEMO Cumulative Total Expenditures
					From	To						(Accounts Receivable)	Deferred Revenue	
U.S. Department of Education														
Passed-through State Department of Education:														
General Fund:														
Medicaid Administrative Claiming (MAC)	93.778	1905N15MAP	N/A	24,011	7/1/2018	6/30/2019			24,011	24,011			*	24,011
Medical Assistance Program (SEMI)	93.778	1905N15MAP	N/A	78,070	7/1/2018	6/30/2019			78,070	78,070			*	78,070
Total General Fund									102,081	102,081			*	102,081
US Department of Education														
Passed Through State Dept of Education:														
Special Revenue Fund														
Title I Part A, Improving Basic Programs	84.010	S010A180030	ESEA-5150-19	696,983	7/1/2018	6/30/2019		(272,120)	734,082	624,260	(233)	(162,531)	*	624,260
Title I Part A, Improving Basic Programs	84.010	S010A170030	ESEA-5150-18	689,866	7/1/2017	6/30/2018	(272,120)	272,120					*	682,774
Title I Part A, Relocated	84.010	S010A180030	ESEA-5150-19	48,544	7/1/2018	6/30/2019	(272,120)		734,082	653,420	(233)	(191,691)	*	29,160
Total II Part A	84.367 A	S367A180029	ESEA-5150-19	135,097	7/1/2018	6/30/2019	(90,791)	(90,791)	119,725	113,812	102	(84,776)	*	113,812
Total II Part A	84.367 A	S367A170029	ESEA-5150-18	137,914	7/1/2017	6/30/2018	(90,791)	90,791	119,725	113,812	102	(84,776)	*	195,708
Total III	84.365 A	S365A180030	ESEA-5150-19	30,940	7/1/2018	6/30/2019		(17,526)	35,200	24,862	25	(7,163)	*	24,862
Total III	84.365 A	S365A170030	ESEA-5150-18	35,449	7/1/2017	6/30/2018	(17,526)	17,526					*	19,262
Total III, Immigrant	84.365 A	S365A170030	ESEA-5150-18	10,190	7/1/2017	6/30/2018	(17,526)		35,200	24,862	25	(7,163)	*	44,124
Total IV	84.424 A	S365A180030	ESEA-5150-19	41,802	7/1/2018	6/30/2019			3,555	5,860		(2,305)	*	5,860
Total IV	84.424 A	S365A170030	ESEA-5150-18	10,000	7/1/2017	6/30/2018			3,555	5,860		(2,305)	*	934
Total Special Revenue Fund											(106)	(560,003)	*	3,833,194
US Department of Agriculture														
Passed Through State Dept of Education:														
Enterprise Fund														
National School Breakfast Program	10.553	191N1304N1099	N/A	120,784	7/1/2018	6/30/2019			112,770	120,784		(8,014)	*	120,784
National School Breakfast Program	10.553	181N1304N1099	N/A	106,317	7/1/2017	6/30/2018	(46,163)	46,163					*	106,317
National School Lunch Program	10.555	191N1304N1099	N/A	569,520	7/1/2018	6/30/2019			539,834	569,520		(29,686)	*	569,520
National School Lunch Program	10.555	181N1304N1099	N/A	560,831	7/1/2017	6/30/2018	(219,805)	219,805					*	560,831
USDA Commodities	10.555	191N1304N1096	N/A	102,672	7/1/2018	6/30/2019			102,672	98,462		4,210	*	98,462
USDA Commodities	10.555	181N1304N1096	N/A	107,049	7/1/2017	6/30/2018	6,304	887	980,472	1,105,630		(274,068)	*	107,049
Total Enterprise Fund									1,873,034	1,903,584	(106)	(560,003)	*	3,833,194
Total Federal Financial Assistance							\$ (789,011)		2,996,359	2,800,735	(106)	(597,703)	*	5,498,238

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

TOWNSHIP OF TEANECK SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2019

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2018				Balance at June 30, 2019				Memo			
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass-through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances		(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor
Total State Financial Assistance					(1,287,860)	86,333	21,549,240	21,663,943	(2,002)	85,186	(1,149,649)	86,991	131,674		(594,714)	26,446,867
Less: On-Behalf TPAF Pension System Contributions								9,770,463								
Total State Financial Assistance								11,893,480								
Local Sources																
Special Revenue Fund																
Towship of Teaneck - FORUM	N/A	50,000	7/1/2018	6/30/2019			25,000	24,577								
Towship of Teaneck - FORUM	N/A	50,000	7/1/2017	6/30/2018	151		25,000	6,995			(25,000)	423				
Towship of Teaneck - FORUM	N/A		7/1/2016	6/30/2017	17,347		38,554	3,351				13,986				
Miscellaneous Donations					18,453			26,022				30,985				
Total Local Financial Assistance					35,951		88,554	60,945			(25,000)	88,560				
Total State and Local Financial Assistance					(1,251,909)	86,333	21,637,794	21,724,888	(2,002)	85,186	(1,174,649)	175,551	131,674		(594,714)	26,446,867

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Township of Teaneck School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards 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 of Expenditures of Federal and State Awards are presented on 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 bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic 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*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$844,603 for the general fund and \$(14,509) 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 basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$102,081	\$20,275,155	\$	\$20,377,236
Special Revenue Fund	1,903,584	2,217,895	46,516	4,167,995
Food Service Fund	<u>795,070</u>	<u>15,353</u>	<u> </u>	<u>810,423</u>
Total Financial Awards	<u>\$2,800,735</u>	<u>\$22,508,403</u>	<u>\$46,516</u>	<u>\$25,355,654</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

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, the amount of \$9,770,463 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

The Township of Teaneck School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$653,420
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	113,812
Title III: <i>English Language Acquisition State Grants</i>	24,862
Title IV: <i>Student Support and Academic Enrichment</i>	<u>5,860</u>
Total	<u>\$797,954</u>

**TOWNSHIP OF TEANECK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

2. Material weakness(es) identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

2. Material weakness(es) identified? _____ yes X no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200 section .516(a) of the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 84.010 _____	(B) _____ S010A180030 _____	_____ Title I, Part A, Improving Basic Programs _____

Note: (B) - Tested as Major Type B Program.

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

**TOWNSHIP OF TEANECK SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

REVISED

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

None

STATE AWARDS

None

**TOWNSHIP OF TEANECK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

STATUS OF PRIOR YEAR FINDINGS

Finding 2018-001

Condition:

The audit of TPAF FICA reimbursements revealed the financial accounting software vendor did not revise the payroll program on January 1, 2018 to address the calculation of the amounts requested for reimbursement.

Current Status:

The payroll software program was revised effective January 1, 2019 to address the TPAF FCIA Calculation.