

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

Teaneck, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Teaneck Board of Education

Teaneck, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION

TEANECK BOARD OF EDUCATION

Andre D. Spencer, Ed. D.
Superintendent

Haquisha Q. Taylor
Business Administrator/Board Secretary
htaylor@teaneckschools.org



February 22, 2024

Honorable President and
Members of the Board of Education
Teaneck Board of Education
651 Teaneck Road
Teaneck, NJ 07666

Honorable President and Members of the Teaneck Board:

The Annual Comprehensive Financial Report (ACFR) of the Teaneck Board of Education (the “Board” or “District”) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Teaneck 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 position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A that should be read in conjunction with it. Teaneck Board of Education’s MD&A can be found immediately following the “Independent Auditor’s Report”.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District’s organizational chart, and a list of principal officials. The financial section includes the Independent Auditors’ Report, Management’s Discussion and Analysis and basic financial statements including the District-Wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary 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 requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.” Information related to this single audit, including the auditor’s

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report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

The Teaneck Board of Education is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Teaneck Board of Education constitutes the District’s reporting entity. The District has no component units included in this report which meet the criteria of legally separate entities for which the District is financially accountable. In addition, the District is not includable in any other reporting entity as a component unit.

The District provides a full range of educational services appropriate to grade levels PreK through 12. These include regular, advanced placement courses, bilingual instruction in Spanish, English as a second language, vocational as well as special education for handicapped youngsters. The District completed the 2022/2023 fiscal year with an enrollment of 3,915 which is 1.93% students less than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2022/2023 | 3,915 | 1.93% |
| 2021/2022 | 3,841 | -1.92% |
| 2020/2021 | 3,916 | -0.28% |
| 2019/2020 | 3,927 | 0.69% |
| 2018/2019 | 3,900 | -1.84% |
| 2017/2018 | 3,973 | 0.40% |
| 2016/2017 | 3,957 | -1.54% |
| 2015/2016 | 4,019 | -1.30% |
| 2014/2015 | 4,072 | -0.63% |
| 2013/2014 | 4,098 | -0.80% |

ECONOMIC CONDITION AND OUTLOOK

The Teaneck Board of Education continues to provide a high-quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. The result is that District has consistently ranked near the bottom in per pupil spending in the county, while provided its students with an excellent education. The State of New Jersey continues to add costly mandates while maintaining or reducing state aid with a 2% budget CAP. Despite the challenging environment, the Teaneck Board of Education is committed to moving forward with the expectation of full compliance with regulations, adherence to the strict budget CAP and understanding of the difficult economic conditions of our taxpayers while continuing to provide high quality instruction to students.

The District continues to find itself in a strong economic position as indicated by its AA (Stable) long-term credit rating from Standard & Poor’s, Inc. Global (“S&P”), Ratings Services. The S&P report dated September 15, 2021 noted that the Teaneck Board of Education is characterized by stable and positive operating financial profile, which has allowed the district to build its fund balance over the last several years.



RELEVANT FINANCIAL POLICIES

The operations of the Teaneck Board of Education are financed primarily through the local property tax levy; however, the District receives additional revenue from state and federal aid along with other miscellaneous local revenues. The school portion of the property tax levy, the largest revenue source for the district, has been held relatively stable over the past five years despite increases in contractual salaries and benefits, special educational placements and related transportation.

The administration continues to operate under the District's Standard Operating Procedures and Internal Controls which are reviewed and updated annually by the School Business Administrator. The policies include internal controls, accounting, budget development and purchasing in addition to other standardized procedures.

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 generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

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, regulations, contracts and grants.

BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.



LONG-TERM FINANCIAL PLANNING

Each year, as part of the annual budget development process, the administration sets forth the District’s statement of priorities. This statement is used to document a District’s initiatives, goals and priorities and how they relate to the budget process. The goals presented often balance fiscal and program issues.

The following 2022-2023 Budget Goals were adopted by the Board and used to guide the budget development process:

Proposed 2022-23 School Board Goals

GOAL 1: Teachers and administrators in the Teaneck Public Schools will further elevate academic programs by creating varied learning pathways and by improving student supports.

GOAL 2: The Teaneck Public Schools will continue to improve facilities and technology in support of 21st Century learning opportunities.

GOAL 3: The Teaneck Public Schools will execute effective communications and solidify quality relationships with educational partners within and throughout the community.

GOAL 4: The Teaneck Public Schools will create equitable and inclusive learning opportunities for all students.

GOAL 5: The Teaneck Public Schools will ensure operational excellence in hiring, developing and retaining staff.

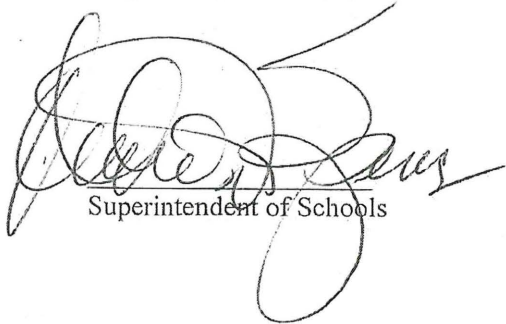
OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and the State OMB Circular 15-08. The auditor’s report on the basic financial statements is included in the financial section of this report. The auditor’s report related specifically to the single audit and Government Auditing Services is included in the single audit section of this report.

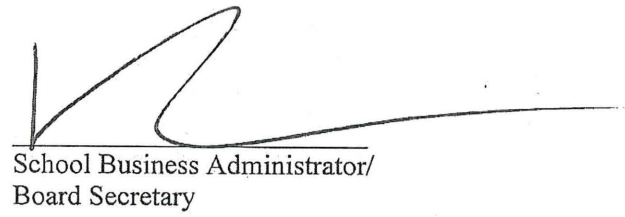
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Teaneck Board of Education for the 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,

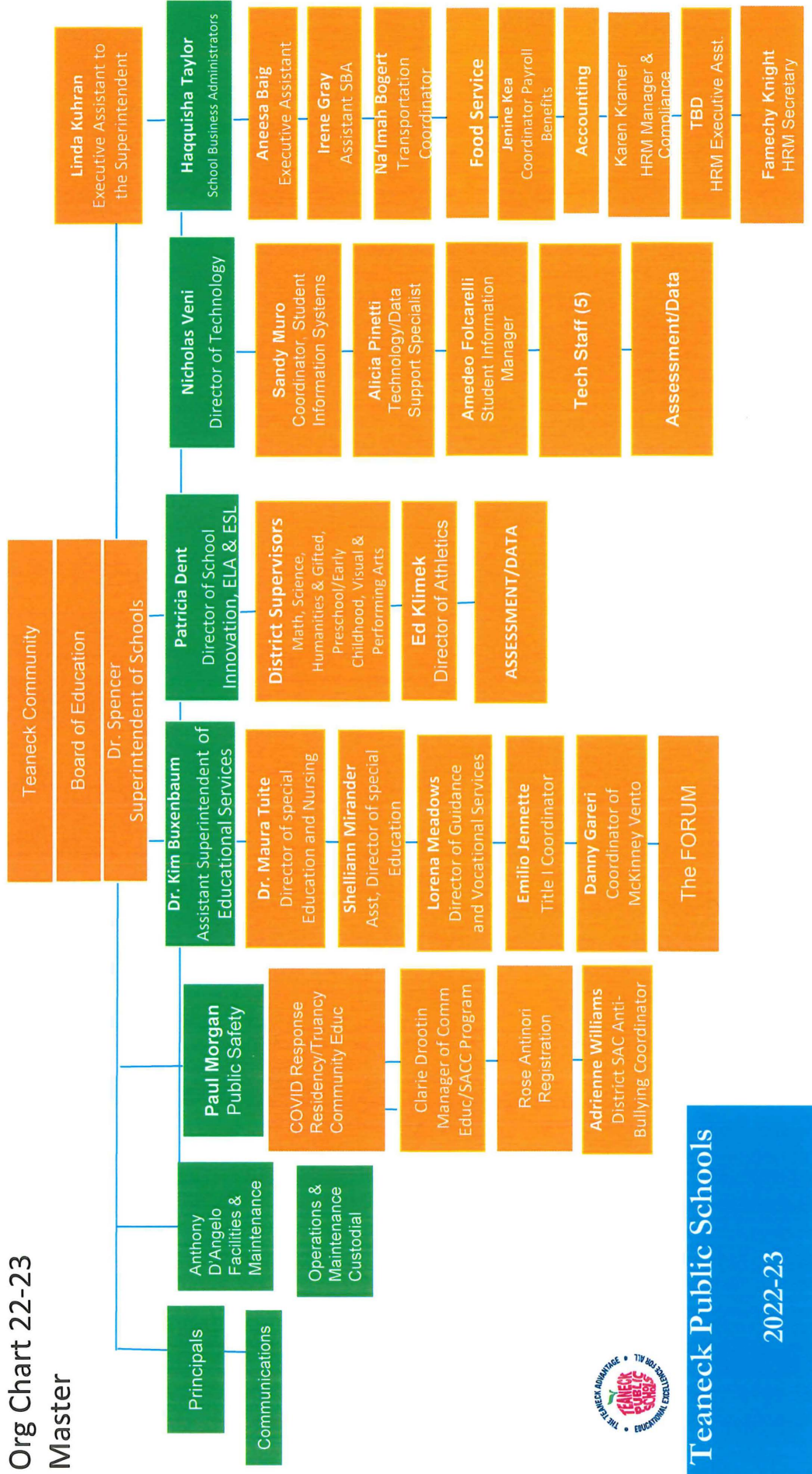


Superintendent of Schools



School Business Administrator/
Board Secretary

Org Chart 22-23 Master



Teaneck Public Schools
2022-23

**TEANECK BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2023**

| <u>MEMBERS OF THE BOARD OF EDUCATION</u> | <u>TERM EXPIRES</u> |
|---|----------------------------|
| Sebastian Rodriguez, President | 2023 |
| Denise Sanders | 2023 |
| Victoria Fisher, Vice President | 2024 |
| Dr. Dennis Klein | 2024 |
| Jonathan Rodriguez | 2024 |
| Edward Ha | 2025 |
| Nadia Hosein | 2023 |
| Clara Williams | 2025 |
| Kassandra Reyes | 2025 |

Other Officials

Dr. Andre D. Spencer, Superintendent of Schools
Haquisha Q. Taylor, School Business Administrator/Board Secretary
Irene Gray, Assistant School Business Administrator/Board Secretary
Antoinette Kelly, Treasurer of School Monies

**TEANECK BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Audit Firm

Lerch, Vinci & Bliss, LLP
17-17 Route 208 North
Fair Lawn, NJ 07410

Attorneys

General Counsel

Weiner Law Group
629 Parsippany Road
Parsippany Troy Hills, NJ 07054

Special Education

The Busch Law Group
Adam Weiss
Jonathan Busch

Machado Law Group
Isabel Machado

Negotiations/Labor

DiFrancesco Bateman
Phil Stern

Official Depository

TD Bank, N.A.
540 River Street
Hackensack, NJ 07666

Teaneck Federal Credit Union
100 Elizabeth Avenue
PO Box 1016
Teaneck, NJ 07666

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Teaneck Board of Education
651 Teaneck Road
Teaneck, New Jersey 07666

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Teaneck Board of Education, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Teaneck Board of Education as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Teaneck Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Teaneck Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Teaneck Board of Education's basic financial statements. The accompanying fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Teaneck Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

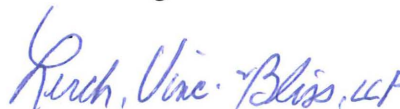
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2024 on our consideration of the Teaneck Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Teaneck Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teaneck Board of Education's internal control over financial reporting and compliance.



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



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 22, 2024

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

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Teaneck Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Teaneck Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$48,858,503 (net position).
- Overall District revenues were \$137,319,067. General revenues accounted for \$98,718,939 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$38,600,128 of total revenues.
- The School District had \$129,061,046 in expenses for governmental activities; only \$31,063,983 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$98,718,939 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$18,062,050 a decrease of \$2,557,245 when compared to the ending fund balance at June 30, 2022 of \$20,619,295.
- The General Fund unassigned fund balance at June 30, 2023 was \$1,148,523, a decrease of \$3,667,565 when compared with the ending fund balance of \$4,816,088 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$3,442,098 which represents a decrease of \$1,850,613 when compared to the ending unassigned fund balance at June 30, 2022 of \$5,292,711.

TEANECK BOARD OF EDUCATION

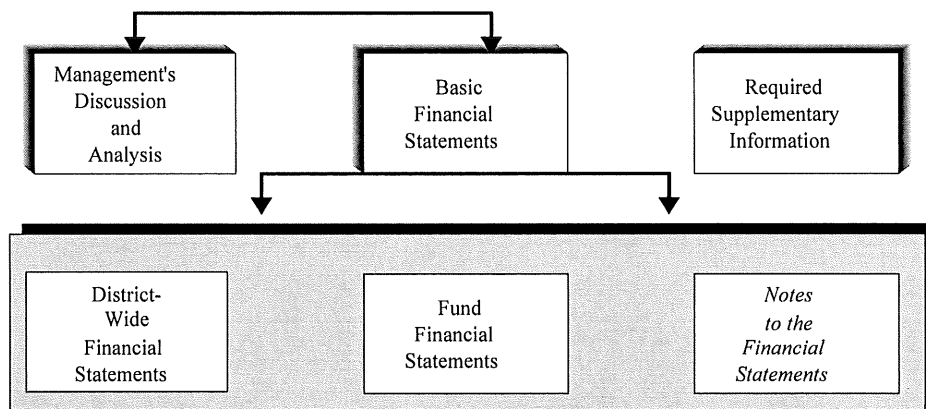
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

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

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Community School Programs are included here.

Fund Financial Statements

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

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

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

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. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

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

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,858,503 and \$47,066,599 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Statement of Net Position
As of June 30, 2023 and 2022**

| | <u>Governmental</u> | | <u>Business-Type</u> | | <u>Total</u> | |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Assets | | | | | | |
| Current and Other Assets | \$ 24,351,985 | \$ 27,780,982 | \$ 4,533,369 | \$ 3,500,302 | \$ 28,885,354 | \$ 31,281,284 |
| Capital Assets | <u>57,073,734</u> | <u>57,178,087</u> | <u>215,937</u> | <u>247,981</u> | <u>57,289,671</u> | <u>57,426,068</u> |
| Total Assets | <u>81,425,719</u> | <u>84,959,069</u> | <u>4,749,306</u> | <u>3,748,283</u> | <u>86,175,025</u> | <u>88,707,352</u> |
| Deferred Outflows of Resources | | | | | | |
| Deferred Amounts of Refunding of Debt | 134,695 | 162,084 | | | 134,695 | 162,084 |
| Deferred Amount of Net Pension Liability | <u>2,616,444</u> | <u>2,820,686</u> | <u>-</u> | <u>-</u> | <u>2,616,444</u> | <u>2,820,686</u> |
| Total Deferred Outflows of Resources | <u>2,751,139</u> | <u>2,982,770</u> | <u>-</u> | <u>-</u> | <u>2,751,139</u> | <u>2,982,770</u> |
| Total Assets and Deferred Outflows of Resources | <u>84,176,858</u> | <u>87,941,839</u> | <u>4,749,306</u> | <u>3,748,283</u> | <u>88,926,164</u> | <u>91,690,122</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | 30,842,933 | 28,356,573 | | | 30,842,933 | 28,356,573 |
| Other Liabilities | <u>6,580,111</u> | <u>8,531,135</u> | <u>146,169</u> | <u>335,764</u> | <u>6,726,280</u> | <u>8,866,899</u> |
| Total Liabilities | <u>37,423,044</u> | <u>36,887,708</u> | <u>146,169</u> | <u>335,764</u> | <u>37,569,213</u> | <u>37,223,472</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred Commodities Revenue | | | 19,448 | | 19,448 | - |
| Deferred Amount of Net Pension Liability | <u>2,479,000</u> | <u>7,501,193</u> | <u>-</u> | <u>-</u> | <u>2,479,000</u> | <u>7,501,193</u> |
| Total Deferred Inflows of Resources | <u>2,479,000</u> | <u>7,501,193</u> | <u>19,448</u> | <u>-</u> | <u>2,498,448</u> | <u>7,501,193</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>39,902,044</u> | <u>44,388,901</u> | <u>165,617</u> | <u>335,764</u> | <u>40,067,661</u> | <u>44,724,665</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 42,254,626 | 40,489,162 | 215,937 | 247,981 | 42,470,563 | 40,737,143 |
| Restricted | 5,220,876 | 16,226,403 | | | 5,220,876 | 16,226,403 |
| Unrestricted | <u>(3,200,688)</u> | <u>(13,162,627)</u> | <u>4,367,752</u> | <u>3,265,680</u> | <u>1,167,064</u> | <u>(9,896,947)</u> |
| Total Net Position | <u>\$ 44,274,814</u> | <u>\$ 43,552,938</u> | <u>\$ 4,583,689</u> | <u>\$ 3,513,661</u> | <u>\$ 48,858,503</u> | <u>\$ 47,066,599</u> |

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

| Changes in Net Position | | | | | | |
|---|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| For the Fiscal Years Ended June 30, 2023 and 2022 | | | | | | |
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 311,778 | \$ 289,684 | \$ 1,804,749 | \$ 931,096 | \$ 2,116,527 | \$ 1,220,780 |
| Operating Grants and Contributions | 30,149,456 | 27,269,633 | 5,731,396 | 9,102,526 | 35,880,852 | 36,372,159 |
| Capital Grants and Contributions | 602,749 | | | | 602,749 | - |
| General Revenues | | | | | | |
| Property Taxes | 97,617,357 | 95,739,457 | | | 97,617,357 | 95,739,457 |
| Unrestricted Federal and State Aid | | 6,340,984 | | | | 6,340,984 |
| Investment Earnings | 460,518 | | | | 460,518 | - |
| Other Miscellaneous | 641,064 | 1,235,961 | - | - | 641,064 | 1,235,961 |
| Total Revenues | <u>129,782,922</u> | <u>130,875,719</u> | <u>7,536,145</u> | <u>10,033,622</u> | <u>137,319,067</u> | <u>140,909,341</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 49,047,284 | 39,911,924 | | | 49,047,284 | 39,911,924 |
| Special Education | 28,696,295 | 26,040,162 | | | 28,696,295 | 26,040,162 |
| Other Instruction | 4,619,662 | 13,301,271 | | | 4,619,662 | 13,301,271 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 20,039,847 | 22,204,995 | | | 20,039,847 | 22,204,995 |
| General Administrative Services | 1,695,372 | 2,211,853 | | | 1,695,372 | 2,211,853 |
| School Administrative Services | 4,931,751 | 4,628,229 | | | 4,931,751 | 4,628,229 |
| Business and Other Support Services | 1,568,316 | 368,998 | | | 1,568,316 | 368,998 |
| Plant Operations and Maintenance | 10,288,527 | 6,585,698 | | | 10,288,527 | 6,585,698 |
| Pupil Transportation | 7,726,396 | 5,487,425 | | | 7,726,396 | 5,487,425 |
| Unallocated Costs | | 1,639,355 | | | | 1,639,355 |
| Interest and Other Charges on Long-Term Debt | 447,596 | (46,128) | | | 447,596 | (46,128) |
| Food Services | | | 5,993,450 | 7,600,422 | 5,993,450 | 7,600,422 |
| Community School | - | - | 472,667 | 593,013 | 472,667 | 593,013 |
| Total Expenses | <u>129,061,046</u> | <u>122,333,782</u> | <u>6,466,117</u> | <u>8,193,435</u> | <u>135,527,163</u> | <u>130,527,217</u> |
| Change in Net Position | 721,876 | 8,541,937 | 1,070,028 | 1,840,187 | 1,791,904 | 10,382,124 |
| Net Position, Beginning of Year | 43,552,938 | 34,887,300 | 3,513,661 | 1,572,333 | 47,066,599 | 36,459,633 |
| Prior Year Restatement | - | 123,701 | - | 101,141 | - | 224,842 |
| Net Position, End of Year | <u>\$ 44,274,814</u> | <u>\$ 43,552,938</u> | <u>\$ 4,583,689</u> | <u>\$ 3,513,661</u> | <u>\$ 48,858,503</u> | <u>\$ 47,066,599</u> |

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved in 2022-2023. However, maintaining existing programs with enrollment changes, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

| | <u>Total Cost</u> <u>of Services</u> | | <u>Net Cost</u> <u>of Services</u> | |
|--|---|------------------------------|---------------------------------------|-----------------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Instruction | | | | |
| Regular | \$ 49,047,284 | 39,911,924 | \$ 38,297,858 | \$ 29,314,490 |
| Special Education | 28,696,295 | 26,040,162 | 21,484,206 | 22,177,809 |
| Other Instruction | 4,619,662 | 13,301,271 | 3,559,739 | 12,311,747 |
| Support Services | | | | |
| Student and Instruction Related Services | 20,039,847 | 22,204,995 | 13,190,003 | 13,600,409 |
| General Administration | 1,695,372 | 2,211,853 | 1,647,329 | 2,211,852 |
| School Administration Services | 4,931,751 | 4,628,229 | 4,351,309 | 3,471,810 |
| Business Services | 1,568,316 | 368,998 | 1,518,678 | 368,998 |
| Plant Operation and Maintenance | 10,288,527 | 6,585,698 | 8,644,567 | 6,585,697 |
| Pupil Transportation | 7,726,396 | 5,487,425 | 4,855,778 | 3,138,426 |
| Unallocated Costs | | 1,639,355 | | 1,639,355 |
| Interest and Other Charges on Long-Term Debt | <u>447,596</u> | <u>(46,128)</u> | <u>447,596</u> | <u>(46,128)</u> |
| Total | <u>\$ 129,061,046</u> | <u>\$ 122,333,782</u> | <u>\$ 97,997,063</u> | <u>\$ 94,774,465</u> |

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$18,062,050, a decrease of \$2,557,245 from last year's fund balance of \$20,619,295.

Revenues and other financing sources for the District's governmental funds were \$140,231,136; total expenditures and other financing uses were \$142,788,381.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$126,817,085 for the fiscal year ended June 30, 2023. State sources amounted to \$28,683,593, federal sources totaled \$79,084 and local sources were \$98,054,408.

Expenditures of the General Fund were \$129,532,318. Instructional expenditures were \$84,844,395, expenditures for support services were \$41,631,218, capital expenditures totaled \$1,444,703 and debt service expenditures totaled \$1,612,002 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources as well as local grants and donations utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$12,525,435 for the fiscal year ended June 30, 2023. State sources amounted to \$6,131,144, federal sources totaled \$6,042,732 and local sources were \$351,559.

Expenditures of the Special Revenue Fund were \$12,340,472. Instructional expenditures were \$5,486,667, expenditures for support services were \$6,251,056 and capital expenditures totaled \$602,749 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects expenditures were \$26,975 decreasing the fund balance from \$57,762 at June 30, 2022 to \$30,787 at June 30, 2023.

TEANECK BOARD OF EDUCATION

Management’s Discussion and Analysis

Proprietary Funds

The District maintains three Enterprise Funds to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services and Community School Programs. The District’s Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District’s business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District’s investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$57,073,734 and \$215,937 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$2,178,780 for governmental activities and \$32,044 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

| | Governmental | | Business- Type | | Total | |
|-------------------------------|----------------------|----------------------|-----------------------|-------------------|----------------------|----------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Land | \$ 1,601,471 | \$ 1,601,471 | | | \$ 1,601,471 | \$ 1,601,471 |
| Construction in Progress | 5,492,496 | 12,398,899 | | | 5,492,496 | 12,398,899 |
| Improvements Other Than Bldgs | 1,419,285 | 1,234,803 | | | 1,419,285 | 1,234,803 |
| Buildings and Improvements | 44,860,158 | 38,413,525 | | | 44,860,158 | 38,413,525 |
| Machinery and Equipment | 3,700,324 | 3,529,389 | \$ 215,937 | \$ 247,981 | 3,916,261 | 3,777,370 |
| Total | <u>\$ 57,073,734</u> | <u>\$ 57,178,087</u> | <u>\$ 215,937</u> | <u>\$ 247,981</u> | <u>\$ 57,289,671</u> | <u>\$ 57,426,068</u> |

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

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$3,179,018, serial bonds of \$7,191,463 (including unamortized premium), capital financing agreements of \$7,793,127 and net pension liability of \$12,679,325 totaling \$30,842,933. This is in comparison to long-term liabilities at June 30, 2022 of \$28,356,573 or an increase of \$2,486,360.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Teaneck Board of Education, 651 Teaneck Road, Teaneck, NJ 07666.

FINANCIAL STATEMENTS

TEANECK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|---------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 22,014,045 | \$ 4,895,022 | \$ 26,909,067 |
| Receivables, net | 1,725,256 | 201,712 | 1,926,968 |
| Inventories | | 49,319 | 49,319 |
| Internal Balances | 612,684 | (612,684) | |
| Capital Assets | | | |
| Not Being Depreciated | 7,093,967 | | 7,093,967 |
| Being Depreciated, Net | 49,979,767 | 215,937 | 50,195,704 |
| Total Assets | 81,425,719 | 4,749,306 | 86,175,025 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount on Refunding of Debt | 134,695 | | 134,695 |
| Deferred Amounts on Net Pension Liability | 2,616,444 | - | 2,616,444 |
| Total Deferred Outflows of Resources | 2,751,139 | - | 2,751,139 |
| Total Assets and Deferred Outflows of Resources | 84,176,858 | 4,749,306 | 88,926,164 |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 4,906,662 | 60,434 | 4,967,096 |
| Accrued Interest Payable | 290,176 | | 290,176 |
| Intergovernmental Payables | 283,380 | | 283,380 |
| Unearned Revenue | 1,099,893 | 85,735 | 1,185,628 |
| Noncurrent Liabilities | | | |
| Due Within One Year | 2,232,379 | | 2,232,379 |
| Due Beyond One Year | 28,610,554 | - | 28,610,554 |
| Total Liabilities | 37,423,044 | 146,169 | 37,569,213 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Commodities Revenue | | 19,448 | 19,448 |
| Deferred Amounts on Net Pension Liability | 2,479,000 | - | 2,479,000 |
| Total Deferred Inflows of Resources | 2,479,000 | 19,448 | 2,498,448 |
| Total Liabilities and Deferred Inflows of Resources | 39,902,044 | 165,617 | 40,067,661 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 42,254,626 | 215,937 | 42,470,563 |
| Restricted for | | | |
| Capital Projects | 3,396,326 | | 3,396,326 |
| Other Purposes | 1,824,550 | | 1,824,550 |
| Unrestricted | (3,200,688) | 4,367,752 | 1,167,064 |
| Total Net Position | \$ 44,274,814 | \$ 4,583,689 | \$ 48,858,503 |

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

**TEANECK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------|-------------------------|--|--|--|-----------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| Instruction | | | | | | | |
| Regular | \$ 49,047,284 | \$ 15,529 | \$ 10,733,897 | | \$ (38,297,858) | | \$ (38,297,858) |
| Special Education | 28,696,295 | | 7,212,089 | | (21,484,206) | | (21,484,206) |
| Other Instruction | 2,671,624 | | 506,553 | | (2,165,071) | | (2,165,071) |
| School Sponsored Activities | 1,948,038 | 281,656 | 271,714 | | (1,394,668) | | (1,394,668) |
| Support Services | | | | | - | | - |
| Student and Instruction Related Services | 20,039,847 | 253 | 6,849,591 | | (13,190,003) | | (13,190,003) |
| General Administrative Services | 1,695,372 | | 48,043 | | (1,647,329) | | (1,647,329) |
| School Administrative Services | 4,931,751 | | 580,442 | | (4,351,309) | | (4,351,309) |
| Business and Other Support Services | 1,568,316 | | 49,638 | | (1,518,678) | | (1,518,678) |
| Plant Operations and Maintenance | 10,288,527 | | 1,041,211 | \$ 602,749 | (8,644,567) | | (8,644,567) |
| Transportation | 7,726,396 | 14,340 | 2,856,278 | | (4,855,778) | | (4,855,778) |
| Interest and Other Charges on Long-Term Debt | 447,596 | - | - | | (447,596) | | (447,596) |
| Total Governmental Activities | <u>129,061,046</u> | <u>311,778</u> | <u>30,149,456</u> | <u>602,749</u> | <u>(97,997,063)</u> | <u>-</u> | <u>(97,997,063)</u> |
| Business-Type Activities | | | | | | | |
| Food Service | 5,993,450 | 662,532 | 5,731,396 | | | \$ 400,478 | 400,478 |
| Community School | 472,667 | 1,142,217 | - | | | 669,550 | 669,550 |
| Total Business-Type Activities | <u>6,466,117</u> | <u>1,804,749</u> | <u>5,731,396</u> | <u>-</u> | <u>-</u> | <u>1,070,028</u> | <u>1,070,028</u> |
| Total Primary Government | <u>\$ 135,527,163</u> | <u>\$ 2,116,527</u> | <u>\$ 35,880,852</u> | <u>\$ 602,749</u> | <u>(97,997,063)</u> | <u>1,070,028</u> | <u>(96,927,035)</u> |
| General Revenues: | | | | | | | |
| Property Taxes - General Purposes | | | | | 96,922,957 | | 96,922,957 |
| Property Taxes -Debt Service | | | | | 694,400 | | 694,400 |
| Interest Earnings | | | | | 460,518 | | 460,518 |
| Miscellaneous Income | | | | | 641,064 | | 641,064 |
| Total General Revenues and Transfers | | | | | <u>98,718,939</u> | <u>-</u> | <u>98,718,939</u> |
| Change in Net Position | | | | | 721,876 | 1,070,028 | 1,791,904 |
| Net Position, Beginning of Year (Restated) | | | | | <u>43,552,938</u> | <u>3,513,661</u> | <u>47,066,599</u> |
| Net Position, End of Year | | | | | <u>\$ 44,274,814</u> | <u>\$ 4,583,689</u> | <u>\$ 48,858,503</u> |

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

FUND FINANCIAL STATEMENTS

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|--------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 21,330,386 | \$ 596,714 | \$ 62,296 | \$ 24,649 | \$ 22,014,045 |
| Intergovernmental Receivables | 765,241 | 921,552 | | | 1,686,793 |
| Other Accounts Receivable | | 38,463 | | | 38,463 |
| Due From Other Funds | <u>106,468</u> | <u>510,000</u> | <u>-</u> | <u>-</u> | <u>616,468</u> |
| Total Assets | <u>\$ 22,202,095</u> | <u>\$ 2,066,729</u> | <u>\$ 62,296</u> | <u>\$ 24,649</u> | <u>\$ 24,355,769</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$ 2,657,891 | \$ 467,729 | \$ 27,725 | | \$ 3,153,345 |
| Payroll Deductions and Withholdings Payable | 1,753,317 | | | | 1,753,317 |
| Intergovernmental Payable | | | | | |
| State | | 185,284 | | | 185,284 |
| Federal | | 98,096 | | | 98,096 |
| Due To Other Funds | | | 3,784 | | 3,784 |
| Unearned Revenue | <u>-</u> | <u>1,099,893</u> | <u>-</u> | <u>-</u> | <u>1,099,893</u> |
| Total Liabilities | <u>4,411,208</u> | <u>1,851,002</u> | <u>31,509</u> | <u>-</u> | <u>6,293,719</u> |
| Fund Balances | | | | | |
| Restricted | | | | | |
| Capital Reserve | 2,986,326 | | | | 2,986,326 |
| Capital Reserve - Designated for Subsequent Year's Budget | 410,000 | | | | 410,000 |
| Maintenance Reserve | 1,131,216 | | | | 1,131,216 |
| Maintenance Reserve - Designated for Subsequent Year's Budget | 250,000 | | | | 250,000 |
| Tuition Reserve | 135,162 | | | | 135,162 |
| Excess Surplus | 1,315,650 | | | | 1,315,650 |
| Excess Surplus - Designated for Subsequent Year's Budget | 517,183 | | | | 517,183 |
| Student Activities | | 189,191 | | | 189,191 |
| Scholarship Awards | | 94,332 | | | 94,332 |
| Capital Projects | | | 30,787 | | 30,787 |
| Debt Service | | | | \$ 24,649 | 24,649 |
| Assigned for: | | | | | |
| Designated for Subsequent Year's Budget | 4,137,880 | | | | 4,137,880 |
| Encumbrances | 5,758,947 | | | | 5,758,947 |
| Unassigned | | | | | |
| General Fund | 1,148,523 | | | | 1,148,523 |
| Special Revenue Fund (Deficit) | <u>-</u> | <u>(67,796)</u> | <u>-</u> | <u>-</u> | <u>(67,796)</u> |
| Total Fund Balances | <u>17,790,887</u> | <u>215,727</u> | <u>30,787</u> | <u>24,649</u> | <u>18,062,050</u> |
| Total Liabilities and Fund Balances | <u>\$ 22,202,095</u> | <u>\$ 2,066,729</u> | <u>\$ 62,296</u> | <u>\$ 24,649</u> | <u>\$ 24,355,769</u> |

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

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

| | |
|---|-----------------------------|
| Total Fund Balances - Governmental Funds (Exhibit B-1) | \$ 18,062,050 |
| <p>Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:</p> | |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$94,158,032 and the accumulated depreciation is \$37,084,298.</p> | 57,073,734 |
| <p>Deferred Inflows and Outflows related to debt refundings and net pension liability are not reported in the funds. (See Note 2)</p> | 272,139 |
| <p>The District has financed capital assets through the issuance of general obligation bonds and capital financing agreements. The interest accrual at year end is:</p> | (290,176) |
| <p>Long-term liabilities, including bonds payable and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2)</p> | <u>(30,842,933)</u> |
| Net Position of Governmental Activities (Exhibit A-1) | <u>\$ 44,274,814</u> |

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Taxes | \$ 96,922,957 | | | \$ 694,400 | \$ 97,617,357 |
| Tuition | 15,529 | | | | 15,529 |
| Transportation Fees | 14,340 | | | | 14,340 |
| Rents and Royalties | 25,418 | | | | 25,418 |
| Interest | 460,518 | | | | 460,518 |
| Miscellaneous | 615,646 | \$ 351,559 | - | - | 967,205 |
| Total - Local Sources | 98,054,408 | 351,559 | - | 694,400 | 99,100,367 |
| State Sources | 28,683,593 | 6,131,144 | | | 34,814,737 |
| Federal Sources | 79,084 | 6,042,732 | - | - | 6,121,816 |
| Total Revenues | 126,817,085 | 12,525,435 | - | 694,400 | 140,036,920 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular Instruction | 50,475,228 | 3,908,349 | | | 54,383,577 |
| Special Education Instruction | 29,438,234 | 1,301,382 | | | 30,739,616 |
| Other Instruction | 3,064,246 | | | | 3,064,246 |
| School Sponsored Activities | 1,866,687 | 276,936 | | | 2,143,623 |
| Support Services | | | | | |
| Student and Instruction Related Services | 15,732,608 | 6,159,678 | | | 21,892,286 |
| General Administrative Services | 1,824,551 | | | | 1,824,551 |
| School Administrative Services | 5,716,354 | | | | 5,716,354 |
| Business and Other Support Services | 1,653,238 | | | | 1,653,238 |
| Plant Operations and Maintenance | 9,022,852 | | | | 9,022,852 |
| Transportation | 7,681,615 | 91,378 | | | 7,772,993 |
| Capital Outlay | 1,444,703 | 602,749 | \$ 26,975 | | 2,074,427 |
| Debt Service | | | | | |
| Principal | 1,246,875 | | | 545,000 | 1,791,875 |
| Interest and Other Charges | 365,127 | - | - | 149,400 | 514,527 |
| Total Expenditures | 129,532,318 | 12,340,472 | 26,975 | 694,400 | 142,594,165 |
| Excess (Deficiency) of Revenues Over Expenditures | (2,715,233) | 184,963 | (26,975) | - | (2,557,245) |
| OTHER FINANCING SOURCES | | | | | |
| Transfers In | | 194,216 | | | 194,216 |
| Transfers Out | (194,216) | - | - | - | (194,216) |
| Total Other Financing Sources | (194,216) | 194,216 | - | - | - |
| Net Change in Fund Balances | (2,909,449) | 379,179 | (26,975) | - | (2,557,245) |
| Fund Balance, Beginning of Year | 20,700,336 | (163,452) | 57,762 | 24,649 | 20,619,295 |
| Fund Balance, End of Year | \$ 17,790,887 | \$ 215,727 | \$ 30,787 | \$ 24,649 | \$ 18,062,050 |

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

**TEANECK BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (2,557,245)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense.

| | | |
|----------------------|------------------|-----------|
| Depreciation Expense | \$ (2,178,780) | |
| Capital Outlays | <u>2,074,427</u> | (104,353) |

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on net position.

| | | |
|------------------------------|----------------|-----------|
| Repayment of Debt Principal | | |
| Serial Bonds | 1,190,000 | |
| Capital Financing Agreements | <u>601,875</u> | 1,791,875 |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|--|-----------------|--------|
| Amortization of Premium | 74,543 | |
| Amortization of Deferred Amount on Refunding Bonds | <u>(27,389)</u> | 47,154 |

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

| | | |
|------------------------------|--|--------|
| Decrease in Accrued Interest | | 19,777 |
|------------------------------|--|--------|

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

| | | |
|----------------------------------|------------------|------------------|
| Increase in Compensated Absences | (1,013,678) | |
| Net Decrease in Pension Expense | <u>2,538,346</u> | <u>1,524,668</u> |

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 721,876

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

| | Business-Type Activities- | | |
|---|---------------------------|-------------------------|---------------------|
| | Enterprise Funds | | |
| | <u>Food Services</u> | <u>Community School</u> | <u>Totals</u> |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 2,946,739 | \$ 1,948,283 | \$ 4,895,022 |
| Intergovernmental Accounts Receivable | 152,192 | | 152,192 |
| Other Accounts Receivables | 49,520 | | 49,520 |
| Inventories | 49,319 | - | 49,319 |
| Total Current Assets | <u>3,197,770</u> | <u>1,948,283</u> | <u>5,146,053</u> |
| Capital Assets | | | |
| Machinery and Equipment | 670,365 | | 670,365 |
| Less: Accumulated Depreciation | <u>(454,428)</u> | <u>-</u> | <u>(454,428)</u> |
| Total Capital Assets | <u>215,937</u> | <u>-</u> | <u>215,937</u> |
| Total Assets | <u>3,413,707</u> | <u>1,948,283</u> | <u>5,361,990</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 60,214 | 220 | 60,434 |
| Due to Other Funds | 102,684 | 510,000 | 612,684 |
| Unearned Revenue | <u>23,493</u> | <u>62,242</u> | <u>85,735</u> |
| Total Current Liabilities | <u>186,391</u> | <u>572,462</u> | <u>758,853</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Commodities Revenue | <u>19,448</u> | <u>-</u> | <u>19,448</u> |
| Total Deferred Inflows of Resources | <u>19,448</u> | <u>-</u> | <u>19,448</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>205,839</u> | <u>572,462</u> | <u>778,301</u> |
| NET POSITION | | | |
| Investment in Capital Assets | 215,937 | - | 215,937 |
| Unrestricted | <u>2,991,931</u> | <u>1,375,821</u> | <u>4,367,752</u> |
| Total Net Position | <u>\$ 3,207,868</u> | <u>\$ 1,375,821</u> | <u>\$ 4,583,689</u> |

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

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

| | Business-Type Activities- | | |
|--|---------------------------|--------------------------------------|---------------------|
| | Food Services | Enterprise Funds Community School | Totals |
| OPERATING REVENUES | | | |
| Charges for Services | | | |
| Daily Sales - Reimbursable Programs | \$ 413,640 | | \$ 413,640 |
| Daily Sales - Non-Reimbursable Programs | 248,850 | | 248,850 |
| Other Miscellaneous | 42 | | 42 |
| Program Fees | - | \$ 1,142,217 | 1,142,217 |
| | <u>662,532</u> | <u>1,142,217</u> | <u>1,804,749</u> |
| Total Operating Revenues | | | |
| OPERATING EXPENSES | | | |
| Cost of Sales - Reimbursable Programs | 4,265,089 | | 4,265,089 |
| Cost of Sales - Non Reimbursable Programs | 176,004 | | 176,004 |
| Salaries | 845,027 | 394,550 | 1,239,577 |
| Employee Benefits | 3,022 | | 3,022 |
| Purchased Management Services | 224,422 | | 224,422 |
| Other Purchased Services | 281,766 | 38,446 | 320,212 |
| Cleaning, Repairs and Maintenance | 119,309 | | 119,309 |
| Supplies and Materials | 23,058 | 36,701 | 59,759 |
| Transportation | | 2,775 | 2,775 |
| Miscellaneous | 23,709 | 195 | 23,904 |
| Depreciation | 32,044 | - | 32,044 |
| | <u>5,993,450</u> | <u>472,667</u> | <u>6,466,117</u> |
| Total Operating Expenses | | | |
| Operating Income (Loss) | <u>(5,330,918)</u> | <u>669,550</u> | <u>(4,661,368)</u> |
| NONOPERATING REVENUES | | | |
| State Sources | | | |
| School Lunch Program | 36,552 | | 36,552 |
| School Breakfast Program | 2,617 | | 2,617 |
| Federal Sources | | | |
| School Breakfast Program | 97,064 | | 97,064 |
| National School Lunch Program | 755,154 | | 755,154 |
| Summer Food Service Program | 4,508,538 | | 4,508,538 |
| Food Distribution Program | 155,897 | | 155,897 |
| Covid Supply Chain Assistance | 175,574 | - | 175,574 |
| | <u>5,731,396</u> | <u>-</u> | <u>5,731,396</u> |
| Total Nonoperating Revenues | | | |
| Change in Net Position | 400,478 | 669,550 | 1,070,028 |
| Total Net Position, Beginning of Year (Restated) | <u>2,807,390</u> | <u>706,271</u> | <u>3,513,661</u> |
| Total Net Position, End of Year | <u>\$ 3,207,868</u> | <u>\$ 1,375,821</u> | <u>\$ 4,583,689</u> |

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

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

| | Business-Type Activities- Enterprise Funds | | |
|--|---|-------------------------|-----------------------|
| | <u>Food Services</u> | <u>Community School</u> | <u>Totals</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Customers | \$ 639,087 | \$ 1,120,877 | \$ 1,759,964 |
| Payments to Employees for Salaries and Benefits | (848,049) | (394,550) | (1,242,599) |
| Payments to Suppliers for Goods and Services | (5,023,525) | (79,299) | (5,102,824) |
| Net Cash Provided by (Used for) Operating Activities | (5,232,487) | 647,028 | (4,585,459) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Receipts from State and Federal Subsidy Reimbursements | 5,518,572 | - | 5,518,572 |
| Due to Other Funds | 102,684 | 510,000 | 612,684 |
| Net Cash Provided by Noncapital Financing Activities | 5,621,256 | 510,000 | 6,131,256 |
| Net Increase in Cash and Cash Equivalents | 388,769 | 1,157,028 | 1,545,797 |
| Cash and Cash Equivalents, Beginning of Year | 2,557,970 | 791,255 | 3,349,225 |
| Cash and Cash Equivalents, End of Year | <u>\$ 2,946,739</u> | <u>\$ 1,948,283</u> | <u>\$ 4,895,022</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | |
| Operating Income (Loss) | \$ (5,330,918) | \$ 669,550 | \$ (4,661,368) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | |
| Depreciation | 32,044 | | 32,044 |
| USDA Commodities | 155,897 | | 155,897 |
| Change in Assets, Liabilities and Deferred Inflows of Resources | | | |
| (Increase)/Decrease in Inventories | (17,869) | | (17,869) |
| (Increase)/Decrease in Other Accounts Receivable | (25,157) | | (25,157) |
| Increase/(Decrease) in Accounts Payable | (57,679) | (1,182) | (58,861) |
| Increase/(Decrease) in Unearned Revenue | 1,712 | (21,340) | (19,628) |
| Increase/(Decrease) in Deferred Commodities Revenue | 9,483 | - | 9,483 |
| Total Adjustments | 98,431 | (22,522) | 75,909 |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ (5,232,487)</u> | <u>\$ 647,028</u> | <u>\$ (4,585,459)</u> |
| Noncash Investing, Capital and Financing Activities | | | |
| Value Received - Food Distribution Program | \$ 165,380 | | |

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

NOTES TO THE FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Teaneck Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

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

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

B. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB statements:

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

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

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <u>Assets</u> | <u>Years</u> |
|--------------------------------|--------------|
| Land Improvements | 15-20 |
| Buildings | 20-50 |
| Building Improvements | 7-50 |
| Heavy Equipment and Vehicles | 5-20 |
| Office Equipment and Furniture | 5-20 |
| Computer Equipment | 5-7 |

5. Deferred Outflows/Inflows of Resources

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal, and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. The District does not have an accumulated vacation, personal and sick leave liability in their proprietary funds. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

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

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

8. Financing Agreements

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

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

9. Long-Term Obligations

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

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

TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10 *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

Tuition Reserve – This restriction was created in accordance with NJAC 6A:23A-17.1(f)8 to represent foreseeable future tuition adjustments for the 22/23 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief in the 2024/2025 original budget certified for taxes.

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

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

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

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

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

11. *Fund Balance Policies*

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

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

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

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the food service and community school enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

| | |
|----------------------------------|----------------------|
| General Obligation Bonds Payable | \$ 6,945,000 |
| Premium on Bonds | 246,463 |
| Capital Financing Agreements | 7,793,127 |
| Compensated Absences | 3,179,018 |
| Net Pension Liability | <u>12,679,325</u> |
| | <u>\$ 30,842,933</u> |

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Another element of that reconciliation states that “deferred inflows and outflows related to debt refundings and net pension liability are not reported in the funds”. The details are as follows:

| | |
|--|---------------------|
| Deferred Inflows of Resources | |
| Deferred Amount on Net Pension Liability | \$ 2,479,000 |
| Deferred Outflows of Resources | |
| Deferred Amount on Net Pension Liability | (2,616,444) |
| Deferred Amount on Refunding (to be amortized as interest expense) | <u>(134,695)</u> |
| | <u>\$ (272,139)</u> |

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November do not have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$2,553,025 and the special revenue fund by \$9,392,080. The increases were funded by the additional appropriation capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of \$1,119,269.

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

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

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$67,796 in the Special Revenue Fund as of June 30, 2023 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2022/2023 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the Special Revenue Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements is less than the delayed state aid payments at June 30, 2023.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve

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

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

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

| | | |
|---|------------------|---------------------|
| Balance, July 1, 2022 | | \$ 6,772,427 |
| Increased by: | | |
| Deposit Approved by Board Resolution | \$ 500,000 | |
| Interest Earnings | <u>53,618</u> | |
| | | <u>553,618</u> |
| | | 7,326,045 |
| Decreased by: | | |
| Withdrawal Approved in District Budget | 2,810,450 | |
| Withdrawal Approved by Board Resolution | <u>1,119,269</u> | |
| | | <u>3,929,719</u> |
| Balance, June 30, 2023 | | <u>\$ 3,396,326</u> |

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$63,271,621. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$410,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

D. Maintenance Reserve

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

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

| | | |
|--|---------------|---------------------|
| Balance, July 1, 2022 | | \$ 1,508,010 |
| Increased by: | | |
| Deposit Approved by Board Resolution | \$ 100,000 | |
| Interest Earnings | <u>23,206</u> | |
| | | <u>123,206</u> |
| | | 1,631,216 |
| Decreased by: | | |
| Withdrawal Approved in District Budget | | <u>250,000</u> |
| Balance, June 30, 2023 | | <u>\$ 1,381,216</u> |

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,745,673. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$250,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

E. Transfers to Capital Outlay

During the 2022/2023 school year, the district transferred \$1,119,269 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2023 is \$1,832,833. Of this amount, \$517,183 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$1,315,650 will be appropriated in the 2024/2025 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$26,909,067 and bank and brokerage firm balances of the Board's deposits amounted to \$32,590,333. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

| | |
|------------------------------|----------------------|
| Insured | \$ 30,359,216 |
| Uninsured and Collateralized | <u>2,231,117</u> |
| | <u>\$ 32,590,333</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board's bank balance of \$2,231,117 was exposed to custodial credit risk as follows:

Depository Account

| | |
|--|---------------------|
| Uninsured and Collateralized | |
| Collateral held by pledging financial institution's trust department not in the Board's name | <u>\$ 2,231,117</u> |

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2023, the Board had no outstanding investments.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

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

| | <u>General</u> | <u>Special Revenue</u> | <u>Food Service</u> | <u>Total</u> |
|---------------------------------------|-------------------|----------------------------|-------------------------|---------------------|
| Receivables: | | | | |
| Accounts | | \$ 38,463 | \$ 49,520 | \$ 87,983 |
| Intergovernmental | | | | |
| Federal | \$ 6,394 | 864,283 | \$ 145,522 | 1,016,199 |
| State | 733,642 | 57,269 | 6,670 | 797,581 |
| Other | <u>25,205</u> | <u>-</u> | <u>-</u> | <u>25,205</u> |
| | <u>765,241</u> | <u>960,015</u> | <u>201,712</u> | <u>1,926,968</u> |
| Gross Receivables | 765,241 | 960,015 | 201,712 | 1,926,968 |
| Less: Allowance for Uncollectibles | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Total Receivables | <u>\$ 765,241</u> | <u>\$ 960,015</u> | <u>\$ 201,712</u> | <u>\$ 1,926,968</u> |

C. Unearned Revenue

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

| | <u>Total</u> |
|---|---------------------|
| Special Revenue Fund | |
| Unencumbered Grant Drawdowns | \$ 989,078 |
| Grant Draw Downs Year-End Encumbrances | <u>110,815</u> |
| Total Unearned Revenue for Governmental Funds | <u>\$ 1,099,893</u> |

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

| | <u>Balance, July 1, 2022</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, June 30, 2023</u> |
|--|----------------------------------|---------------------|-----------------------|-----------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 1,601,471 | | | \$ 1,601,471 |
| Construction In Progress | <u>12,398,899</u> | \$ 967,111 | \$ (7,873,514) | <u>5,492,496</u> |
| Total Capital Assets, Not Being Depreciated | <u>14,000,370</u> | <u>967,111</u> | <u>(7,873,514)</u> | <u>7,093,967</u> |
| Capital Assets, Being Depreciated: | | | | |
| Improvements Other Than Buildings | 4,597,785 | 260,189 | | 4,857,974 |
| Buildings and Improvements | 66,253,110 | 8,052,070 | | 74,305,180 |
| Machinery and Equipment | <u>7,232,340</u> | <u>668,571</u> | - | <u>7,900,911</u> |
| Total Capital Assets Being Depreciated | <u>78,083,235</u> | <u>8,980,830</u> | <u>-</u> | <u>87,064,065</u> |
| Less Accumulated Depreciation for: | | | | |
| Improvements Other Than Buildings | (3,362,982) | (75,707) | | (3,438,689) |
| Buildings and Improvements | (27,839,585) | (1,605,437) | | (29,445,022) |
| Machinery and Equipment | <u>(3,702,951)</u> | <u>(497,636)</u> | - | <u>(4,200,587)</u> |
| Total Accumulated Depreciation | <u>(34,905,518)</u> | <u>(2,178,780)</u> | <u>-</u> | <u>(37,084,298)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>43,177,717</u> | <u>6,802,050</u> | <u>-</u> | <u>49,979,767</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 57,178,087</u> | <u>\$ 7,769,161</u> | <u>\$ (7,873,514)</u> | <u>\$ 57,073,734</u> |
| | <u>Balance, July 1, 2022</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, June 30, 2023</u> |
| Business-Type Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery and Equipment | \$ 670,365 | - | - | \$ 670,365 |
| Total Capital Assets Being Depreciated | <u>670,365</u> | <u>-</u> | <u>-</u> | <u>670,365</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | <u>(422,384)</u> | \$ (32,044) | - | <u>(454,428)</u> |
| Total Accumulated Depreciation | <u>(422,384)</u> | <u>(32,044)</u> | <u>-</u> | <u>(454,428)</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 247,981</u> | <u>\$ (32,044)</u> | <u>\$ -</u> | <u>\$ 215,937</u> |

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

| | |
|--|---------------------|
| Instruction | |
| Regular | \$ 89,525 |
| Special Education | 12,205 |
| Other Instruction | 33,795 |
| School Sponsored | <u>33,145</u> |
| Total Instruction | <u>168,670</u> |
| Support Services | |
| Student and Instructional Related Services | 26,784 |
| School Administration | 3,731 |
| Business and Other Administrative Services | 106,866 |
| Operations and Maintenance of Plant | 1,842,790 |
| Transportation | <u>29,939</u> |
| Total Support Services | <u>2,010,110</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 2,178,780</u> |
| Business-Type Activities: | |
| Food Service Fund | <u>\$ 32,044</u> |
| Total Depreciation Expense-Business-Type Activities | <u>\$ 32,044</u> |

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

| <u>Project</u> | <u>Spent to Date</u> | <u>Remaining Commitment</u> |
|--------------------------------------|----------------------|---------------------------------|
| HVAC Upgrades | | |
| Lowell Elementary School | \$ 28,975 | \$ 347,025 |
| Ben Franklin Middle School | 9,500 | 404,500 |
| Thomas Jefferson Middle School | 14,250 | 880,750 |
| Electrical Upgrades | | |
| Ben Franklin Middle School | 24,010 | 589,567 |
| Teaneck High School | 26,068 | 640,509 |
| Fire Alarm Upgrades | | |
| Teaneck High School | 88,685 | 879,740 |
| Bryant Elementary School | 183,073 | 261,249 |
| Whittier Elementary School | 310,565 | 114,436 |
| Teaneck High School Elevator Upgrade | 97,020 | 56,980 |
| | <u>\$ 782,145</u> | <u>\$ 4,174,756</u> |

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|----------------------------------|-------------------|
| General Fund | Capital Projects Fund | \$ 3,784 |
| General Fund | Food Service Enterprise Fund | 102,684 |
| Special Revenue Fund | Community School Enterprise Fund | <u>510,000</u> |
| | | <u>\$ 616,468</u> |

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

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

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

| | <u>Transfer In:</u> |
|----------------------|----------------------------|
| | Special Revenue Fund |
| <u>Transfer Out:</u> | |
| General Fund | \$ <u>194,216</u> |

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

F. Financing Agreements

Capital Financing Agreements

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

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

| | |
|---|---------------------|
| \$1,600,000, Fiscal Year 2020 agreement for HVAC Improvements due in annual installments of \$324,718 to \$329,751 through March 15, 2025 interest at 1.55% | \$ 654,469 |
| \$5,738,822, Fiscal Year 2020 agreement for HVAC Improvements under an Energy Savings Improvement Project (ESIP) due in annual installments of \$204,355 to \$411,477 through July 15, 2039 interest at 2.42% | 4,994,842 |
| \$2,270,594 Fiscal Year 2020 agreement for HVAC Improvements under an Energy Savings Improvement Project (ESIP) due in annual installments of \$67,452 to \$237,162 through July 15, 2039 interest at 2.42% | <u>2,143,816</u> |
| Total | <u>\$ 7,793,127</u> |

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Other Financing Agreements

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

Governmental Activities:

| Fiscal Year Ending June 30, | <u>Capital Agreements</u> | | <u>Total</u> |
|-----------------------------------|---------------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2024 | \$ 652,379 | \$ 182,899 | \$ 835,278 |
| 2025 | 662,612 | 169,937 | 832,549 |
| 2026 | 347,867 | 156,771 | 504,638 |
| 2027 | 340,912 | 148,352 | 489,264 |
| 2028 | 360,162 | 140,102 | 500,264 |
| 2029-2033 | 2,115,323 | 559,839 | 2,675,162 |
| 2034-2038 | 2,389,867 | 279,782 | 2,669,649 |
| 2039-2040 | <u>924,005</u> | <u>33,803</u> | <u>957,808</u> |
| Total | <u>\$ 7,793,127</u> | <u>\$ 1,671,485</u> | <u>\$ 9,464,612</u> |

G. Long-Term Debt

General Obligation Bonds

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

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

| | |
|---|--------------------|
| \$3,595,000, 2022 School Energy Savings Obligation Refunding Bonds installments of \$680,000 to \$785,000 through April 1, 2027, interest at 1.096% | \$2,935,000 |
| \$7,615,000, 2016 Refunding Bonds, due in annual installments of \$465,000 to \$525,000 through July 15, 2030, interest at 2.00% to 4.00% | 4,010,000 |
| Total | <u>\$6,945,000</u> |

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

| Fiscal Year Ending June 30, | <u>Serial Bonds</u> | | <u>Total</u> |
|-----------------------------------|---------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2024 | \$ 1,205,000 | \$ 170,868 | \$ 1,375,868 |
| 2025 | 1,245,000 | 147,665 | 1,392,665 |
| 2026 | 1,265,000 | 118,974 | 1,383,974 |
| 2027 | 1,295,000 | 90,254 | 1,385,254 |
| 2028 | 500,000 | 61,450 | 561,450 |
| 2029-2031 | <u>1,435,000</u> | <u>75,076</u> | <u>1,510,076</u> |
| | <u>\$ 6,945,000</u> | <u>\$ 664,287</u> | <u>\$ 7,609,287</u> |

Statutory Borrowing Power

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

| | |
|---|-----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 266,334,581 |
| Less: Net Debt Issued and Authorized But Not Issued | <u>6,945,000</u> |
| Remaining Borrowing Power | <u>\$ 259,389,581</u> |

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities (Continued)

Changes in Long-Term Liabilities

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

| | Balance, July 1, 2022 (Restated) | <u>Additions</u> | <u>Reductions</u> | Balance, June 30, 2023 | Due Within <u>One Year</u> |
|--|--|---------------------|---------------------|---------------------------|----------------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable | \$ 8,135,000 | | \$ 1,190,000 | \$ 6,945,000 | \$ 1,205,000 |
| Add: Premium on Bonds | 321,006 | - | 74,543 | 246,463 | - |
| Total Bonds Payable | 8,456,006 | - | 1,264,543 | 7,191,463 | 1,205,000 |
| Capital Financing Agreements | 8,395,002 | | 601,875 | 7,793,127 | 652,379 |
| Compensated Absences | 2,165,340 | \$ 1,196,551 | 182,873 | 3,179,018 | 375,000 |
| Net Pension Liability | 9,340,225 | 5,877,446 | 2,538,346 | 12,679,325 | - |
| Governmental Activity Long-Term Liabilities | <u>\$ 28,356,573</u> | <u>\$ 7,073,997</u> | <u>\$ 4,587,637</u> | <u>\$ 30,842,933</u> | <u>\$ 2,232,379</u> |

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2023.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

| Fiscal Year Ended <u>June 30,</u> | <u>PERS</u> | On-Behalf <u>TPAF</u> | <u>DCRP</u> |
|---|--------------|--------------------------|-------------|
| 2023 | \$ 1,059,495 | \$ 14,491,253 | \$ 7,198 |
| 2022 | 923,352 | 14,221,512 | 8,224 |
| 2021 | 776,853 | 10,002,183 | 12,783 |

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$5,321, \$5,043 and \$5,162, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,957,820 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$12,679,325 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was .08402 percent, which was an increase of .00518 percent from its proportionate share measured as of June 30, 2021 of .07884 percent.

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,478,851 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|--|---|
| Difference Between Expected and Actual Experience | \$ 91,514 | \$ 80,702 |
| Changes of Assumptions | 39,285 | 1,898,597 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 524,786 | |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>1,960,859</u> | <u>499,701</u> |
| Total | <u>\$ 2,616,444</u> | <u>\$ 2,479,000</u> |

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

| Year Ending <u>June 30,</u> | <u>Total</u> |
|-----------------------------------|-------------------|
| 2023 | \$ 35,320 |
| 2024 | 35,320 |
| 2025 | 35,320 |
| 2026 | 35,318 |
| 2027 | (3,834) |
| Thereafter | <u>-</u> |
| | <u>\$ 137,444</u> |

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

| | |
|---------------------------|------------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | 2.75-6.55% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |

Mortality Rates

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease <u>6.00%</u> | Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
|---|---|---|---|
| District's Proportionate Share of the PERS Net Pension Liability | <u>\$ 16,289,219</u> | <u>\$ 12,679,325</u> | <u>\$ 9,607,160</u> |

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

Pension Plan Fiduciary Net Position

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2022, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,730,186 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$175,759,750. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .34066 percent, which was an increase of .003 percent from its proportionate share measured as of June 30, 2021 of .33766 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

| | |
|---------------------------|------------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | 2.75-5.65% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |

Mortality Rates

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$ 206,082,042</u> | <u>\$ 175,759,750</u> | <u>\$ 150,217,029</u> |

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

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

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

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$3,806,817, \$3,322,720 and \$3,134,528, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,313,886. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$141,635,648. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .27966 percent, which was a decrease of .00227 percent from its proportionate share measured as of June 30, 2021 of .28193 percent.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

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

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

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

| | Total OPEB Liability (State Share 100%) |
|--|---|
| Balance, June 30, 2021 Measurement Date | \$ <u>169,179,953</u> |
| Changes Recognized for the Fiscal Year: | |
| Service Cost | 7,202,143 |
| Interest on the Total OPEB Liability | 3,753,501 |
| Differences Between Expected and Actual Experience | 3,093,764 |
| Changes of Assumptions | (37,995,033) |
| Gross Benefit Payments | (3,717,954) |
| Contributions from the Member | 119,274 |
| Net Changes | <u>(27,544,305)</u> |
| Balance, June 30, 2022 Measurement Date | \$ <u>141,635,648</u> |

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

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

| | 1% Decrease (<u>2.54%</u>) | Current Discount Rate (<u>3.54%</u>) | 1% Increase (<u>4.54%</u>) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the OPEB Liability Attributable to the District | \$ <u>166,477,806</u> | \$ <u>141,635,648</u> | \$ <u>121,725,901</u> |

**TEANECK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability (Continued)

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

| | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
|--|------------------------|--|------------------------|
| State's Proportionate Share of the OPEB Liability Attributable to the District | \$ 117,070,520 | \$ 141,635,648 | \$ 173,903,435 |

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

F. Subsequent Events

Appropriation of Fund Balance

On December 13, 2023 the Board approved the appropriation of \$249,600 of General Fund Capital Reserve to fund capital improvements at Bryant Elementary School.

Financing Agreements

The Board approved the following financing agreements:

| <u>Date</u> | <u>Purpose</u> | <u>Term</u> | <u>Amount</u> |
|-------------------|---------------------------|--------------|--------------------|
| August 23, 2023 | Network Switches | Five Years | \$ 88,567 per year |
| December 13, 2024 | Copier/Printing Equipment | Sixty Months | 6,983 per month |

G. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For Teaneck Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**TEANECK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 6 RESTATEMENT

Governmental Activities

The financial statements of the governmental activities as of June 30, 2022 have been restated to revise the District's outstanding debt, related bond sale costs and accrued interest. The effect of this restatement is to increase net position of governmental activities by \$123,701 from \$43,429,237 as previously reported to \$43,552,938 as of June 30, 2022.

Business-Type Activities and Enterprise Funds

The June 30, 2022 financial statements of the Community School Enterprise Fund has been restated to record certain activities related to prior year unearned revenues for the Summer Camp. The effect of the is restatement is to increase the Community School's net position by \$101,141 from \$3,412,520 as previously reported to \$3,513,661 as of June 30, 2022.

NOTE 7 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded in excess of \$9.8 million in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|----------------|--------------------|--------------------|---------------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Taxes | \$ 96,922,957 | | \$ 96,922,957 | \$ 96,922,957 | |
| Tuition - Other LEA's Within the State | 25,000 | | 25,000 | | \$ (25,000) |
| Tuition - Individuals | | | | 15,529 | 15,529 |
| Transportation Fees from Individuals | 5,000 | | 5,000 | 14,340 | 9,340 |
| Rents and Royalties | 22,501 | | 22,501 | 25,418 | 2,917 |
| Unrestricted Miscellaneous Revenue | 590,473 | | 590,473 | 615,646 | 25,173 |
| Interest | | | | 383,694 | 383,694 |
| Interest on Maintenance Reserve | 2,400 | | 2,400 | 23,206 | 20,806 |
| Interest on Capital Reserve | 4,000 | - | 4,000 | 53,618 | 49,618 |
| Total Local Sources | <u>97,572,331</u> | <u>-</u> | <u>97,572,331</u> | <u>98,054,408</u> | <u>482,077</u> |
| State Sources | | | | | |
| Transportation Aid | 2,348,999 | | 2,348,999 | 2,348,999 | - |
| Extraordinary Aid | 950,000 | | 950,000 | 1,799,494 | 849,494 |
| Special Education Aid | 3,422,556 | | 3,422,556 | 3,422,556 | - |
| Security Aid | 945,902 | | 945,902 | 945,902 | - |
| Other State Aids | | | | | |
| Non Public Transportation | | | | 423,298 | 423,298 |
| Lead Testing | | | | 11,815 | 11,815 |
| Alyssa's Law | | | | 113,435 | 113,435 |
| Homeless Reimbursement | | | | 173,835 | 173,835 |
| On-Behalf TPAF Contributions Non-Budgeted | | | | | - |
| Pensions | | | | | |
| Normal Pension | | | | 14,292,954 | 14,292,954 |
| NCGI Premium | | | | 198,299 | 198,299 |
| Post Retirement Medical | | | | 3,806,817 | 3,806,817 |
| Long Term Disability | | | | 5,321 | 5,321 |
| Reimbursed TPAF Social Security Contribution | - | - | - | 2,957,820 | 2,957,820 |
| Total State Sources | <u>7,667,457</u> | <u>-</u> | <u>7,667,457</u> | <u>30,500,545</u> | <u>22,833,088</u> |
| Federal Sources | | | | | |
| Medicaid Reimbursement Program | | | | | |
| SEMI | 76,552 | | 76,552 | 48,773 | (27,779) |
| MAC - Administrative | | | | 20,145 | 20,145 |
| FFCRA- SEMI - CARES | - | - | - | 10,166 | 10,166 |
| Total Federal Sources | <u>76,552</u> | <u>-</u> | <u>76,552</u> | <u>79,084</u> | <u>2,532</u> |
| Total Revenues | <u>105,316,340</u> | <u>-</u> | <u>105,316,340</u> | <u>128,634,037</u> | <u>23,317,697</u> |
| CURRENT EXPENDITURES | | | | | |
| Regular Programs - Instruction | | | | | |
| Salaries of Teachers | | | | | |
| Kindergarten | 842,534 | \$ 12,948 | 855,482 | 855,482 | - |
| Grades 1-5 | 7,010,432 | (2,211) | 7,008,221 | 7,008,220 | 1 |
| Grades 6-8 | 5,638,104 | (652,488) | 4,985,616 | 4,985,581 | 35 |
| Grades 9-12 | 8,819,522 | 25,527 | 8,845,049 | 8,842,339 | 2,710 |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 20,000 | 31,654 | 51,654 | 50,105 | 1,549 |
| Purchased Professional-Educational Svcs. | | 10,370 | 10,370 | 9,045 | 1,325 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries | 199,807 | 107,776 | 307,583 | 307,582 | 1 |
| Purchased Professional-Educational Svcs. | 340,850 | 1,042,293 | 1,383,143 | 1,307,150 | 75,993 |
| Purchased Technical Services | 660,650 | (423,557) | 237,093 | 197,971 | 39,122 |
| Other Purchased Services | 137,769 | 6,099 | 143,868 | 114,290 | 29,578 |
| General Supplies | 1,078,567 | (59,082) | 1,019,485 | 953,588 | 65,897 |
| Textbooks | 153,931 | 12,566 | 166,497 | 158,649 | 7,848 |
| Other Objects | - | 948 | 948 | 948 | - |
| Total Regular Programs | <u>24,902,166</u> | <u>112,843</u> | <u>25,015,009</u> | <u>24,790,950</u> | <u>224,059</u> |

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|---|----------------------------|--------------------|-------------------------|-------------------|--|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Special Education | | | | | |
| Learning / Language Disabilities | | | | | |
| Salaries of Teachers | \$ 1,389,878 | \$ (57,279) | \$ 1,332,599 | \$ 1,332,255 | \$ 344 |
| Purchased Professional-Educational Svcs. | 225,975 | 151,443 | 377,418 | 370,021 | 7,397 |
| Other Purchased Services | | - | | | - |
| General Supplies | 5,619 | 168 | 5,787 | 4,074 | 1,713 |
| Other Objects | - | 19,345 | 19,345 | 19,020 | 325 |
| Total Learning / Language Disabilities | <u>1,621,472</u> | <u>113,677</u> | <u>1,735,149</u> | <u>1,725,370</u> | <u>9,779</u> |
| Behavioral Disabilities (Emotional Regulation) | | | | | |
| Salaries of Teachers | 249,200 | 93,064 | 342,264 | 342,264 | - |
| Purchased Professional-Educational Svcs. | 295,524 | 203 | 295,727 | 122,751 | 172,976 |
| General Supplies | - | 440 | 440 | 429 | 11 |
| Total Behavioral Disabilities | <u>544,724</u> | <u>93,707</u> | <u>638,431</u> | <u>465,444</u> | <u>172,987</u> |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 664,550 | (133,474) | 531,076 | 531,075 | 1 |
| Purchased Professional-Educational Svcs. | 445,235 | 847,996 | 1,293,231 | 1,293,230 | 1 |
| General Supplies | 30,000 | 4,652 | 34,652 | 27,312 | 7,340 |
| Other Objects | 450 | (450) | - | - | - |
| Total Multiple Disabilities | <u>1,140,235</u> | <u>718,724</u> | <u>1,858,959</u> | <u>1,851,617</u> | <u>7,342</u> |
| Resource Room / Resource Center | | | | | |
| Salaries of Teachers | 5,585,018 | (71,576) | 5,513,442 | 5,509,759 | 3,683 |
| Purchased Professional-Educational Svcs. | 677,924 | (369,249) | 308,675 | 266,410 | 42,265 |
| General Supplies | 7,400 | - | 7,400 | 693 | 6,707 |
| Total Resource Room / Resource Center | <u>6,270,342</u> | <u>(440,825)</u> | <u>5,829,517</u> | <u>5,776,862</u> | <u>52,655</u> |
| Preschool Disabilities - Full - Time | | | | | |
| Salaries of Teachers | 641,025 | (34,099) | 606,926 | 605,182 | 1,744 |
| Purchased Professional-Educational Svcs. | 515,196 | 119,395 | 634,591 | 634,551 | 40 |
| General Supplies | 24,525 | (16,135) | 8,390 | 5,726 | 2,664 |
| Total Preschool Disabilities - Full - Time | <u>1,180,746</u> | <u>69,161</u> | <u>1,249,907</u> | <u>1,245,459</u> | <u>4,448</u> |
| Home Instruction | | | | | |
| Salaries of Teachers | 15,000 | 17,660 | 32,660 | 32,660 | - |
| Purchased Professional-Educational Svcs. | 22,872 | (1,920) | 20,952 | 19,485 | 1,467 |
| Total Home Instruction | <u>37,872</u> | <u>15,740</u> | <u>53,612</u> | <u>52,145</u> | <u>1,467</u> |
| Total Special Education | <u>10,795,391</u> | <u>570,184</u> | <u>11,365,575</u> | <u>11,116,897</u> | <u>248,678</u> |
| Basic Skills/Remedial | | | | | |
| Salaries of Teachers | 1,347,812 | (4,229) | 1,343,583 | 1,343,583 | - |
| Total Basic Skills/Remedial | <u>1,347,812</u> | <u>(4,229)</u> | <u>1,343,583</u> | <u>1,343,583</u> | <u>-</u> |
| Bilingual Education | | | | | |
| Salaries of Teachers | 301,078 | 88,199 | 389,277 | 389,277 | - |
| Total Bilingual Education | <u>301,078</u> | <u>88,199</u> | <u>389,277</u> | <u>389,277</u> | <u>-</u> |

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|-------------|-----------------|------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| School Sponsored Co-Curricular Activities | | | | | |
| Salaries | \$ 258,809 | \$ 91,422 | \$ 350,231 | \$ 349,731 | \$ 500 |
| Purchased Services | 3,850 | 1,385 | 5,235 | 4,775 | 460 |
| Supplies and Materials | 15,000 | 2,170 | 17,170 | 8,498 | 8,672 |
| Other Objects | 12,500 | 1,287 | 13,787 | 12,995 | 792 |
| Total School Sponsored Co-Curricular Activities | 290,159 | 96,264 | 386,423 | 375,999 | 10,424 |
| School Sponsored Athletics - Instruction | | | | | |
| Salaries | 563,650 | 16,124 | 579,774 | 579,772 | 2 |
| Purchased Services | 60,000 | 7,900 | 67,900 | 65,686 | 2,214 |
| Supplies and Materials | 96,500 | (2,765) | 93,735 | 83,312 | 10,423 |
| Other Objects | 20,000 | 9,245 | 29,245 | 28,016 | 1,229 |
| Transfers to Cover Deficit | 58,000 | (35,700) | 22,300 | 21,014 | 1,286 |
| Total School Sponsored Athletics | 798,150 | (5,196) | 792,954 | 777,800 | 15,154 |
| Total - Instruction | 38,434,756 | 858,065 | 39,292,821 | 38,794,506 | 498,315 |
| Undistributed Expenditures | | | | | |
| Instruction | | | | | |
| Tuition to Other LEAs Within the State-Regular | 31,000 | 43,666 | 74,666 | 62,066 | 12,600 |
| Tuition - Other LEA's Within State - Special | 1,495,082 | (304,171) | 1,190,911 | 1,072,918 | 117,993 |
| Tuition to County Voc. School Dist.-Regular | 889,380 | - | 889,380 | 866,497 | 22,883 |
| Tuition to County Voc. School Dist.-Special | 437,904 | (136,000) | 301,904 | 301,218 | 686 |
| Tuition to CSSD & Reg. Day Schools | 2,105,724 | 367,272 | 2,472,996 | 2,408,679 | 64,317 |
| Tuition to Private Schools - Disabled Within State | 7,162,969 | (141,862) | 7,021,107 | 6,882,619 | 138,488 |
| Tuition to Priv. Sch. Disabled & Other LEAs - Spl, O/S State | 826,537 | 416,444 | 1,242,981 | 1,238,005 | 4,976 |
| Total Undistributed Expenditures - Instruction | 12,948,596 | 245,349 | 13,193,945 | 12,832,002 | 361,943 |
| Attendance and Social Work Services | | | | | |
| Salaries | 308,660 | (76,104) | 232,556 | 218,998 | 13,558 |
| Salaries of Family Liaisons/Community Parent Involvement Specialist | 100,000 | (100,000) | - | - | - |
| Purchased Professional and Technical Svcs. | 49,791 | 10,759 | 60,550 | 60,449 | 101 |
| Other Purchased Services | 250 | - | 250 | - | 250 |
| Supplies and Materials | 120 | - | 120 | - | 120 |
| Total Attendance and Social Work Services | 458,821 | (165,345) | 293,476 | 279,447 | 14,029 |
| Health Services | | | | | |
| Salaries | 722,336 | (36,969) | 685,367 | 684,884 | 483 |
| Purchased Professional and Technical Svcs. | 298,355 | 274,423 | 572,778 | 567,565 | 5,213 |
| Other Purchased Services | 1,500 | - | 1,500 | 1,000 | 500 |
| Supplies and Materials | 22,542 | (1,587) | 20,955 | 16,390 | 4,565 |
| Total Health Services | 1,044,733 | 235,867 | 1,280,600 | 1,269,839 | 10,761 |
| Other Support Services - Students - Speech, OT, PT and Related Services | | | | | |
| Salaries | 939,560 | (47,870) | 891,690 | 878,384 | 13,306 |
| Purchased Professional-Educational Services | 1,157,299 | (308,904) | 848,395 | 759,483 | 88,912 |
| Supplies and Materials | 10,603 | (700) | 9,903 | 9,373 | 530 |
| Total Other Support Services - Students - Speech, OT, PT and Related Services | 2,107,462 | (357,474) | 1,749,988 | 1,647,240 | 102,748 |

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|-------------|-----------------|------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Other Support Services-Students-Extra Serv. | | | | | |
| Salaries | \$ 259,320 | \$ 1,702 | \$ 261,022 | \$ 261,022 | - |
| Purchased Professional-Educational Services | 1,818,640 | (9,756) | 1,808,884 | 334,355 | \$ 1,474,529 |
| Total Other Support Services-Extra Serv. | 2,077,960 | (8,054) | 2,069,906 | 595,377 | 1,474,529 |
| Other Support Services-Students-Guidance | | | | | |
| Salaries of Other Professional Staff | 1,667,952 | (80,780) | 1,587,172 | 1,584,899 | 2,273 |
| Salaries of Secretarial and Clerical Assistants | 286,910 | 700 | 287,610 | 287,609 | 1 |
| Other Salaries | 88,934 | 5,474 | 94,408 | 94,407 | 1 |
| Purchased Professional-Educational Services | 10,000 | (10,000) | | | - |
| Purchased Professional and Technical Svcs. | 12,000 | 1,209 | 13,209 | 6,605 | 6,604 |
| Other Purchased Services | 32,500 | (14,388) | 18,112 | 18,111 | 1 |
| Supplies and Materials | 35,500 | (14,652) | 20,848 | 19,107 | 1,741 |
| Total Other Support Services-Students-Guidance | 2,133,796 | (112,437) | 2,021,359 | 2,010,738 | 10,621 |
| Other Support Services - Students - Child Study Team | | | | | |
| Salaries of Other Professional Staff | 2,519,907 | (17,855) | 2,502,052 | 2,502,052 | - |
| Salaries of Secretarial and Clerical Assistants | 69,000 | 61,782 | 130,782 | 130,781 | 1 |
| Salaries of ABA in Home Therapy | 21,000 | (21,000) | | | - |
| Purchased Professional-Educational Services | 652,281 | (212,044) | 440,237 | 354,633 | 85,604 |
| Other Purchased Prof. and Tech. Services | 750 | (750) | | | - |
| Other Purchased Services | 36,719 | (1,948) | 34,771 | 32,232 | 2,539 |
| Supplies and Materials | 54,020 | (15,873) | 38,147 | 34,366 | 3,781 |
| Other Objects | 600 | - | 600 | - | 600 |
| Total Other Support Services - Students - Child Study Team | 3,354,277 | (207,688) | 3,146,589 | 3,054,064 | 92,525 |
| Improvement of Instructional Services | | | | | |
| Salaries of Supervisors of Instruction | 959,586 | (84,562) | 875,024 | 875,024 | - |
| Salaries of Other Professional Staff | 100,000 | 89,250 | 189,250 | 172,450 | 16,800 |
| Salaries of Secretarial and Clerical Assistants | 556,732 | 331 | 557,063 | 484,476 | 72,587 |
| Other Salaries | 169,001 | (64,298) | 104,703 | 99,072 | 5,631 |
| Purchased Professional-Educational Services | 248,000 | (33,040) | 214,960 | 42,084 | 172,876 |
| Other Purchased Services | 7,000 | 2,384 | 9,384 | 6,105 | 3,279 |
| Supplies and Materials | 13,500 | (2,418) | 11,082.00 | 3,630 | 7,452 |
| Other Objects | 5,000 | (5,000) | - | - | - |
| Total Improvement of Instruction Services | 2,058,819 | (97,353) | 1,961,466 | 1,682,841 | 278,625 |
| Educational Media Services/School Library | | | | | |
| Salaries | 553,868 | (98,754) | 455,114 | 455,114 | - |
| Salaries of Technology Coordinators | 119,032 | (27,686) | 91,346 | 91,346 | - |
| Purchased Professional and Technical Services | 39,000 | (10,137) | 28,863 | 28,861 | 2 |
| Supplies and Materials | 48,410 | (19,552) | 28,858 | 26,630 | 2,228 |
| Total Educational Media Services/School Library | 760,310 | (156,129) | 604,181 | 601,951 | 2,230 |
| Instructional Staff Training Services | | | | | |
| Salaries of Other Professional Staff | 90,500 | (89,300) | 1,200 | | 1,200 |
| Other Salaries | 10,062 | (862) | 9,200 | 8,100 | 1,100 |
| Purchased Professional-Educational Services | 22,300 | (10,800) | 11,500 | 6,161 | 5,339 |
| Other Purchased Services | 32,000 | (10,799) | 21,201 | 5,963 | 15,238 |
| Supplies and Materials | 500 | (500) | | | - |
| Other Objects | 7,500 | (4,000) | 3,500 | 1,919 | 1,581 |
| Total Instructional Staff Training Services | 162,862 | (116,261) | 46,601 | 22,143 | 24,458 |

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|-------------|-----------------|------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Support Services General Administration | | | | | |
| Salaries | \$ 567,112 | \$ 40,600 | \$ 607,712 | \$ 606,717 | \$ 995 |
| Legal Services | 485,000 | 105,318 | 590,318 | 580,117 | 10,201 |
| Audit Fees | 51,000 | (3,500) | 47,500 | 47,500 | - |
| Architectural/Engineering Services | 15,000 | 31,246 | 46,246 | 44,881 | 1,365 |
| Purchased Technical Services | 17,000 | (250) | 16,750 | 13,750 | 3,000 |
| Communications/Telephone | 106,371 | 68,731 | 175,102 | 147,407 | 27,695 |
| BOE Other Purchased Services | 19,000 | (12,016) | 6,984 | 6,942 | 42 |
| Miscellaneous Purchased Services | 19,848 | (11,177) | 8,671 | 8,042 | 629 |
| General Supplies | 9,665 | (1,966) | 7,699 | 6,490 | 1,209 |
| BOE In-House Training/Meeting Supplies | 6,500 | (1,297) | 5,203 | 5,203 | - |
| Miscellaneous Expenditures | 34,798 | (16,237) | 18,561 | 16,420 | 2,141 |
| BOE Membership Dues and Fees | 32,500 | (5,672) | 26,828 | 26,827 | 1 |
| Total Support Services General Administration | 1,363,794 | 193,780 | 1,557,574 | 1,510,296 | 47,278 |
| Support Services School Administration | | | | | |
| Salaries of Principals/Asst. Principals/Prog Dir | 1,933,223 | 100,977 | 2,034,200 | 2,034,199 | 1 |
| Salaries of Other Professional Staff | 336,353 | (50,020) | 286,333 | 286,331 | 2 |
| Salaries of Secretarial and Clerical Assistants | 1,189,600 | (29,134) | 1,160,466 | 1,159,252 | 1,214 |
| Other Purchased Services | 20,754 | 9,718 | 30,472 | 29,100 | 1,372 |
| Supplies and Materials | 66,180 | (5,454) | 60,726 | 49,577 | 11,149 |
| Other Objects | 9,000 | (4,955) | 4,045 | 2,149 | 1,896 |
| Total Support Services School Administration | 3,555,110 | 21,132 | 3,576,242 | 3,560,608 | 15,634 |
| Central Services | | | | | |
| Salaries | 1,016,233 | (98,289) | 917,944 | 878,233 | 39,711 |
| Purchased Professional Services | 77,236 | 12,000 | 89,236 | 86,698 | 2,538 |
| Purchased Technical Services | 58,600 | 33,425 | 92,025 | 91,490 | 535 |
| Misc. Purchased Services | 60,950 | (28,060) | 32,890 | 25,408 | 7,482 |
| Supplies and Materials | 29,000 | 3 | 29,003 | 20,637 | 8,366 |
| Miscellaneous Expenditures | 8,600 | (4,259) | 4,341 | 3,206 | 1,135 |
| Total Central Services | 1,250,619 | (85,180) | 1,165,439 | 1,105,672 | 59,767 |
| Admin. Info. Tech | | | | | |
| Salaries | 146,143 | (52,500) | 93,643 | 39,362 | 54,281 |
| Purchased Professional Services | 24,000 | - | 24,000 | 16,998 | 7,002 |
| Purchased Technical Services | 44,000 | - | 44,000 | 3,694 | 40,306 |
| Other Purchased Services | 15,200 | 4,290 | 19,490 | 7,111 | 12,379 |
| Supplies and Materials | 60,150 | (18,816) | 41,334 | 32,018 | 9,316 |
| Other Objects | 900 | - | 900 | - | 900 |
| Total Admin. Info. Tech. | 290,393 | (67,026) | 223,367 | 99,183 | 124,184 |
| Required Maintenance for School Facilities | | | | | |
| Salaries | 1,022,604 | (40,944) | 981,660 | 958,252 | 23,408 |
| Cleaning, Repair & Maintenance Services | 931,000 | (163,734) | 767,266 | 579,609 | 187,657 |
| General Supplies | 347,000 | 13,656 | 360,656 | 299,821 | 60,835 |
| Total Required Maintenance for School Facilities | 2,300,604 | (191,022) | 2,109,582 | 1,837,682 | 271,900 |

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|--|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Custodial Services | | | | | |
| Salaries | \$ 808,991 | \$ (29,728) | \$ 779,263 | \$ 778,145 | \$ 1,118 |
| Unused Vacation Payment to Terminated / Retired Staff | | - | | | - |
| Purchased Professional and Technical Services | 20,100 | (11,400) | 8,700 | 8,700 | - |
| Cleaning, Repair & Maintenance Services | 1,795,769 | 184,395 | 1,980,164 | 1,948,265 | 31,899 |
| Lease Purchase Pymts-Energy Savings Impr Prog | 334,863 | - | 334,863 | 334,862 | 1 |
| Other Purchased Property Services | 105,399 | 13,864 | 119,263 | 115,330 | 3,933 |
| Insurance | 682,631 | 77,633 | 760,264 | 760,264 | - |
| Miscellaneous Purchased Services | 309,133 | 1,990 | 311,123 | 3,025 | 308,098 |
| General Supplies | 473,000 | (124,987) | 348,013 | 324,593 | 23,420 |
| Energy (Natural Gas) | 316,960 | 136,807 | 453,767 | 379,508 | 74,259 |
| Energy (Heat Electricity) | 479,298 | (95,974) | 383,324 | 356,462 | 26,862 |
| Other Objects | 12,050 | (7,423) | 4,627 | 4,533 | 94 |
| Interest - Energy Savings Impr Prog Bonds | 221,364 | - | 221,364 | 221,363 | 1 |
| Principal-Energy Savings Impr. Prog. Bonds | 1,032,230 | - | 1,032,230 | 927,115 | 105,115 |
| Total Custodial Services | 6,591,788 | 145,177 | 6,736,965 | 6,162,165 | 574,800 |
| Care and Upkeep of Grounds | | | | | |
| Salaries | 396,550 | (6,150) | 390,400 | 384,200 | 6,200 |
| Cleaning, Repair & Maintenance Services | - | 8,000 | 8,000 | 3,354 | 4,646 |
| General Supplies | - | 65,630 | 65,630 | 42,388 | 23,242 |
| Total Care and Upkeep of Grounds | 396,550 | 67,480 | 464,030 | 429,942 | 34,088 |
| Security | | | | | |
| Salaries | 674,077 | 104,446 | 778,523 | 778,522 | 1 |
| Purchased Professional and Technical Services | 16,300 | 147,045 | 163,345 | 140,784 | 22,561 |
| General Supplies | 15,000 | 184,308 | 199,308 | 93,650 | 105,658 |
| Other Objects | 7,200 | 12,184 | 19,384 | 17,993 | 1,391 |
| Total Security | 712,577 | 447,983 | 1,160,560 | 1,030,949 | 129,611 |
| Student Transportation Services | | | | | |
| Salaries for Pupil Transportation | | | | | |
| (Between Home and School) - Regular | 166,566 | 19,475 | 186,041 | 186,040 | 1 |
| (Other than Between Home and School) - Regular | 201,000 | 7,968 | 208,968 | 198,432 | 10,536 |
| Other Purchased Prof. and Technical Serv. | 7,500 | 52,500 | 60,000 | 49,968 | 10,032 |
| Cleaning, Repair & Maintenance Services | - | 16,027 | 16,027 | 14,234 | 1,793 |
| Contracted Services - Aid in Lieu of Payments - Non-Public Schools | 391,000 | 48,434 | 439,434 | 387,957 | 51,477 |
| Contracted Services (Between Home and School) - Vendors | 2,285,639 | (112,995) | 2,172,644 | 2,018,504 | 154,140 |
| Contracted Services (Other Than Between Home and School) - Vendors | 315,890 | (56,045) | 259,845 | 175,680 | 84,165 |
| Contracted Services (Spec Ed) - Vendors | 1,484,714 | (379,594) | 1,105,120 | 1,098,094 | 7,026 |
| Contracted Services (Reg. Students) - ESCs & CTSAs | 453,533 | (204,015) | 249,518 | 220,538 | 28,980 |
| Contracted Services (Spl. Ed. Students)-ESCs & CTSAs | 1,626,000 | 1,537,531 | 3,163,531 | 3,161,581 | 1,950 |
| Miscellaneous Purchased Services - Transportation | | 2,216 | 2,216 | 1,891 | 325 |
| General Supplies | 5,000 | - | 5,000 | 740 | 4,260 |
| Transportation Supplies | 8,500 | 2,152 | 10,652 | 8,594 | 2,058 |
| Other Objects | - | 200 | 200 | 200 | - |
| Total Student Transportation Services | 6,945,342 | 933,854 | 7,879,196 | 7,522,453 | 356,743 |

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|--|----------------------------|--------------------|-------------------------|--------------------|--|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Unallocated Benefits | | | | | |
| Group Insurance | \$ 236,250 | \$ 2,056 | \$ 238,306 | \$ 238,306 | - |
| Social Security Contributions | 990,000 | 116,740 | 1,106,740 | 1,021,671 | \$ 85,069 |
| TPAF Contributions ERIP | 19,000 | | 19,000 | | 19,000 |
| Other Retirement Contributions | 890,000 | 383,368 | 1,273,368 | 1,232,036 | 41,332 |
| Unemployment Compensation | 150,000 | 10,000 | 160,000 | 21,584 | 138,416 |
| Workmen's Compensation | 213,000 | (2,056) | 210,944 | 177,577 | 33,367 |
| Health Benefits | 10,360,334 | (507,511) | 9,852,823 | 9,841,670 | 11,153 |
| Tuition Reimbursement | 53,400 | - | 53,400 | 43,739 | 9,661 |
| Other Employee Benefits | 547,000 | (76,977) | 470,023 | 414,740 | 55,283 |
| Total Unallocated Benefits | 13,458,984 | (74,380) | 13,384,604 | 12,991,323 | 393,281 |
| On-Behalf TPAF Contributions Non-Budgeted | | | | | |
| Pensions | | | | | |
| Normal Pension | | | | 14,292,954 | (14,292,954) |
| NCGI Premium | | | | 198,299 | (198,299) |
| Post Retirement Medical | | | | 3,806,817 | (3,806,817) |
| Long Term Disability | | | | 5,321 | (5,321) |
| TPAF Social Security | - | - | - | 2,957,820 | (2,957,820) |
| Total On-Behalf TPAF Contributions | - | - | - | 21,261,211 | (21,261,211) |
| Total Undistributed Expenditures | 63,973,397 | 652,273 | 64,625,670 | 81,507,126 | (16,881,456) |
| Interest Deposit to Maintenance Reserve | 2,400 | - | 2,400 | - | 2,400 |
| Total Current Expenditures | 102,410,553 | 1,510,338 | 103,920,891 | 120,301,632 | (16,380,741) |
| CAPITAL OUTLAY EXPENDITURES | | | | | |
| Equipment | | | | | |
| Kindergarten | 2,000 | - | 2,000 | | 2,000 |
| Grades 1-5 | 150,000 | (69,443) | 80,557 | 2,678 | 77,879 |
| Grades 6 - 8 | 150,000 | (45,580) | 104,420 | 57,379 | 47,041 |
| Grades 9-12 | 160,000 | (153,800) | 6,200 | 6,190 | 10 |
| Equipment | | - | | | - |
| Undistributed Expenditures | | | | | |
| Instruction | | 13,548 | 13,548 | 13,548 | - |
| Child Study Teams | | 8,624 | 8,624 | 8,624 | - |
| Required Maint. For School Facilities | | 362,347 | 362,347 | 358,987 | 3,360 |
| Security | - | 52,218 | 52,218 | 25,946 | 26,272 |
| Total Equipment | 462,000 | 167,914 | 629,914 | 473,352 | 156,562 |
| Facilities Acquisition and Construction Serv. | | | | | |
| Architectural/Engineering Services | 614,250 | (438,250) | 176,000 | 157,991 | 18,009 |
| Construction Services | 2,196,200 | 1,564,219 | 3,760,419 | 729,420 | 3,030,999 |
| Assessment for Debt Service on SDA Funding | 128,662 | - | 128,662 | 128,662 | - |
| Total Facilities Acquisition and Construction Serv. | 2,939,112 | 1,125,969 | 4,065,081 | 1,016,073 | 3,049,008 |
| Interest Deposit to Capital Reserve | 4,000 | - | 4,000 | - | 4,000 |
| Total Capital Outlay | 3,405,112 | 1,293,883 | 4,698,995 | 1,489,425 | 3,209,570 |
| Transfer of Funds to Charter Schools | 8,019,886 | (251,196) | 7,768,690 | 7,741,261 | 27,429 |
| Total Expenditures | 113,835,551 | 2,553,025 | 116,388,576 | 129,532,318 | (13,143,742) |

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|--|----------------------------|--------------------|-------------------------|----------------------|--|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (8,519,211) | \$ (2,553,025) | \$ (11,072,236) | \$ (898,281) | \$ 10,173,955 |
| Other Financing Sources (Uses) | | | | | |
| Transfer Out- Special Revenue Fund | (194,216) | - | (194,216) | (194,216) | - |
| Total Other Financing Sources (Uses) | (194,216) | - | (194,216) | (194,216) | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses | (8,713,427) | (2,553,025) | (11,266,452) | (1,092,497) | 10,173,955 |
| Fund Balances, Beginning of Year | 21,176,959 | - | 21,176,959 | 21,176,959 | - |
| Fund Balances, End of Year | \$ 12,463,532 | \$ (2,553,025) | \$ 9,910,507 | \$ 20,084,462 | \$ 10,173,955 |
| Recapitulation | | | | | |
| Restricted | | | | | |
| Capital Reserve | | | | \$ 2,986,326 | |
| Capital Reserve, Designated for Subsequent Year's Budget | | | | 410,000 | |
| Maintenance Reserve | | | | 1,131,216 | |
| Maintenance Reserve, Designated for Subsequent Year's Budget | | | | 250,000 | |
| Tuition Reserve | | | | 135,162 | |
| Excess Surplus | | | | 1,315,650 | |
| Excess Surplus - Designated for Subsequent Year's Budget | | | | 517,183 | |
| Assigned | | | | | |
| Encumbrances | | | | 5,758,947 | |
| Designated for Subsequent Year's Budget | | | | 4,137,880 | |
| Unassigned Fund Balance | | | | <u>3,442,098</u> | |
| | | | | 20,084,462 | |
| Reconciliation to Governmental Funds Statements (GAAP) | | | | | |
| State Aid Payments Not Recognized on GAAP Basis | | | | <u>(2,293,575)</u> | |
| Fund Balance Per Governmental Funds (GAAP) | | | | <u>\$ 17,790,887</u> | |

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget to Actual</u> |
|--|----------------------------|--------------------|-------------------------|-------------------|--|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| State | \$ 5,961,593 | \$ 861,159 | \$ 6,822,752 | \$ 6,104,361 | \$ 718,391 |
| Federal | 3,062,398 | 8,042,907 | 11,105,305 | 6,682,056 | 4,423,249 |
| Other | - | 488,014 | 488,014 | 349,842 | 138,172 |
| Total Revenues | <u>9,023,991</u> | <u>9,392,080</u> | <u>18,416,071</u> | <u>13,136,259</u> | <u>5,279,812</u> |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 3,546,976 | (870,878) | 2,676,098 | 1,834,166 | 841,932 |
| Purchased Prof and Educ Svcs | 850,520 | 78,231 | 928,751 | 840,824 | 87,927 |
| Purchased Prof and Tech Svcs | | 43 | 43 | 43 | - |
| Tuition | 725,000 | 218,320 | 943,320 | 935,293 | 8,027 |
| Other Purchased Services | | 32,500 | 32,500 | 10,870 | 21,630 |
| General Supplies | 75,596 | 2,654,161 | 2,729,757 | 1,852,458 | 877,299 |
| Textbooks | 125,302 | (38,380) | 86,922 | 84,006 | 2,916 |
| Miscellaneous | | 46,653 | 46,653 | 15,569 | 31,084 |
| Co-Curricular Student Activities | - | 281,656 | 281,656 | 276,936 | 4,720 |
| Total Instruction | <u>5,323,394</u> | <u>2,402,306</u> | <u>7,725,700</u> | <u>5,850,165</u> | <u>1,875,535</u> |
| Support Services | | | | | |
| Salaries of Supervisors of Instruction | 135,182 | 5,093 | 140,275 | 140,275 | - |
| Salaries of Program Directors | 145,000 | 5,228 | 150,228 | 150,228 | - |
| Salaries of Other Professional Staff | 226,665 | - | 226,665 | 171,427 | 55,238 |
| Salaries of Secretaries and Clerical Assistants | 132,225 | - | 132,225 | 69,000 | 63,225 |
| Other Salaries | 139,054 | 1,342,795 | 1,481,849 | 673,081 | 808,768 |
| Salaries of Community Parent Involvement | 86,149 | 3,017 | 89,166 | 89,166 | - |
| Salaries of Master Teachers | 91,000 | 400 | 91,400 | 91,400 | - |
| Personnel Services - Employee Benefits | 487,964 | 438,080 | 926,044 | 330,762 | 595,282 |
| Purchased Education Services - Contracted Pre-K | 1,272,430 | - | 1,272,430 | 1,272,430 | - |
| Other Purchased Professional -Ed. Services | 1,012,076 | 3,503,252 | 4,515,328 | 3,434,924 | 1,080,404 |
| Cleaning, Repairs and Maintenance | | 89,685 | 89,685 | 89,669 | 16 |
| Rentals | 58,000 | - | 58,000 | 54,000 | 4,000 |
| Contracted Svcs. -Transportation | 93,000 | 45,600 | 138,600 | 91,378 | 47,222 |
| Travel | | 47,205 | 47,205 | 12,832 | 34,373 |
| Miscellaneous Purchased Services | 10,000 | 35,000 | 45,000 | 43,116 | 1,884 |
| Supplies and Materials | 4,568 | 561,632 | 566,200 | 150,159 | 416,041 |
| Other Objects | 1,500 | 252 | 1,752 | 646 | 1,106 |
| Miscellaneous Expenditures - Scholarships | - | 99,982 | 99,982 | 5,843 | 94,139 |
| Total Support Services | <u>3,894,813</u> | <u>6,177,221</u> | <u>10,072,034</u> | <u>6,870,336</u> | <u>3,201,698</u> |
| Facilities Acquisition | | | | | |
| Noninstructional Equipment | - | 23,346 | 23,346 | 22,207 | 1,139 |
| Instructional Equipment | - | 789,207 | 789,207 | 588,637 | 200,570 |
| Total Facilities Acquisition | <u>-</u> | <u>812,553</u> | <u>812,553</u> | <u>610,844</u> | <u>201,709</u> |
| Total Expenditures | <u>9,218,207</u> | <u>9,392,080</u> | <u>18,610,287</u> | <u>13,331,345</u> | <u>5,278,942</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (194,216) | - | (194,216) | (195,086) | (870) |
| Other Financing Sources (Uses) Transfer from General Fund | 194,216 | - | 194,216 | 194,216 | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | (870) | (870) |
| Fund Balance, Beginning of Year | 284,393 | - | 284,393 | 284,393 | - |
| Fund Balance, End of Year | <u>284,393</u> | <u>\$ -</u> | <u>\$ 284,393</u> | 283,523 | <u>\$ (870)</u> |
| Reconciliation to Governmental Funds Statements (GAAP) | | | | | |
| State Aid Payments Not Recognized on GAAP Basis - Preschool Education Aid | | | | (67,796) | |
| Fund Balance Per Governmental Funds (GAAP) | | | | <u>\$ 215,727</u> | |

**TEANECK BOARD OF EDUCATION
GENERAL AND SPECIAL REVENUE FUNDS
NOTES TO BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

| | General Fund | Special Revenue Fund |
|--|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | \$ 128,634,037 | \$ 13,136,259 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Encumbrances, June 30, 2023 | | (2,116,363) |
| Encumbrances, June 30, 2022 (net of cancellations) | | 1,125,490 |
| The last two State Aid payments are recognized as revenue for budgetary purposes. This differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenditure (GASB No. 33) | | |
| State Aid payments recognized for GAAP purposes not recognized for Budgetary statements (2021/2022 State Aid) | 476,623 | 447,845 |
| State Aid payments recognized for budgetary purposes not recognized for GAAP statements (2022/2023 State Aid) | (2,293,575) | (67,796) |
| | \$ 126,817,085 | \$ 12,525,435 |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | \$ 129,532,318 | \$ 13,331,345 |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | |
| Encumbrances, June 30, 2023 | | (2,116,363) |
| Encumbrances, June 30, 2022 (net of cancellations) | - | 1,125,490 |
| | \$ 129,532,318 | \$ 12,340,472 |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | \$ 129,532,318 | \$ 12,340,472 |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

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

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's Proportion of the Net Position Liability (Asset) | 0.08402 | 0.07884 | 0.07100 | 0.06396 | 0.07253 % | 0.08628 % | 0.11099 % | 0.13414 % | 0.14204 % | 0.14279 % |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 12,679,325 | \$ 9,340,225 | \$ 11,580,462 | \$ 12,546,755 | \$ 14,281,544 | \$ 20,085,960 | \$ 32,874,611 | \$ 30,111,866 | \$ 26,594,811 | \$ 27,289,537 |
| District's Covered-Employee Payroll | \$ 6,545,350 | \$ 5,980,536 | \$ 5,636,495 | \$ 4,865,371 | \$ 5,382,195 | \$ 5,608,033 | \$ 8,183,038 | \$ 9,132,014 | \$ 9,766,548 | N/A * |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 193.72 | 156.18 | 205.46 | 257.88 | 265.35 % | 358.16 % | 401.74 % | 329.74 % | 272.31 % | N/A |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 62.91 % | 70.33 % | 73.38 % | 78.30 % | 83.06 % | 48.10 % | 40.14 % | 47.93 % | 52.09 % | 48.72 % |

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

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

Public Employees Retirement System

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

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 1,059,495 | \$ 923,352 | \$ 776,853 | \$ 677,321 | \$ 721,477 | \$ 799,346 | \$ 986,096 | \$ 1,153,249 | \$ 1,171,003 | \$ 1,075,875 |
| Contributions in Relation to the Contractually Required Contribution | <u>1,059,495</u> | <u>923,252</u> | <u>776,853</u> | <u>677,321</u> | <u>721,477</u> | <u>799,346</u> | <u>986,096</u> | <u>1,153,249</u> | <u>1,171,003</u> | <u>1,075,875</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered-Employee Payroll | \$ 6,785,849 | \$ 6,545,350 | \$ 5,980,536 | \$ 5,636,495 | \$ 4,865,371 | \$ 5,382,195 | \$ 5,608,033 | \$ 8,183,038 | \$ 9,132,014 | \$ 9,766,548 |
| Contributions as a Percentage of Covered-Employee Payroll | 15.61 | 14.11 | 12.99 % | 12.02 | 14.83 | 14.85 % | 17.58 % | 14.09 % | 12.82 % | 11.02 % |

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

Teachers Pension and Annuity Fund

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

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's Proportion of the Net Position Liability (Asset) | 0.34066 % | 0.33766 % | 0.34266 % | 0.33457 % | 0.34679 % | 0.3481 % | 0.34679 % | 0.33457 % | 0.34266 % | 0.5177 % |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District | <u>175,759,750</u> | <u>\$ 162,331,749</u> | <u>\$ 225,638,466</u> | <u>\$ 205,330,282</u> | <u>\$ 220,624,838</u> | <u>\$ 234,707,436</u> | <u>\$ 257,150,800</u> | <u>\$ 219,371,309</u> | <u>\$ 192,933,307</u> | <u>\$ 183,130,122</u> |
| Total | <u>\$ 175,759,750</u> | <u>\$ 162,331,749</u> | <u>\$ 225,638,466</u> | <u>\$ 205,330,282</u> | <u>\$ 220,624,838</u> | <u>\$ 234,707,436</u> | <u>\$ 257,150,800</u> | <u>\$ 219,371,309</u> | <u>\$ 192,933,307</u> | <u>\$ 183,130,122</u> |
| District's Covered-Employee Payroll | \$ 39,466,416 | \$ 39,061,057 | \$ 37,228,832 | \$ 36,643,126 | \$ 34,841,100 | \$ 35,395,251 | \$ 35,294,602 | \$ 33,506,107 | \$ 34,862,168 | |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| State's Proportionate Share of the Net Pension Liability Associated with the District as a percentage of the District's Covered-Employee Payroll | 445.34% % | 415.58 % | 606.09 % | 560.35 % | 633.23 % | 663.10 % | 728.58 % | 654.72 % | 553.42 % | |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 32.29 % | 35.52 % | 24.60 % | 26.95 % | 26.49 % | 25.41 % | 22.33 % | 28.71 % | 33.64 % | 33.76 % |

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

**TEANECK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Six Fiscal Years*

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Service Cost | \$ 7,202,143 | \$ 8,243,330 | \$ 4,539,247 | \$ 4,256,837 | \$ 4,824,717 | \$ 5,742,154 |
| Interest on Total OPEB Liability | 3,753,501 | 4,388,706 | 4,291,734 | 5,322,134 | 5,636,868 | 4,906,873 |
| Changes of Benefits Terms | | (180,071) | | | | |
| Differences Between Expected and Actual Experience | 3,093,764 | (29,737,950) | 29,704,277 | (23,161,345) | (10,806,089) | |
| Changes of Assumptions | (37,995,033) | 166,909 | 34,641,424 | 1,784,270 | (15,495,526) | (20,392,834) |
| Gross Benefit Payments | (3,717,954) | (3,457,071) | (3,301,544) | (3,673,472) | (3,610,691) | (2,989,225) |
| Member Contributions | <u>119,274</u> | <u>112,198</u> | <u>100,070</u> | <u>108,892</u> | <u>124,791</u> | <u>110,071</u> |
| Net Change in Total OPEB Liability | (27,544,305) | (20,463,949) | 69,975,208 | (15,362,684) | (19,325,930) | (12,622,961) |
| Total OPEB Liability - Beginning | <u>169,179,953</u> | <u>189,643,902</u> | <u>119,668,694</u> | <u>135,031,378</u> | <u>154,357,308</u> | <u>166,980,269</u> |
| Total OPEB Liability - Ending | <u>\$ 141,635,648</u> | <u>\$ 169,179,953</u> | <u>\$ 189,643,902</u> | <u>\$ 119,668,694</u> | <u>\$ 135,031,378</u> | <u>\$ 154,357,308</u> |
| District's Proportionate Share of OPEB Liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of OPEB Liability | <u>141,635,648</u> | <u>169,179,953</u> | <u>189,643,902</u> | <u>119,668,694</u> | <u>135,031,378</u> | <u>154,357,308</u> |
| Total OPEB Liability - Ending | <u>\$ 141,635,648</u> | <u>\$ 169,179,953</u> | <u>\$ 189,643,902</u> | <u>\$ 119,668,694</u> | <u>\$ 135,031,378</u> | <u>\$ 154,357,308</u> |
| District's Covered-Employee Payroll | <u>\$ 46,011,766</u> | <u>\$ 45,981,766</u> | <u>\$ 45,041,593</u> | <u>\$ 42,865,327</u> | <u>\$ 41,508,497</u> | <u>\$ 40,223,295</u> |
| District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll | 0% | 0% | 0% | 0% | 0% | 0% |

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

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**TEANECK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5E.

SCHOOL LEVEL SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Total Exhibit E-1a | Total Exhibit E-1b | Total Exhibit E-1c | Total Exhibit E-1d | Total Exhibit E-1e | Totals |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------|
| REVENUES | | | | | | |
| Intergovernmental | | | | | | |
| State | | \$ 366,493 | \$ 335,065 | \$ 923,337 | \$ 4,479,466 | \$ 6,104,361 |
| Federal | \$ 2,159,891 | 1,621,903 | 2,900,262 | - | - | 6,682,056 |
| Other | - | - | - | - | 349,842 | 349,842 |
| Total Revenues | 2,159,891 | 1,988,396 | 3,235,327 | 923,337 | 4,829,308 | 13,136,259 |
| EXPENDITURES | | | | | | |
| Instruction | | | | | | |
| Salaries of Teachers | 249,098 | 264,879 | 10,500 | | 1,309,689 | 1,834,166 |
| Purchased Prof and Educ Svcs | 13,755 | 2,499 | | | 824,570 | 840,824 |
| Purchased Prof and Tech Svcs | - | | | | 43 | 43 |
| Tuition | 935,293 | | | | | 935,293 |
| Other Purchased Services | | 10,870 | | | | 10,870 |
| General Supplies | 443,851 | 419,541 | 817,542 | 39,384 | 132,140 | 1,852,458 |
| Textbooks | | | 84,006 | | | 84,006 |
| Miscellaneous | | 9,504 | | | 6,065 | 15,569 |
| Co-Curricular Student Activities | - | - | - | - | 276,936 | 276,936 |
| Total Instruction | 1,641,997 | 707,293 | 912,048 | 39,384 | 2,549,443 | 5,850,165 |
| Support Services | | | | | | |
| Salaries of Supervisors of Instruction | | | | | 140,275 | 140,275 |
| Salaries of Program Directors | | | | | 150,228 | 150,228 |
| Salaries of Other Professional Staff | | | 53,550 | | 117,877 | 171,427 |
| Salaries of Secretaries and Clerical Assistants | | | | | 69,000 | 69,000 |
| Other Salaries | 53,168 | 385,202 | 77,162 | | 157,549 | 673,081 |
| Salaries of Community Parent Involvement | | | | | 89,166 | 89,166 |
| Salaries of Master Teachers | | | | | 91,400 | 91,400 |
| Personnel Services - Employee Benefits | 12,540 | 23,012 | 28,344 | | 266,866 | 330,762 |
| Purchased Education Services - Contracted Pre-K | | | | | 1,272,430 | 1,272,430 |
| Other Purchased Professional -Ed. Services | 391,558 | 721,303 | 1,513,477 | 808,347 | 239 | 3,434,924 |
| Cleaning, Repairs and Maintenance | | | 89,669 | | | 89,669 |
| Rentals | | | | | 54,000 | 54,000 |
| Contracted Svcs. -Transportation | | 62,996 | 2,000 | 21,446 | 4,936 | 91,378 |
| Travel | 10,111 | 1,820 | | | 901 | 12,832 |
| Miscellaneous Purchased Services | | | | | 43,116 | 43,116 |
| Supplies and Materials | 23,834 | 69,270 | 17,133 | 29,443 | 10,479 | 150,159 |
| Other Objects | | | | | 646 | 646 |
| Miscellaneous Expenditures - Scholarships | - | - | - | - | 5,843 | 5,843 |
| Total Support Services | 491,211 | 1,263,603 | 1,781,335 | 859,236 | 2,474,951 | 6,870,336 |
| Facilities Acquisition | | | | | | |
| Noninstructional Equipment | | 17,500 | | 4,707 | | 22,207 |
| Instructional Equipment | 26,683 | - | 541,944 | 20,010 | - | 588,637 |
| Total Facilities Acquisition | 26,683 | 17,500 | 541,944 | 24,717 | - | 610,844 |
| Total Expenditures | 2,159,891 | 1,988,396 | 3,235,327 | 923,337 | 5,024,394 | 13,331,345 |
| Excess (Deficiency) of Revenues | | | | | | |
| Over/(Under) Expenditures | - | - | - | - | (195,086) | (195,086) |
| Other Financing Sources (Uses) | | | | | | |
| Transfer from General Fund | - | - | - | - | 194,216 | 194,216 |
| Total Other Financing Sources (Uses) | - | - | - | - | 194,216 | 194,216 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | - | (870) | (870) |
| Fund Balance, Beginning of Year | - | - | - | - | 284,393 | 284,393 |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ 283,523 | \$ 283,523 |

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | IDEA Basic | IDEA Preschool | ARP IDEA Basic | ARP IDEA Preschool | ESEA Title I | ESEA Title III | ESEA Title IIA | ESEA Title IV | Total Exhibit E-1a |
|--|------------------|-------------------|----------------------|--------------------------|-----------------|-------------------|-------------------|------------------|--------------------------|
| REVENUES | | | | | | | | | |
| Intergovernmental | | | | | | | | | |
| Federal | \$ 1,399,405 | \$ 35,584 | \$ 129,366 | \$ 2,954 | \$ 465,584 | \$ 38,638 | \$ 62,884 | \$ 25,476 | \$ 2,159,891 |
| Other | - | - | - | - | - | - | - | - | - |
| Total Revenues | <u>1,399,405</u> | <u>35,584</u> | <u>129,366</u> | <u>2,954</u> | <u>465,584</u> | <u>38,638</u> | <u>62,884</u> | <u>25,476</u> | <u>2,159,891</u> |
| EXPENDITURES | | | | | | | | | |
| Instruction | | | | | | | | | |
| Salaries of Teachers | | | | | 233,448 | 15,650 | | | 249,098 |
| Purchased Prof and Educ Svcs | | | | | | | | 13,755 | 13,755 |
| Tuition | 933,539 | | 1,754 | | | | | | 935,293 |
| General Supplies | <u>227,056</u> | <u>-</u> | <u>87,646</u> | <u>2,954</u> | <u>102,857</u> | <u>13,207</u> | <u>-</u> | <u>10,131</u> | <u>443,851</u> |
| Total Instruction | <u>1,160,595</u> | <u>-</u> | <u>89,400</u> | <u>2,954</u> | <u>336,305</u> | <u>28,857</u> | <u>-</u> | <u>23,886</u> | <u>1,641,997</u> |
| Support Services | | | | | | | | | |
| Other Salaries | | | | | 51,118 | 2,050 | | | 53,168 |
| Personnel Services - Employee Benefits | | | | | 11,890 | 650 | | | 12,540 |
| Other Purchased Professional -Ed. Services | 238,810 | 35,584 | 38,150 | | 17,790 | 5,800 | 53,834 | 1,590 | 391,558 |
| Travel | | | | | | 1,061 | 9,050 | | 10,111 |
| Supplies and Materials | <u>-</u> | <u>-</u> | <u>1,816</u> | <u>-</u> | <u>21,798</u> | <u>220</u> | <u>-</u> | <u>-</u> | <u>23,834</u> |
| Total Support Services | <u>238,810</u> | <u>35,584</u> | <u>39,966</u> | <u>-</u> | <u>102,596</u> | <u>9,781</u> | <u>62,884</u> | <u>1,590</u> | <u>491,211</u> |
| Facilities Acquisition | | | | | | | | | |
| Instructional Equipment | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,683</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,683</u> |
| Total Facilities Acquisition | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,683</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,683</u> |
| Total Expenditures | <u>1,399,405</u> | <u>35,584</u> | <u>129,366</u> | <u>2,954</u> | <u>465,584</u> | <u>38,638</u> | <u>62,884</u> | <u>25,476</u> | <u>2,159,891</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Other Financing Sources (Uses) Transfer from General Fund | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | - | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - | - |
| Fund Balance, End of Year | - | - | - | - | - | - | - | - | - |

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>School Climate Transformation</u> | <u>School Based Youth Services</u> | <u>ARP Stabilization</u> | <u>Climate Awareness</u> | <u>NonPublic STEM</u> | <u>CRRSA ESSER II</u> | <u>CR Learning Acceleration</u> | <u>CR Mental Health</u> | <u>Total Exhibit E-1b</u> |
|--|--|--|------------------------------|------------------------------|---------------------------|---------------------------|-------------------------------------|-----------------------------|-----------------------------------|
| REVENUES | | | | | | | | | |
| Intergovernmental | | | | | | | | | |
| State | | \$ 325,516 | | \$ 6,025 | \$ 34,952 | | | | \$ 366,493 |
| Federal | \$ 570,628 | | \$ 268,468 | | | \$ 751,397 | \$ 21,960 | \$ 9,450 | 1,621,903 |
| Other | - | - | - | - | - | - | - | - | - |
| Total Revenues | <u>570,628</u> | <u>325,516</u> | <u>268,468</u> | <u>6,025</u> | <u>34,952</u> | <u>751,397</u> | <u>21,960</u> | <u>9,450</u> | <u>1,988,396</u> |
| EXPENDITURES | | | | | | | | | |
| Instruction | | | | | | | | | |
| Salaries of Teachers | | | 188,035 | | 34,952 | 41,892 | | | 264,879 |
| Purchased Prof and Educ Svcs | | | | | | | 2,499 | | 2,499 |
| Other Purchased Services | | | 10,870 | | | | | | 10,870 |
| General Supplies | 996 | 6,405 | 48,512 | 6,025 | | 349,005 | 8,598 | | 419,541 |
| Miscellaneous | - | 8,899 | 605 | - | - | - | - | - | 9,504 |
| Total Instruction | <u>996</u> | <u>15,304</u> | <u>248,022</u> | <u>6,025</u> | <u>34,952</u> | <u>390,897</u> | <u>8,598</u> | <u>2,499</u> | <u>707,293</u> |
| Support Services | | | | | | | | | |
| Other Salaries | 44,000 | 307,508 | 20,384 | | | 13,310 | | | 385,202 |
| Personnel Services - Employee Benefits | 18,727 | | 62 | | | 4,223 | | | 23,012 |
| Other Purchased Professional -Ed. Services | 437,975 | | | | | 263,015 | 13,362 | 6,951 | 721,303 |
| Contracted Svcs. -Transportation | | 2,704 | | | | 60,292 | | | 62,996 |
| Travel | 1,820 | | | | | | | | 1,820 |
| Supplies and Materials | 67,110 | - | - | - | - | 2,160 | - | - | 69,270 |
| Total Support Services | <u>569,632</u> | <u>310,212</u> | <u>20,446</u> | <u>-</u> | <u>-</u> | <u>343,000</u> | <u>13,362</u> | <u>6,951</u> | <u>1,263,603</u> |
| Facilities Acquisition | | | | | | | | | |
| Noninstructional Equipment | - | - | - | - | - | 17,500 | - | - | 17,500 |
| Instructional Equipment | - | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,500</u> | <u>-</u> | <u>-</u> | <u>17,500</u> |
| Total Expenditures | <u>570,628</u> | <u>325,516</u> | <u>268,468</u> | <u>6,025</u> | <u>34,952</u> | <u>751,397</u> | <u>21,960</u> | <u>9,450</u> | <u>1,988,396</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Other Financing Sources (Uses) Transfer from General Fund | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - | - |
| Fund Balance, End of Year | - | - | - | - | - | - | - | - | - |

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | ARP ESSER | Accelerated Learning Coach | Summer Learning and Enrichment | Mental Health Support | Homeless | SDA Emergent and Capital Needs | Non Public Textbooks | Non Public Nursing | Total Exhibit E-1c |
|--|------------------|----------------------------------|--------------------------------------|-----------------------------|---------------|--------------------------------------|-------------------------|-----------------------|--------------------------|
| REVENUES | | | | | | | | | |
| Intergovernmental | | | | | | | | | |
| State | | | | | | \$ 89,669 | \$ 84,006 | \$ 161,390 | \$ 335,065 |
| Federal | \$ 2,772,431 | \$ 22,500 | \$ 7,704 | \$ 86,501 | 11,126 | | | | 2,900,262 |
| Other | - | - | - | - | - | - | - | - | - |
| Total Revenues | 2,772,431 | 22,500 | 7,704 | 86,501 | 11,126 | 89,669 | 84,006 | 161,390 | 3,235,327 |
| EXPENDITURES | | | | | | | | | |
| Instruction | | | | | | | | | |
| Salaries of Teachers | 10,500 | | | | | | | | 10,500 |
| General Supplies | 809,838 | | 7,704 | | | | | | 817,542 |
| Textbooks | - | - | - | - | - | - | 84,006 | - | 84,006 |
| Total Instruction | 820,338 | - | 7,704 | - | - | - | 84,006 | - | 912,048 |
| Support Services | | | | | | | | | |
| Salaries of Other Professional Staff | 53,550 | | | | | | | | 53,550 |
| Other Salaries | 77,162 | | | | | | | | 77,162 |
| Personnel Services - Employee Benefits | 28,344 | | | | | | | | 28,344 |
| Other Purchased Professional -Ed. Services | 1,243,086 | 22,500 | | 86,501 | | | | 161,390 | 1,513,477 |
| Cleaning, Repairs and Maintenance | | | | | | 89,669 | | | 89,669 |
| Contracted Svcs. -Transportation | | | | | 2,000 | | | | 2,000 |
| Supplies and Materials | 8,007 | - | - | - | 9,126 | - | - | - | 17,133 |
| Total Support Services | 1,410,149 | 22,500 | - | 86,501 | 11,126 | 89,669 | - | 161,390 | 1,781,335 |
| Facilities Acquisition | | | | | | | | | |
| Instructional Equipment | 541,944 | - | - | - | - | - | - | - | 541,944 |
| Total Facilities Acquisition | 541,944 | - | - | - | - | - | - | - | 541,944 |
| Total Expenditures | 2,772,431 | 22,500 | 7,704 | 86,501 | 11,126 | 89,669 | 84,006 | 161,390 | 3,235,327 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Other Financing Sources (Uses) Transfer from General Fund | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | - | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - | - |
| Fund Balance, End of Year | - | - | - | - | - | - | - | - | - |

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Non Public Auxiliary Services (Chap. 192)</u> | | | | | <u>Non Public Handicapped Services (Chap 193)</u> | | | <u>Total Exhibit E-1d</u> |
|---|--|------------------------------|-------------------------------|------------------|-----------------------|---|--------------------------|----------------------------------|---------------------------|
| | <u>Non Public Security</u> | <u>Non Public Technology</u> | <u>Compensatory Education</u> | <u>ESL</u> | <u>Transportation</u> | <u>Examination and Classification</u> | <u>Corrective Speech</u> | <u>Supplementary Instruction</u> | |
| REVENUES | | | | | | | | | |
| Intergovernmental | | | | | | | | | |
| State | \$ 276,137 | \$ 44,091 | \$ 167,122 | \$ 20,447 | \$ 21,446 | \$ 183,173 | \$ 91,977 | \$ 118,944 | \$ 923,337 |
| Federal | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 276,137 | \$ 44,091 | \$ 167,122 | \$ 20,447 | \$ 21,446 | \$ 183,173 | \$ 91,977 | \$ 118,944 | \$ 923,337 |
| EXPENDITURES | | | | | | | | | |
| Instruction | | | | | | | | | |
| General Supplies | - | 39,384 | - | - | - | - | - | - | 39,384 |
| Total Instruction | - | 39,384 | - | - | - | - | - | - | 39,384 |
| Support Services | | | | | | | | | |
| Other Purchased Professional -Ed. Services | 226,684 | - | 167,122 | 20,447 | - | 183,173 | 91,977 | 118,944 | 808,347 |
| Contracted Svcs. -Transportation | - | - | - | - | 21,446 | - | - | - | 21,446 |
| Supplies and Materials | 29,443 | - | - | - | - | - | - | - | 29,443 |
| Total Support Services | 256,127 | - | 167,122 | 20,447 | 21,446 | 183,173 | 91,977 | 118,944 | 859,236 |
| Facilities Acquisition | | | | | | | | | |
| Noninstructional Equipment | - | 4,707 | - | - | - | - | - | - | 4,707 |
| Instructional Equipment | 20,010 | - | - | - | - | - | - | - | 20,010 |
| Total Facilities Acquisition | 20,010 | 4,707 | - | - | - | - | - | - | 24,717 |
| Total Expenditures | 276,137 | 44,091 | 167,122 | 20,447 | 21,446 | 183,173 | 91,977 | 118,944 | 923,337 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Other Financing Sources (Uses) | | | | | | | | | |
| Transfer from General Fund | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | - | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - | - | - | - |
| Fund Balance, End of Year | - | - | - | - | - | - | - | - | - |

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Non Public Home Instruction</u> | <u>Juvenile Justice (2023)</u> | <u>Juvenile Justice (2022)</u> | <u>Student Activity Funds</u> | <u>Scholarship Funds</u> | <u>Preschool Education Aid</u> | <u>Other Local Grants</u> | <u>Total Exhibit E-1e</u> |
|---|--|------------------------------------|------------------------------------|---------------------------------------|------------------------------|--|-----------------------------------|-----------------------------------|
| REVENUES | | | | | | | | |
| Intergovernmental | | | | | | | | |
| State | \$ 43 | \$ 25,521 | \$ 25,491 | | | \$ 4,428,411 | | \$ 4,479,466 |
| Federal | | | | | | | | |
| Other | - | - | - | \$ 281,656 | \$ 253 | - | \$ 67,933 | 349,842 |
| Total Revenues | 43 | 25,521 | 25,491 | 281,656 | 253 | 4,428,411 | 67,933 | 4,829,308 |
| EXPENDITURES | | | | | | | | |
| Instruction | | | | | | | | |
| Salaries of Teachers | | 15,575 | 15,275 | | | 1,258,139 | 20,700 | 1,309,689 |
| Purchased Prof and Educ Svcs | | 2,200 | 3,400 | | | 815,520 | 3,450 | 824,570 |
| Purchased Prof and Tech Svcs | 43 | | | | | | | 43 |
| General Supplies | | 3,292 | 2,689 | | | 99,408 | 26,751 | 132,140 |
| Miscellaneous | | 1,614 | 2,631 | | | | 1,820 | 6,065 |
| Co-Curricular Student Activities | - | - | - | 276,936 | - | - | - | 276,936 |
| Total Instruction | 43 | 22,681 | 23,995 | 276,936 | - | 2,173,067 | 52,721 | 2,549,443 |
| Support Services | | | | | | | | |
| Salaries of Supervisors of Instruction | | | | | | 140,275 | | 140,275 |
| Salaries of Program Directors | | | | | | 150,228 | | 150,228 |
| Salaries of Other Professional Staff | | | | | | 117,877 | | 117,877 |
| Salaries of Secretaries and Clerical Assistants | | | | | | 69,000 | | 69,000 |
| Other Salaries | | | | | | 145,536 | 12,013 | 157,549 |
| Salaries of Community Parent Involvement | | | | | | 89,166 | | 89,166 |
| Salaries of Master Teachers | | | | | | 91,400 | | 91,400 |
| Personnel Services - Employee Benefits | | | | | | 266,866 | | 266,866 |
| Purchased Education Services - Contracted Pre-K | | | | | | 1,272,430 | | 1,272,430 |
| Other Purchased Professional -Ed. Services | | | | | | 239 | | 239 |
| Rentals | | | | | | 54,000 | | 54,000 |
| Contracted Svcs. -Transportation | | 2,840 | 1,496 | | | - | 600 | 4,936 |
| Travel | | | | | | 901 | | 901 |
| Miscellaneous Purchased Services | | | | | | 43,116 | | 43,116 |
| Supplies and Materials | | | | | | 7,880 | 2,599 | 10,479 |
| Other Objects | | | | | | 646 | | 646 |
| Miscellaneous Expenditures - Scholarships | - | - | - | - | 5,843 | - | - | 5,843 |
| Total Support Services | - | 2,840 | 1,496 | - | 5,843 | 2,449,560 | 15,212 | 2,474,951 |
| Total Expenditures | 43 | 25,521 | 25,491 | 276,936 | 5,843 | 4,622,627 | 67,933 | 5,024,394 |
| Excess (Deficiency) of Revenues | | | | | | | | |
| Over/(Under) Expenditures | - | - | - | 4,720 | (5,590) | (194,216) | - | (195,086) |

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Non Public Home Instruction</u> | <u>Juvenile Justice (2023)</u> | <u>Juvenile Justice (2022)</u> | <u>Student Activity Funds</u> | <u>Scholarship Funds</u> | <u>Preschool Education Aid</u> | <u>Other Local Grants</u> | <u>Total Exhibit E-1e</u> |
|--|--|------------------------------------|------------------------------------|---------------------------------------|------------------------------|--|-----------------------------------|-----------------------------------|
| Other Financing Sources (Uses) | | | | | | | | |
| Transfer from General Fund | - | - | - | - | - | \$ 194,216 | - | \$ 194,216 |
| Total Other Financing Sources (Uses) | - | - | - | - | - | 194,216 | - | 194,216 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | - | - | - | \$ 4,720 | \$ (5,590) | - | - | (870) |
| Ⓢ Fund Balance, Beginning of Year | - | - | - | 184,471 | 99,922 | - | - | 284,393 |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 189,191</u> | <u>\$ 94,332</u> | - | <u>\$ -</u> | 283,523 |
| Reconciliation to Governmental Funds Statements (GAAP) | | | | | | | | |
| State Aid Payments Not Recognized on GAAP Basis | | | | | | (420,954) | | (420,954) |
| Fund Balance Per Governmental Funds (GAAP) | | | | | | <u>\$ (420,954)</u> | | <u>\$ (137,431)</u> |

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| EXPENDITURES | <u>Budget</u> | <u>Budget Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|---------------------|-------------------------------|-------------------------|---------------------|-------------------------------------|
| Instruction | | | | | |
| Salaries of Teachers | \$ 1,209,578 | \$ 48,561 | \$ 1,258,139 | \$ 1,258,139 | - |
| Purchased Professional-Educational Services | 850,520 | (35,000) | 815,520 | 815,520 | - |
| General Supplies | 28,900 | 70,508 | 99,408 | 99,408 | - |
| Total Instruction | <u>2,088,998</u> | <u>84,069</u> | <u>2,173,067</u> | <u>2,173,067</u> | <u>-</u> |
| Support Services | | | | | |
| Salaries of Supervisors of Instruction | 135,182 | 5,093 | 140,275 | 140,275 | - |
| Salaries of Program Directors | 145,000 | 5,228 | 150,228 | 150,228 | - |
| Salaries of Other Professional Staff | 226,665 | - | 226,665 | 117,877 | \$ 108,788 |
| Salaries of Secretaries and Clerical Assistants | 132,225 | - | 132,225 | 69,000 | 63,225 |
| Other Salaries | 139,054 | 6,482 | 145,536 | 145,536 | - |
| Salaries of Community Parent Involvement | 86,149 | 3,017 | 89,166 | 89,166 | - |
| Salaries of Master Teachers | 91,000 | 400 | 91,400 | 91,400 | - |
| Personnel Services - Employee Benefits | 487,964 | (50,241) | 437,723 | 266,866 | 170,857 |
| Purchased Education Services - Contracted Pre-K | 1,272,430 | - | 1,272,430 | 1,272,430 | - |
| Other Purchased Professional -Ed. Services | 12,000 | - | 12,000 | 239 | 11,761 |
| Rentals | 58,000 | - | 58,000 | 54,000 | 4,000 |
| Contracted Svcs. - Trans. (Bet. Home and Sch) | 93,000 | (93,000) | - | - | - |
| Travel | - | 901 | 901 | 901 | - |
| Miscellaneous Purchased Services | 10,000 | 35,000 | 45,000 | 43,116 | 1,884 |
| Supplies and Materials | 4,568 | 3,312 | 7,880 | 7,880 | - |
| Other Objects | 1,500 | - | 1,500 | 646 | 854 |
| Total Support Services | <u>2,894,737</u> | <u>(83,808)</u> | <u>2,810,929</u> | <u>2,449,560</u> | <u>361,369</u> |
| Total Expenditures | <u>\$ 4,983,735</u> | <u>\$ 261</u> | <u>\$ 4,983,996</u> | <u>\$ 4,622,627</u> | <u>\$ 361,369</u> |

Calculation of Budget Carryover

| | |
|--|------------------|
| Total 2022-2023 Preschool Education Aid Allocation | \$ 4,354,050 |
| Add Actual Preschool Education Carryover (June 30, 2022) | 88,551 |
| Add: Prior Year Encumbrances/Payables Cancelled | 261 |
| Add: Budgeted Transfer from General Fund | <u>194,216</u> |
| Total Preschool Education Aid Funds Available for 2022-2023 Budget | 4,637,078 |
| Less: 2022-2023 Budgeted Preschool Education Aid (Including prior year budgeted carryover) | <u>4,983,996</u> |
| Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2023 | (346,918) |
| Add: June 30, 2023 Unexpended Preschool Education Aid | <u>361,369</u> |
| 2022-2023 Carryover - Preschool Education Aid /Preschool Programs | \$ 14,451 |
| 2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024 | \$ 88,551 |

CAPITAL PROJECTS FUND

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| <u>Project Title/Description</u> | <u>Modified Appropriations</u> | <u>Expenditures to Date</u> | | <u>Balance June 30, 2023</u> |
|------------------------------------|------------------------------------|-----------------------------|---------------------|----------------------------------|
| | | <u>Prior Years</u> | <u>Current Year</u> | |
| Energy Savings Improvement Program | \$ 8,009,416 | \$ 7,951,654 | \$ 26,975 | \$ 30,787 |

Recapitulation of Fund Balance:

| | |
|---------------------------------|-----------|
| Restricted for Capital Projects | \$ 30,787 |
|---------------------------------|-----------|

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | |
|---|------------------|
| Expenditures | |
| Purchased Professional and Technical Services | \$ <u>26,975</u> |
| Total Expenditures | <u>26,975</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (26,975) |
| Fund Balance, Beginning of Year | <u>57,762</u> |
| Fund Balance, End of Year | <u>\$ 30,787</u> |

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|------------------|--|
| Revenues and Other Financing Sources | | | | |
| Capital Financing Agreement | \$ 8,009,416 | - | \$ 8,009,416 | \$ 8,009,416 |
| Total Revenues | <u>8,009,416</u> | <u>-</u> | <u>8,009,416</u> | <u>8,009,416</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased Professional and Technical Services | 824,671 | \$ 26,975 | 851,646 | 1,793,316 |
| Construction Services | 7,021,868 | | 7,021,868 | 6,216,100 |
| Transfer to General Fund - Cancelled Lease Balance | <u>105,115</u> | <u>-</u> | <u>105,115</u> | <u>-</u> |
| Total Expenditures and Other Financing Uses | <u>7,951,654</u> | <u>26,975</u> | <u>7,978,629</u> | <u>\$ 8,009,416</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 57,762</u> | <u>\$ (26,975)</u> | <u>\$ 30,787</u> | |
| Additional Project Information: | | | | |
| Project Number | N/A | | | |
| Capital Financing Agreement | \$ 8,009,416 | | | |
| Original Authorized Cost | 8,009,416 | | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$ 8,009,416 | | | |

PROPRIETARY FUNDS

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**TEANECK BOARD OF EDUCATION
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| <u>Issue</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Annual Maturities Date</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Balance, July 1, 2022</u> | <u>Issued</u> | <u>Paid</u> | <u>Balance, June 30, 2023</u> |
|--|----------------------|------------------------|-------------------------------|---------------|----------------------|------------------------------|---------------|--------------|-------------------------------|
| School Energy Savings Obligation Refunding Bonds | 1/6/2022 | \$ 3,595,000 | 4/1/2024 | \$ 680,000 | 1.096 % | | | | |
| | | | 4/1/2025 | 720,000 | 1.096 | | | | |
| | | | 4/1/2026 | 750,000 | 1.096 | | | | |
| | | | 4/1/2027 | 785,000 | 1.096 | \$ 3,580,000 | | \$ 645,000 | \$ 2,935,000 |
| | | | | | | | | | |
| School Refunding Bonds | 4/27/2016 | 7,615,000 | 7/15/2023 | 525,000 | 2.000 % | | | | |
| | | | 7/15/2024 | 525,000 | 4.000 | | | | |
| | | | 7/1/2025 | 515,000 | 4.000 | | | | |
| | | | 7/1/2026 | 510,000 | 4.000 | | | | |
| | | | 7/1/2027 | 500,000 | 4.000 | | | | |
| | | | 7/1/2028 | 490,000 | 3.750 | | | | |
| | | | 7/15/2029 | 480,000 | 3.500 | | | | |
| | | | 7/15/2030 | 465,000 | 3.500 | 4,555,000 | - | 545,000 | 4,010,000 |
| | | | | | | | | | |
| | | | | | \$ 8,135,000 | \$ - | \$ 1,190,000 | \$ 6,945,000 | |

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**SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| <u>Description</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Balance, July 1, 2022</u> | <u>Issued</u> | <u>Paid</u> | <u>Balance, June 30, 2023</u> |
|---------------------------------------|----------------------|------------------------|----------------------|------------------------------|---------------|-------------|-------------------------------|
| <u>Capital Financing Agreements</u> | | | | | | | |
| HVAC Improvements | 3/27/2020 | 1,600,000 | 1.55% | \$ 974,230 | | \$ 319,761 | \$ 654,469 |
| Equipment Energy Savings Improvements | 6/24/2020 | 5,738,822 | 2.42% | 5,213,604 | | 218,762 | 4,994,842 |
| Energy Savings Improvements | 8/4/2020 | 2,270,594 | 2.42% | 2,207,168 | - | 63,352 | 2,143,816 |
| | | | | \$ 8,395,002 | \$ - | \$ 601,875 | \$ 7,793,127 |

**TEANECK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget to Actual</u> |
|--|----------------------------|--------------------|-------------------------|------------------|--|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Taxes | \$ 694,398 | - | \$ 694,398 | \$ 694,400 | \$ 2 |
| Total Revenues | <u>694,398</u> | <u>-</u> | <u>694,398</u> | <u>694,400</u> | <u>2</u> |
| EXPENDITURES | | | | | |
| Regular Debt Service | | | | | |
| Principal | 545,000 | | 545,000 | 545,000 | |
| Interest | <u>149,400</u> | <u>-</u> | <u>149,400</u> | <u>149,400</u> | <u>-</u> |
| Total Expenditures | <u>694,400</u> | <u>-</u> | <u>694,400</u> | <u>694,400</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2) | - | (2) | - | 2 |
| Fund Balance, Beginning of Year | <u>24,649</u> | <u>-</u> | <u>24,649</u> | <u>24,649</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 24,647</u> | <u>\$ -</u> | <u>\$ 24,647</u> | <u>\$ 24,649</u> | <u>\$ 2</u> |

Recapitulation of Fund Balance:

| | |
|---|------------------|
| Restricted for Debt Service: | |
| Unreserved | \$ 2 |
| Designated for Subsequent Year's Expenditures | <u>24,647</u> |
| Total | <u>\$ 24,649</u> |

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report 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 annual comprehensive financial reports for the relevant year.

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

| | As Of June 30, | | | | | | | | | |
|--|---------------------|-----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 30,923,632 | \$ 31,030,357 | \$ 31,076,698 | \$ 31,428,231 | \$ 30,555,010 | \$ 28,805,759 | \$ 30,461,364 | \$ 35,670,213 | \$ 40,162,070 | \$ 42,254,626 |
| Restricted | 571,338 | 324,625 | 833,187 | 1,788,028 | 5,380,642 | 15,372,914 | 18,226,640 | 18,465,908 | 16,226,403 | 5,220,876 |
| Unrestricted | (29,821,336) | (33,550,664) | (30,514,996) | (28,346,121) | (25,696,694) | (25,922,713) | (23,805,755) | (19,248,819) | (12,959,235) | (3,200,688) |
| Total Governmental Activities Net Position | <u>\$ 1,673,634</u> | <u>\$ (2,195,682)</u> | <u>\$ 1,394,889</u> | <u>\$ 4,870,138</u> | <u>\$ 10,238,958</u> | <u>\$ 18,255,960</u> | <u>\$ 24,882,249</u> | <u>\$ 34,887,302</u> | <u>\$ 43,429,238</u> | <u>\$ 44,274,814</u> |
| Business-Type Activities | | | | | | | | | | |
| Investment in Capital Assets | \$ 55,021 | \$ 45,373 | \$ 35,613 | \$ 27,769 | \$ 44,083 | \$ 36,683 | \$ 225,827 | \$ 197,857 | \$ 247,981 | \$ 215,937 |
| Unrestricted | 140,807 | 201,619 | 325,827 | 617,185 | 859,418 | 886,890 | 696,194 | 1,374,476 | 3,164,539 | 4,367,752 |
| Total Business-Type Activities Net Position | <u>\$ 195,828</u> | <u>\$ 246,992</u> | <u>\$ 361,440</u> | <u>\$ 644,954</u> | <u>\$ 903,501</u> | <u>\$ 923,573</u> | <u>\$ 922,021</u> | <u>\$ 1,572,333</u> | <u>\$ 3,412,520</u> | <u>\$ 4,583,689</u> |
| District-wide | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 30,978,653 | \$ 31,075,730 | \$ 31,112,311 | \$ 31,456,000 | \$ 30,599,093 | \$ 28,842,442 | \$ 30,687,191 | \$ 35,868,070 | \$ 40,410,051 | \$ 42,470,563 |
| Restricted | 571,338 | 324,625 | 833,187 | 1,788,028 | 5,380,642 | 15,372,914 | 18,226,640 | 18,465,908 | 16,226,403 | 5,220,876 |
| Unrestricted | (29,680,529) | (33,349,045) | (30,189,169) | (27,728,936) | (24,837,276) | (25,035,823) | (23,109,561) | (17,874,343) | (9,794,697) | 1,167,064 |
| Total District Net Position | <u>\$ 1,869,462</u> | <u>\$ (1,948,690)</u> | <u>\$ 1,756,329</u> | <u>\$ 5,515,092</u> | <u>\$ 11,142,459</u> | <u>\$ 19,179,533</u> | <u>\$ 25,804,270</u> | <u>\$ 36,459,635</u> | <u>\$ 46,841,757</u> | <u>\$ 48,858,503</u> |

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

Source: District Records

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 33,856,291 | \$ 45,216,191 | \$ 43,078,084 | \$ 47,544,166 | \$ 49,686,728 | \$ 29,704,504 | \$ 29,805,460 | \$ 29,655,781 | \$ 39,911,924 | \$ 49,047,284 |
| Special Education | 9,680,177 | 22,910,881 | 22,521,039 | 25,413,050 | 25,491,773 | 11,726,104 | 10,791,784 | 11,276,918 | 26,040,162 | 28,696,295 |
| Other Instruction and School Sponsored Act. | 3,273,279 | 5,104,799 | 4,899,904 | 5,257,184 | 5,580,493 | 10,460,247 | 10,244,596 | 10,175,677 | 13,301,271 | 4,619,662 |
| Support Services: | | | | | | | | | | |
| Tuition | | | | | | 8,693,821 | 9,097,893 | 9,961,134 | | |
| Student and Instruction Related Services | 17,404,977 | 15,985,738 | 17,767,423 | 17,174,153 | 16,090,033 | 14,551,481 | 16,049,950 | 18,666,489 | 22,204,995 | 20,039,847 |
| General Administration | 1,014,942 | 1,346,018 | 1,238,269 | 1,377,257 | 1,566,309 | 1,511,085 | 1,881,224 | 1,973,806 | 2,211,852 | 1,695,372 |
| School Administrative Services | 3,040,882 | 4,797,201 | 5,504,071 | 6,205,382 | 5,574,062 | 3,902,038 | 3,859,803 | 3,943,934 | 4,628,230 | 4,931,751 |
| Business and Other Support Services | 1,481,017 | 2,162,372 | 2,550,972 | 2,533,001 | 1,992,964 | 2,050,178 | 2,081,947 | 2,130,330 | 368,997 | 1,568,316 |
| Plant Operations and Maintenance | 7,707,536 | 8,742,070 | 7,863,553 | 7,926,277 | 9,722,253 | 7,808,758 | 8,073,700 | 8,309,077 | 6,585,697 | 10,288,527 |
| Transportation | 4,395,157 | 5,090,466 | 5,261,919 | 5,276,477 | 5,232,574 | 5,546,318 | 5,009,748 | 4,538,845 | 5,487,425 | 7,726,396 |
| Interest and Other Charges on Long-Term Debt | 820,419 | 682,245 | 556,367 | 503,691 | 445,359 | 270,032 | 185,259 | 326,548 | (46,128) | 447,596 |
| Capital Outlay | | | | | | 1,735,427 | 2,520,371 | 293,912 | | |
| Unallocated Amortization | | | | | | 122,963 | (43,760) | (48,578) | | |
| Allocated Benefits | | | | | | 5,413,152 | 5,753,774 | 5,670,386 | | |
| Unallocated Benefits | 12,735,510 | | | | | 11,489,829 | 12,001,638 | 18,639,583 | | |
| Unallocated Depreciation | 1,734,667 | | | | | 1,971,687 | 1,946,416 | 1,879,090 | 1,639,357 | |
| Total Governmental Activities Expenses | 97,144,854 | 112,037,981 | 111,241,601 | 119,210,638 | 121,382,548 | 116,957,624 | 119,259,803 | 127,392,932 | 122,333,782 | 129,061,046 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 1,479,468 | 1,420,191 | 1,466,292 | 1,335,533 | 1,371,517 | 1,404,842 | 1,206,430 | 10,503,253 | 7,600,422 | 5,993,450 |
| Community School | 564,347 | 498,653 | 526,953 | 644,259 | 629,545 | 624,657 | 550,805 | 165,963 | 593,013 | 472,667 |
| Total Business-Type Activities | 2,043,815 | 1,918,844 | 1,993,245 | 1,979,792 | 2,001,062 | 2,029,499 | 1,757,235 | 10,669,216 | 8,193,435 | 6,466,117 |
| Total District Expenses | \$ 99,188,669 | \$ 113,956,825 | \$ 113,234,846 | \$ 121,190,430 | \$ 123,383,610 | \$ 118,987,123 | \$ 121,017,038 | \$ 138,062,148 | \$ 130,527,217 | \$ 135,527,163 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | 115,781 | 8,034 | 113,759 | 176,152 | 139,948 | | | 100,435 | 289,684 | 311,778 |
| Operating Grants and Contributions | 13,364,250 | 25,289,979 | 28,102,362 | 34,763,640 | 37,121,970 | 4,111,079 | 5,861,003 | 8,494,484 | 27,269,633 | 30,149,456 |
| Capital Grants and Contributions | | 186,499 | 675,233 | 64,475 | 27,229 | | - | - | - | 602,749 |
| Total Governmental Activities Program Revenues | 13,480,031 | 25,484,512 | 28,891,354 | 35,004,267 | 37,289,147 | 4,111,079 | 5,861,003 | 8,594,919 | 27,559,317 | 31,063,983 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | 744,639 | 642,602 | 648,851 | 649,016 | 698,064 | 680,607 | 509,998 | 12,733 | 137,617 | 662,532 |
| Other | 637,055 | 594,605 | 675,314 | 856,987 | 843,936 | 760,015 | 659,060 | 105,361 | 793,479 | 1,142,217 |
| Operating Grants and Contributions | 705,891 | 732,801 | 783,528 | 757,303 | 794,663 | 810,413 | 655,484 | 11,195,241 | 9,102,526 | 5,731,396 |
| Total Business Type Activities Program Revenues | 2,087,585 | 1,970,008 | 2,107,693 | 2,263,306 | 2,336,663 | 2,251,035 | 1,824,542 | 11,313,335 | 10,033,622 | 7,536,145 |
| Total District Program Revenues | \$ 15,567,616 | \$ 27,454,520 | \$ 30,999,047 | \$ 37,267,573 | \$ 39,625,810 | \$ 6,362,114 | \$ 7,685,545 | \$ 19,908,254 | \$ 37,592,939 | \$ 38,600,128 |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (83,664,823) | \$ (86,553,469) | \$ (82,350,247) | \$ (84,206,371) | \$ (84,093,401) | \$ (112,846,545) | \$ (113,398,800) | \$ (118,798,013) | \$ (94,774,465) | \$ (97,997,063) |
| Business-Type Activities | 43,770 | 51,164 | 114,448 | 283,514 | 335,601 | 221,536 | 67,307 | 644,119 | 1,840,187 | 1,070,028 |
| Total District-Wide Net Expense | <u>\$ (83,621,053)</u> | <u>\$ (86,502,305)</u> | <u>\$ (82,235,799)</u> | <u>\$ (83,922,857)</u> | <u>\$ (83,757,800)</u> | <u>\$ (112,625,009)</u> | <u>\$ (113,331,493)</u> | <u>\$ (118,153,894)</u> | <u>\$ (92,934,278)</u> | <u>\$ (96,927,035)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes | \$ 78,926,950 | \$ 80,505,489 | \$ 83,928,341 | \$ 85,606,908 | \$ 87,319,046 | \$ 89,541,831 | \$ 91,332,668 | \$ 93,159,321 | \$ 95,022,507 | \$ 96,922,957 |
| Property Taxes Levied for Debt Service | 1,789,891 | 1,845,977 | 1,489,284 | 1,461,209 | 1,336,939 | 1,313,882 | 1,303,675 | 1,274,463 | 716,950 | 694,400 |
| Grants and Contributions | 1,664,983 | | | | | 28,991,474 | 26,569,503 | 33,057,189 | 6,340,984 | |
| Miscellaneous Income | 1,277,023 | 332,687 | 523,193 | 613,503 | 317,682 | 865,778 | 762,058 | 1,034,035 | 1,235,961 | 1,101,582 |
| Transfers | | | | | 100,000 | | | | | |
| Special Items | | | | | - | 150,582 | 150,580 | (19,070) | - | |
| Total Governmental Activities | <u>83,658,847</u> | <u>82,684,153</u> | <u>85,940,818</u> | <u>87,681,620</u> | <u>89,073,667</u> | <u>120,863,547</u> | <u>120,118,484</u> | <u>128,505,938</u> | <u>103,316,402</u> | <u>98,718,939</u> |
| Business-Type Activities: | | | | | | | | | | |
| Miscellaneous Income | | | | | (100,000) | (201,464) | (200,000) | 6,193 | - | - |
| Other Financing Sources/(Uses) | | | | | | | | | | |
| Total Business-Type Activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(100,000)</u> | <u>(201,464)</u> | <u>(200,000)</u> | <u>6,193</u> | <u>-</u> | <u>-</u> |
| Total District-Wide | <u>\$ 83,658,847</u> | <u>\$ 82,684,153</u> | <u>\$ 85,940,818</u> | <u>\$ 87,681,620</u> | <u>\$ 88,973,667</u> | <u>\$ 120,662,083</u> | <u>\$ 119,918,484</u> | <u>\$ 128,512,131</u> | <u>\$ 103,316,402</u> | <u>\$ 98,718,939</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 14,024 | \$ (3,869,316) | \$ 3,590,571 | \$ 3,475,249 | \$ 4,980,266 | \$ 8,017,002 | \$ 6,719,684 | \$ 9,707,925 | \$ 8,541,937 | \$ 721,876 |
| Business-Type Activities | 43,770 | 51,164 | 114,448 | 283,514 | 235,601 | 20,072 | (132,693) | 650,312 | 1,840,187 | 1,070,028 |
| Total District | <u>\$ 57,794</u> | <u>\$ (3,818,152)</u> | <u>\$ 3,705,019</u> | <u>\$ 3,758,763</u> | <u>\$ 5,215,867</u> | <u>\$ 8,037,074</u> | <u>\$ 6,586,991</u> | <u>\$ 10,358,237</u> | <u>\$ 10,382,124</u> | <u>\$ 1,791,904</u> |

Source: District Records

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

| | As Of June 30, | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Restricted | \$ 1,968,780 | \$ 324,592 | \$ 1,922,495 | \$ 4,456,718 | \$ 8,902,842 | \$ 12,384,622 | \$ 7,797,104 | \$ 10,592,267 | \$ 14,450,598 | \$ 6,745,537 |
| Assigned | 3,965,257 | 1,420,357 | 1,569,653 | 2,596,779 | 2,451,442 | 2,925,041 | 5,037,340 | 4,407,575 | 1,433,650 | 9,896,827 |
| Unassigned | <u>767,775</u> | <u>(435,844)</u> | <u>499,672</u> | <u>679,845</u> | <u>721,040</u> | <u>1,581,699</u> | <u>1,728,201</u> | <u>3,965,734</u> | <u>4,816,088</u> | <u>1,148,523</u> |
| Total General Fund | <u>\$ 6,701,812</u> | <u>\$ 1,309,105</u> | <u>\$ 3,991,820</u> | <u>\$ 7,733,342</u> | <u>\$ 12,075,324</u> | <u>\$ 16,891,362</u> | <u>\$ 14,562,645</u> | <u>\$ 18,965,576</u> | <u>\$ 20,700,336</u> | <u>\$ 17,790,887</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | \$ 1,224,801 | \$ 1,647,932 | \$ 502,159 | \$ 67,653 | \$ 67,091 | \$ 63,251 | \$ 5,302,196 | \$ 3,466,066 | \$ 366,803 | \$ 338,959 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(447,845)</u> | <u>(67,796)</u> |
| Total All Other Governmental Funds | <u>\$ 1,224,801</u> | <u>\$ 1,647,932</u> | <u>\$ 502,159</u> | <u>\$ 67,653</u> | <u>\$ 67,091</u> | <u>\$ 63,251</u> | <u>\$ 5,302,196</u> | <u>\$ 3,466,066</u> | <u>\$ (81,042)</u> | <u>\$ 271,163</u> |

Source: District Records

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 80,716,841 | \$ 82,351,466 | \$ 85,417,625 | \$ 87,068,117 | \$ 88,655,985 | \$ 90,855,713 | \$ 92,636,343 | \$ 94,433,784 | \$ 95,739,457 | \$ 97,617,357 |
| Tuition Charges | 67,734 | 8,034 | 113,759 | 176,152 | 139,948 | 88,373 | 74,311 | 25,922 | | 15,529 |
| Transportation | 7,620 | | | | | 45,832 | 4,571 | 46,895 | | 14,340 |
| Rentals | 40,427 | 24,813 | | | | 71,749 | 96,399 | 1,778 | | 25,418 |
| Interest Earnings | 61,893 | 24,538 | 17,195 | 24,426 | 73,568 | 6,510 | 137,976 | 6,000 | 31,420 | 460,518 |
| Miscellaneous | 694,931 | 606,879 | 872,144 | 933,306 | 292,776 | 642,914 | 7,718,204 | 3,234,015 | 1,196,727 | 967,205 |
| State Sources | 13,336,840 | 14,883,649 | 15,871,490 | 17,083,759 | 18,884,298 | 22,493,203 | 25,007,042 | 29,449,031 | 34,763,280 | 34,814,737 |
| Federal Sources | 1,712,393 | 1,764,121 | 1,762,558 | 1,994,360 | 2,055,129 | 2,005,665 | 2,260,483 | 3,027,262 | 4,190,499 | 6,121,816 |
| Total Revenues | 96,638,679 | 99,663,500 | 104,054,771 | 107,280,120 | 110,101,704 | 116,209,959 | 127,935,329 | 130,224,687 | 135,921,383 | 140,036,920 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 33,967,601 | 39,789,210 | 36,630,907 | 38,013,929 | 40,233,331 | 24,933,948 | 26,239,139 | 26,246,371 | 30,494,017 | 54,383,577 |
| Special Education Instruction | 9,680,177 | 21,234,038 | 20,203,902 | 21,979,369 | 22,126,629 | 9,342,211 | 9,001,231 | 9,380,059 | 13,336,269 | 30,739,616 |
| Other Instruction/School Sponsored Act. | 3,273,279 | 4,350,846 | 3,998,073 | 4,004,204 | 4,314,200 | 3,393,339 | 3,078,566 | 2,908,466 | 10,116,748 | 5,207,869 |
| Support Services: | | | | | | | | | | |
| Tuition | | | | | | 8,693,821 | 9,097,893 | 9,961,134 | 12,341,483 | |
| Student & Inst. Related Services | 17,404,977 | 15,491,161 | 16,922,739 | 16,013,238 | 15,492,291 | 12,768,667 | 14,594,177 | 17,073,860 | 18,757,793 | 21,892,286 |
| General Administration | 945,329 | 1,388,638 | 1,264,599 | 1,355,640 | 1,439,293 | 1,398,528 | 1,759,629 | 1,845,663 | 2,502,366 | 1,824,551 |
| School Administrative Services | 3,040,882 | 4,340,892 | 4,799,231 | 5,181,268 | 4,921,124 | 3,103,690 | 3,220,126 | 3,303,261 | 3,314,765 | 5,716,354 |
| Business and Other Support Services | 1,481,017 | 2,075,126 | 2,448,307 | 2,362,775 | 1,978,763 | 1,790,626 | 1,811,549 | 1,844,892 | 1,714,997 | 1,653,238 |
| Plant Operations and Maintenance | 7,707,536 | 7,334,229 | 6,337,644 | 6,306,791 | 6,643,839 | 7,852,275 | 8,157,447 | 8,702,795 | 9,706,169 | 9,022,852 |
| Pupil Transportation | 4,395,157 | 5,086,630 | 5,243,572 | 5,255,958 | 5,196,030 | 5,521,065 | 4,975,660 | 4,489,077 | 5,736,648 | 7,772,993 |
| Allocated Benefits | | | | | | 5,413,152 | 5,753,774 | 5,670,386 | | |
| Unallocated Employee Benefits | 12,735,510 | | | | | 6,186,884 | 5,203,348 | 5,764,535 | 24,622,910 | |
| On-Behalf Contributions | | | | | | 12,325,604 | 13,161,615 | 15,959,216 | | |
| Capital Outlay | 3,672,844 | 992,268 | 1,839,461 | 2,966,297 | 511,933 | 2,174,076 | 10,498,567 | 9,156,893 | 4,267,499 | 2,074,427 |
| Debt Service: | | | | | | | | | | |
| Principal | 1,625,000 | 2,210,634 | 2,162,849 | 2,708,873 | 2,408,414 | 1,065,000 | 1,080,000 | 1,085,000 | 555,000 | 1,791,875 |
| Interest and Other Charges | 959,960 | 822,229 | 786,133 | 544,756 | 594,437 | 252,722 | 223,675 | 189,462 | 161,950 | 514,527 |
| Cost of Issuance | | | 117,364 | | | | | | | |
| Charter Schools | | | | | | 6,234,035 | 6,588,230 | 6,715,468 | | |
| Total Expenditures | 100,889,269 | 105,115,901 | 102,754,781 | 106,693,098 | 105,860,284 | 112,449,643 | 124,444,626 | 130,296,538 | 137,628,614 | 142,594,165 |
| Excess (Deficiency) of Revenues | | | | | | | | | | |
| Over (Under) Expenditures | (4,250,590) | (5,452,401) | 1,299,990 | 587,022 | 4,241,420 | 3,760,316 | 3,490,703 | (71,851) | (1,707,231) | (2,557,245) |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Lease-Purchase/Capital Leases (non-budgeted) | \$ 684,949 | \$ 1,550,990 | \$ 112,235 | \$ 2,719,994 | | \$ 901,300 | \$ 7,338,822 | \$ 2,270,594 | | |
| Cancellation of Prior Year Receivables | (69,613) | | | | | | | | | |
| Proceeds from Sale of Bonds | | | 7,615,000 | | | | | | | |
| Premium on Sale of Bonds | 63,870 | | 642,071 | | | | | | (105,115) | |
| Payment to Refunded Bond Escrow Agent | | | (8,132,354) | | | | | | | |
| Transfers In | | 718,431 | 1,001,453 | 440,000 | 100,000 | 200,000 | 6,670,427 | 2,173 | 36,025 | 194,216 |
| Transfers Out | | (718,431) | (1,001,453) | (440,000) | | (49,418) | (6,519,847) | (21,243) | (36,025) | (194,216) |
| Total Other Financing Sources (Uses) | <u>679,206</u> | <u>1,550,990</u> | <u>236,952</u> | <u>2,719,994</u> | <u>100,000</u> | <u>1,051,882</u> | <u>7,489,402</u> | <u>2,251,524</u> | <u>(105,115)</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ (3,571,384)</u> | <u>\$ (3,901,411)</u> | <u>\$ 1,536,942</u> | <u>\$ 3,307,016</u> | <u>\$ 4,341,420</u> | <u>\$ 4,812,198</u> | <u>\$ 10,980,105</u> | <u>\$ 2,179,673</u> | <u>\$ (1,812,346)</u> | <u>\$ (2,557,245)</u> |
| Debt Service as a Percentage of | | | | | | | | | | |
| Noncapital Expenditures | 2.66% | 2.91% | 2.92% | 3.14% | 2.85% | 1.19% | 1.14% | 1.05% | 0.54% | 1.64% |

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Records

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

| Fiscal Year Ended June 30, | <u>Tuition</u> | <u>Interest Earned</u> | <u>Transportation</u> | <u>Prior Year Refunds/Reimb</u> | <u>Energy Performance Rebates</u> | <u>Rentals</u> | <u>Miscellaneous</u> | <u>Total</u> |
|---|-----------------------|-----------------------------------|------------------------------|--|--|-----------------------|-----------------------------|---------------------|
| 2014 | \$ 67,734 | \$ 61,893 | \$ 7,620 | | | \$ 40,427 | \$ 195,976 | \$ 373,650 |
| 2015 | 8,034 | 24,444 | 12,900 | \$ 79,909 | | 24,813 | 190,527 | 340,627 |
| 2016 | 113,759 | 17,119 | 5,280 | 122,866 | \$ 278,268 | 16,907 | 82,677 | 636,876 |
| 2017 | 176,152 | 22,773 | 66,295 | 110,870 | 295,402 | 23,470 | 93,040 | 788,002 |
| 2018 | 139,948 | 66,744 | 3,840 | 177,050 | 1,953 | 18,448 | 42,823 | 450,806 |
| 2019 | 88,373 | 133,220 | 45,832 | 357,830 | 20,520 | 71,749 | 91,338 | 808,862 |
| 2020 | 74,311 | 137,111 | 4,571 | 77,441 | 20,630 | 96,399 | 219,246 | 629,709 |
| 2021 | 25,922 | 41,574 | 46,895 | 62,711 | 123,170 | 1,778 | 593,741 | 895,791 |
| 2022 | | 31,420 | 4,154 | 396,208 | | 11,609 | 410,378 | 853,769 |
| 2023 | 15,529 | 460,518 | 14,340 | 134,440 | | 25,418 | 481,206 | 1,131,451 |

Source: District Records

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

| Fiscal Year Ended June 30, | Vacant Land | Residential | Commercial | Industrial | Apartment | Total Assessed Valuation | Public Utilities | Net Valuation Table | Estimated (County Equalized) Value | Total Direct School Tax Rate ^a |
|-------------------------------------|---------------|------------------|----------------|---------------|----------------|-----------------------------|---------------------|------------------------|---------------------------------------|---|
| 2014 | \$ 26,244,900 | \$ 4,980,162,600 | \$ 550,175,000 | \$ 40,204,300 | \$ 219,780,400 | \$ 5,816,567,200 | \$ 5,516,191 | \$ 5,822,083,391 | \$ 5,133,113,007 | 1.415 |
| 2015 | 24,888,700 | 4,197,404,500 | 523,577,300 | 36,765,600 | 233,785,900 | 5,016,422,000 | 4,691,390 | 5,021,113,390 | 5,082,712,384 | 1.701 |
| 2016 | 28,296,600 | 4,199,996,400 | 516,527,300 | 36,765,600 | 231,869,900 | 5,013,455,800 | 4,418,973 | 5,017,874,773 | 5,298,002,372 | 1.735 |
| 2017 | 30,694,700 | 4,217,971,300 | 502,513,400 | 34,805,600 | 231,198,700 | 5,017,183,700 | 4,301,902 | 5,021,485,602 | 5,498,094,904 | 1.766 |
| 2018 | 28,885,600 | 4,241,567,100 | 501,407,900 | 34,805,600 | 229,331,700 | 5,035,997,900 | 4,471,088 | 5,040,468,988 | 5,600,641,438 | 1.803 |
| 2019 | 23,693,300 | 4,259,287,200 | 557,122,000 | 34,805,600 | 227,837,700 | 5,102,745,800 | | 5,102,745,800 | 5,924,981,003 | 1.816 |
| 2020 | 28,814,200 | 4,277,118,800 | 531,918,300 | 35,730,600 | 278,958,300 | 5,152,540,200 | | 5,152,540,200 | 6,275,118,244 | 1.833 |
| 2021 | 18,140,900 | 4,290,898,000 | 510,457,800 | 35,730,600 | 333,745,100 | 5,188,972,400 | | 5,188,972,400 | 6,388,049,392 | 1.846 |
| 2022 | 21,775,100 | 4,310,716,600 | 519,149,200 | 33,574,300 | 345,452,400 | 5,230,667,600 | | 5,230,667,600 | 6,560,153,453 | 1.848 |
| 2023 | 34,513,300 | 4,323,724,100 | 517,084,200 | 30,026,300 | 346,458,100 | 5,251,806,000 | | 5,251,806,000 | 7,204,312,111 | 1.833 |

Source: County Abstract of Ratables

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^a Tax rates are per \$100

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

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

| <u>Calendar Year</u> | <u>Overlapping Rates</u> | | | <u>Total Direct and Overlapping Tax Rate</u> |
|----------------------|---|---------------------|-----------------------------|--|
| | <u>Total Direct School Tax Rate</u> | <u>Municipality</u> | <u>County of Bergen</u> | |
| 2014 | \$ 1.415 | \$ 0.925 | \$ 0.231 | \$ 2.571 |
| 2015 | 1.701 | 1.095 | 0.251 | 3.047 |
| 2016 | 1.735 | 1.092 | 0.269 | 3.096 |
| 2017 | 1.766 | 1.092 | 0.285 | 3.143 |
| 2018 | 1.803 | 1.089 | 0.281 | 3.173 |
| 2019 | 1.816 | 1.100 | 0.281 | 3.197 |
| 2020 | 1.833 | 1.098 | 0.303 | 3.234 |
| 2021 | 1.846 | 1.103 | 0.307 | 3.256 |
| 2022 | 1.848 | 1.103 | 0.286 | 3.237 |
| 2023 | 1.833 | 1.141 | 0.328 | 3.302 |

Source: County Abstract of Ratables

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

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

| Taxpayer | 2023 | | 2014 | |
|------------------------------------|------------------------------|--|------------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| A. Sanzari Enterprises | \$ 147,899,800 | 2.82 % | | 0.00 |
| Avalonbay Communities | 46,557,000 | 0.89 | | 0.00 % |
| 1500 Teaneck Rd Realest LLC | 44,434,500 | 0.85 | | 0.00 |
| Glenpointe Associates | 42,525,000 | 0.81 | \$ 56,210,100 | 0.97 |
| Glenpointe Associates III | | | 43,186,000 | 0.74 |
| Glenpointe Associates II | | | 40,714,500 | 0.70 |
| SNH Teaneck Properties, LLC | 32,122,000 | 0.61 | 38,000,000 | 0.65 |
| Heritage Point of Teaneck | | | 35,000,000 | 0.60 |
| Glenpointe Associates | | | 31,324,200 | 0.54 |
| SHP V Teaneck | 31,685,000 | 0.60 | | 0.00 |
| 1480 Realty, LP | 22,845,500 | 0.44 | | 0.00 |
| Teaneck Garden Owners Corp. | 17,257,000 | 0.33 | 16,500,000 | 0.28 |
| Glenpointe Associates II | | | 13,469,200 | 0.23 |
| Care One at Teaneck, LLC | | | 12,000,000 | 0.21 |
| Holy Name Real Estate Corp | 11,820,500 | 0.23 | | 0.00 |
| 411 Alfred LLC | | | 10,750,000 | 0.18 |
| Cedar Holding Assoc c/o P. Schmidt | 10,500,000 | 0.20 | | 0.00 |
| | <u>\$ 407,646,300</u> | <u>\$ 7.76 %</u> | <u>\$ 297,154,000</u> | <u>\$ 5.10 %</u> |

Source: Municipal Tax Assessor

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

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|-------------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2014 | \$ 80,716,841 | \$ 80,716,841 | 100% | N/A |
| 2015 | 82,351,466 | 82,351,466 | 100% | N/A |
| 2016 | 85,417,625 | 85,417,625 | 100% | N/A |
| 2017 | 87,068,117 | 87,068,117 | 100% | N/A |
| 2018 | 88,655,985 | 88,655,985 | 100% | N/A |
| 2019 | 90,855,713 | 90,855,713 | 100% | N/A |
| 2020 | 92,636,343 | 92,636,343 | 100% | N/A |
| 2021 | 94,433,784 | 94,433,784 | 100% | N/A |
| 2022 | 95,739,457 | 95,739,457 | 100% | N/A |
| 2023 | 97,617,357 | 97,617,357 | 100% | N/A |

N/A - Not Applicable

Source: District records

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

| Fiscal Year Ended June 30, | <u>Governmental Activities</u> | | <u>Total District</u> | <u>Population</u> | <u>Per Capita</u> |
|-------------------------------------|---|--|-----------------------|-------------------|-------------------|
| | <u>General Obligation Bonds</u> | <u>Leases and Financing Agreements</u> | | | |
| 2014 | \$ 20,810,000 | \$ 1,219,379 | \$ 22,029,379 | 40,320 | \$ 546 |
| 2015 | 19,075,000 | 2,165,970 | 21,240,970 | 40,421 | 525 |
| 2016 | 17,300,000 | 1,545,356 | 18,845,356 | 40,538 | 465 |
| 2017 | 15,645,000 | 3,211,477 | 18,856,477 | 40,620 | 464 |
| 2018 | 14,115,000 | 2,333,063 | 16,448,063 | 40,545 | 406 |
| 2019 | 12,550,000 | 2,154,419 | 14,704,419 | 40,290 | 365 |
| 2020 | 10,925,000 | 8,492,935 | 19,417,935 | 40,446 | 480 |
| 2021 | 9,240,000 | 9,730,961 | 18,970,961 | 41,678 | 455 |
| 2022 | 8,135,000 | 8,395,002 | 16,530,002 | 41,631 | 397 |
| 2023 | 6,945,000 | 7,793,127 | 14,738,127 | 41,631 * | 354 |

Source: District records

* Estimated

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

| <u>General Bonded Debt Outstanding</u> | | | | | |
|--|-----------------------------|------------|--|---|------------|
| Fiscal Year Ended June 30, | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property | Per Capita |
| 2014 | \$ 20,810,000 | | \$ 20,810,000 | 0.36% | \$ 516 |
| 2015 | 19,075,000 | | 19,075,000 | 0.38% | 472 |
| 2016 | 17,300,000 | | 17,300,000 | 0.34% | 427 |
| 2017 | 15,645,000 | | 15,645,000 | 0.31% | 385 |
| 2018 | 14,115,000 | | 14,115,000 | 0.28% | 348 |
| 2019 | 12,550,000 | | 12,550,000 | 0.25% | 311 |
| 2020 | 10,925,000 | | 10,925,000 | 0.21% | 270 |
| 2021 | 9,240,000 | | 9,240,000 | 0.18% | 222 |
| 2022 | 8,135,000 | | 8,135,000 | 0.16% | 195 |
| 2023 | 6,945,000 | | 6,945,000 | 0.13% | 167 |

Source: District records

**TEANECK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BOND DEBT
AS OF DECEMBER 31, 2022
(Unaudited)**

| | <u>Total Debt</u> |
|--|-------------------------------------|
| Direct Debt: | |
| Teaneck Board of Education (as of June 30, 2023) | \$ 6,945,000 |
| Township of Teaneck (1) | <u>58,040,646</u> |
| | <u>64,985,646</u> |
| Overlapping Debt Apportioned to the Municipality: | |
| Bergen County: | |
| County of Bergen (A) | 50,848,356 |
| Bergen County Utilities Authority - Water Pollution (B) | <u>13,579,583</u> |
| | <u>64,427,939</u> |
| Total Direct and Overlapping Debt | <u><u>\$ 129,413,585</u></u> |

Source:

(1) Township of Teaneck's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Teaneck by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.

(B) The debt was computed based upon usage

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Debt Limit | \$ 220,359,706 | \$ 211,547,745 | \$ 208,277,979 | \$ 212,020,125 | \$ 217,488,318 | \$ 218,623,183 | \$ 234,478,208 | \$ 240,403,441 | \$ 245,451,534 | \$ 266,334,581 |
| Total Net Debt Applicable to Limit | <u>20,810,000</u> | <u>19,075,000</u> | <u>17,300,000</u> | <u>15,645,000</u> | <u>14,115,000</u> | <u>12,550,000</u> | <u>10,925,000</u> | <u>9,240,000</u> | <u>8,135,000</u> | <u>6,945,000</u> |
| Legal Debt Margin | <u>\$ 199,549,706</u> | <u>\$ 192,472,745</u> | <u>\$ 190,977,979</u> | <u>\$ 196,375,125</u> | <u>\$ 203,373,318</u> | <u>\$ 206,073,183</u> | <u>\$ 223,553,208</u> | <u>\$ 231,163,441</u> | <u>\$ 237,316,534</u> | <u>\$ 259,389,581</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 9.44% | 9.02% | 8.31% | 7.38% | 6.49% | 5.74% | 4.66% | 3.84% | 3.31% | 2.61% |

Source: Annual Debt Statements

Legal Debt Margin Calculation June 30, 2023

| Equalized Valuation Basis | |
|---|--------------------------|
| 2022 | \$ 7,160,393,703 |
| 2021 | 6,489,460,230 |
| 2020 | <u>6,325,239,627</u> |
| | <u>\$ 19,975,093,560</u> |
| Average Equalized Valuation of Taxable Property | \$ 6,658,364,520 |
| Debt Limit (4 % of average equalization value) | 266,334,581 |
| Less: Total Net Debt Applicable to Limit | <u>6,945,000</u> |
| Legal Debt Margin | <u>\$ 259,389,581</u> |

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

| <u>Fiscal Year Ended June 30,</u> | <u>Population</u> | <u>County Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|---------------------------------------|-------------------|--|--------------------------|
| 2014 | 40,320 | \$ 73,883 | 5.20% |
| 2015 | 40,421 | 77,323 | 4.40% |
| 2016 | 40,538 | 78,836 | 4.20% |
| 2017 | 40,620 | 81,024 | 3.90% |
| 2018 | 40,545 | 85,191 | 3.40% |
| 2019 | 40,290 | 88,241 | 3.00% |
| 2020 | 40,446 | 91,972 | 8.70% |
| 2021 | 41,678 | 97,343 | 5.80% |
| 2022 | 41,631 | N/A | 3.40% |
| 2023 | 41,631 * | N/A | N/A |

Source: New Jersey State Department of Education

N/A - Information was not available.

* - Estimate

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

Information Not Available

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

| <u>Function/Program</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | | | | | |
| Regular | 241 | 246 | 236 | 225 | 228 | 231 | 233 | 283 | 246 | 239 |
| Special Education | 144 | 136 | 108 | 104 | 112 | 113 | 118 | 117 | 109 | 104 |
| Other Instruction | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 5 | 4 | 3 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 89 | 79 | 77 | 74 | 73 | 67 | 81 | 93 | 83 | 79 |
| General Administration | 4 | 4 | 4 | 4 | 4 | 4 | 6 | 3 | 4 | 5 |
| School Administrative Services | 31 | 32 | 30 | 33 | 30 | 28 | 31 | 35 | 32 | 33 |
| Plant Operations and Maintenance | 84 | 60 | 27 | 23 | 22 | 23 | 27 | 28 | 29 | 27 |
| Security | | | | | | | 1 | 2 | 6 | 15 |
| Pupil Transportation | 1 | 1 | 1 | 1 | 1 | 2 | 4 | 5 | 7 | 5 |
| Business and Other Support Services | 14 | 15 | 12 | 8 | 8 | 12 | 16 | 19 | 9 | 14 |
| Community School | 1 | 2 | 1 | 1 | 2 | 2 | 2 | - | 2 | 3 |
| Total | <u>612</u> | <u>578</u> | <u>499</u> | <u>476</u> | <u>483</u> | <u>485</u> | <u>522</u> | <u>590</u> | <u>531</u> | <u>527</u> |

Source: District Personnel Records

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

| Fiscal Year | Enrollment ^a | Operating Expenditures ^b | Cost Per Pupil ^c | Percentage Change | Teaching Staff | Teacher/Pupil Ratio | | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|-------------------------------------|-----------------------------|-------------------|----------------|---------------------|---------------|--------------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | Senior High School | | | | |
| 2014 | 4,098 | \$ 97,216,425 | \$ 23,723 | 3.62% | 388.0 | 14.1 | 8.1 | 8.1 | 3,745 | 3,656 | 1.21% | 97.62% |
| 2015 | 4,071 | 101,090,770 | 24,832 | 4.67% | 448.0 | 8.1 | 7.1 | 9.1 | 3,604 | 3,500 | -3.77% | 97.11% |
| 2016 | 4,018 | 97,848,974 | 24,353 | -1.93% | 460.0 | 9.1 | 8.1 | 10.1 | 3,604 | 3,500 | 0.00% | 97.11% |
| 2017 | 3,953 | 100,473,172 | 25,417 | 4.37% | 408.0 | 10.1 | 9.1 | 11.1 | 3,498 | 3,397 | -2.94% | 97.11% |
| 2018 | 3,575 | 102,345,500 | 28,628 | 12.63% | 405.0 | 9.1 | 8.1 | 9.1 | 3,554 | 3,461 | 1.60% | 97.38% |
| 2019 | 3,900 | 108,957,845 | 27,938 | -2.41% | 399.0 | 9.1 | 9.1 | 9.1 | 3,534 | 3,352 | -0.56% | 94.85% |
| 2020 | 3,900 | 112,642,384 | 28,883 | 3.38% | 408.0 | 10.1 | 8.1 | 9.1 | 3,616 | 3,590 | 2.32% | 99.28% |
| 2021 | 3,367 | 119,865,183 | 35,600 | 23.26% | 350.0 | 10.1 | 12.1 | 9.1 | 3,593 | 3,443 | -0.64% | 95.83% |
| 2022 | 3,590 | 123,553,901 | 34,416 | -3.33% | 351.0 | 11.1 | 13.1 | 9.1 | 3,269 | 3,241 | -9.02% | 99.14% |
| 2023 | 3,677 | 138,213,336 | 37,589 | 9.22% | 366.0 | 9.1 | 10.1 | 11.1 | 3,608 | 3,583 | 10.37% | 99.31% |

Sources: District records

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

TEANECK BOARD OF EDUCATION
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| District Building | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Bryant | | | | | | | | | | |
| Square Feet | 47,338 | 47,338 | 47,338 | 47,338 | 47,338 | 47,338 | 47,438 | 47,438 | 47,438 | 47,438 |
| Capacity (students) | 314 | 314 | 314 | 314 | 314 | 314 | 314 | 314 | 314 | 314 |
| Enrollment | 345 | 299 | 289 | 273 | 296 | 287 | 292 | 238 | 268 | 265 |
| Whittier | | | | | | | | | | |
| Square Feet | 55,118 | 55,118 | 55,118 | 55,118 | 55,118 | 55,118 | 55,118 | 55,118 | 55,118 | 55,118 |
| Capacity (students) | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 |
| Enrollment | 411 | 376 | 364 | 352 | 329 | 340 | 357 | 330 | 309 | 373 |
| Hawthorne | | | | | | | | | | |
| Square Feet | 49,373 | 49,373 | 49,373 | 49,373 | 49,373 | 49,373 | 49,373 | 49,373 | 49,373 | 49,373 |
| Capacity (students) | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 |
| Enrollment | 374 | 356 | 331 | 304 | 300 | 314 | 344 | 301 | 268 | 324 |
| Lowell | | | | | | | | | | |
| Square Feet | 47,106 | 47,106 | 47,106 | 47,106 | 47,106 | 47,106 | 47,106 | 47,106 | 47,106 | 47,106 |
| Capacity (students) | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 | 321 |
| Enrollment | 375 | 317 | 303 | 317 | 343 | 338 | 336 | 333 | 315 | 305 |
| Thordora Smiley Lacey | | | | | | | | | | |
| 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 | 471 | 471 | 471 | 471 |
| Enrollment | | | | | | | 25 | 128 | 130 | 134 |
| <u>Middle School</u> | | | | | | | | | | |
| Thomas Jefferson | | | | | | | | | | |
| Square Feet | 105,216 | 105,216 | 105,216 | 105,216 | 105,216 | 105,216 | 105,216 | 105,216 | 105,216 | 105,216 |
| Capacity (students) | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 |
| Enrollment | 690 | 582 | 541 | 548 | 547 | 526 | 524 | 510 | 524 | 526 |
| Ben Franklin | | | | | | | | | | |
| Square Feet | 100,202 | 100,202 | 100,202 | 100,202 | 100,202 | 100,202 | 100,202 | 100,202 | 100,202 | 100,202 |
| Capacity (students) | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 | 641 |
| Enrollment | 611 | 513 | 503 | 510 | 542 | 538 | 552 | 552 | 511 | 487 |
| Teaneck High School (1926) | | | | | | | | | | |
| Square Feet | 215,808 | 215,808 | 215,808 | 215,808 | 215,808 | 215,808 | 215,808 | 215,808 | 215,808 | 215,808 |
| Capacity (students) | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 | 1,203 |
| Enrollment | 1,459 | 1,280 | 1,304 | 1,250 | 1,218 | 1,165 | 1,188 | 1,204 | 1,265 | 1,263 |
| Administration Building | | | | | | | | | | |
| Square Feet | | | | | | | | 9,800 | 9,800 | 9,800 |
| Capacity (Administration) | | | | | | | | 98 | 98 | 98 |
| Number of Schools at June 30, 2023: | | | | | | | | | | |
| Elementary = | 5 | | | | | | | | | |
| Middle School = | 2 | | | | | | | | | |
| High School = | 1 | | | | | | | | | |
| Other = | 1 | | | | | | | | | |

Source: District Records

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

| <u>School Facilities</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Teaneck Sr. High (#050) | \$ 435,390 | \$ 373,186 | \$ 425,165 | \$ 409,111 | \$ 541,534 | \$ 389,665 | \$ 514,499 | \$ 736,819 | \$ 660,391 | \$ 698,961 |
| Benjamin Franklin Middle School (#060) | 187,865 | 164,120 | 197,409 | 188,668 | 255,142 | 180,925 | 238,888 | 342,113 | 306,627 | 228,050 |
| Thomas Jefferson Middle School (#070) | 197,230 | 189,742 | 207,287 | 197,709 | 267,909 | 189,979 | 250,841 | 359,232 | 321,970 | 339,951 |
| Bryant (#080) | 93,155 | 87,910 | 93,261 | 88,352 | 120,535 | 85,474 | 112,857 | 161,623 | 144,858 | 117,624 |
| Hawthorne (#110) | 95,680 | 113,518 | 97,270 | 92,022 | 125,717 | 89,148 | 117,708 | 168,571 | 151,086 | 106,468 |
| Lowell (#130) | 93,635 | 75,399 | 92,804 | 87,934 | 119,945 | 85,055 | 112,303 | 160,831 | 144,148 | 107,895 |
| Whittier (#150) | 103,225 | 88,223 | 108,588 | 103,380 | 140,345 | 99,521 | 131,405 | 188,186 | 168,666 | 165,304 |
| Theodora Smiley Lacey Administration Building | 57,813 | 54,466 | 49,253 | 45,970 | 63,657 | 45,140 | 59,601 | 84,936 | 76,126 | 53,536 |
| | - | - | - | - | - | - | - | 31,125 | 27,896 | 19,893 |
| District-Wide Total | <u>\$ 1,263,993</u> | <u>\$ 1,146,564</u> | <u>\$ 1,271,037</u> | <u>\$ 1,213,146</u> | <u>\$ 1,634,784</u> | <u>\$ 1,164,907</u> | <u>\$ 1,538,102</u> | <u>\$ 2,233,436</u> | <u>\$ 2,001,768</u> | <u>\$ 1,837,682</u> |

Source: District Records

**TEANECK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)**

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------------------|------------------------------|
| School Package Policy - National Union Fire | | |
| Property-Blanket Building/Contents | \$200,284,025 | \$5,000 |
| Comprehensive General Liability | \$1,000,000 | \$2,500 |
| Comprehensive Crime Coverage | \$500,000 Per Loss | \$5,000 |
| Boiler & Machinery | Incl in Property Limit | |
| Environmental - Markel | \$2,000,000/\$4,000,000 | \$25,000 |
| | \$20,000,000 Fund Aggregate | \$50,000 Mold |
| | | |
| Commercial Umbrella Liability - National Union Fire | \$9,000,000 | \$10,000 |
| | | |
| Excess Umbrella - (unshared) - Starstone/Market | \$30,000,000 | |
| | | |
| Excess Liability Umbrella - (Fireman's Fund) | \$25,000,000 | Group aggregate for 1/2 Fund |
| | | |
| Cyber Liability - XL | \$1,000,000 | \$100,000 |
| | \$2,000,000 | Third Party |
| | \$6,000,000 | Group Aggregate |
| | | |
| Excess Worker's Compensation - Safety National | \$1,000,000 | |
| | | |
| Surety Bond Coverage - Selective Ins. Co. | | |
| Treasurer of School Monies | \$450,000 | |
| School Business Administrator/Board Secretary | \$450,000 | |
| Student Accident Policy/All Students - Bollinger | \$1,000,000 | |
| Student Accident Insurance - Athletes - Mutual of Omaha | \$5,000,000 | |
| Athletic Disability | \$550,000 | |
| | | |
| Storage Tank Liability - Mid-Continent Excess & Surplus | \$1,000,000/\$2,000,000 | |

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Teaneck Board of Education
651 Teaneck Road
Teaneck, New Jersey 07666

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Teaneck Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Teaneck Board of Education's basic financial statements and have issued our report thereon dated February 22, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Teaneck Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matter that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003.

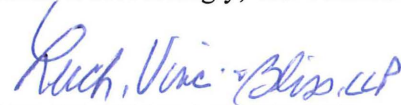
We noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Teaneck Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 22, 2024.

Teaneck Board of Education’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Teaneck Board of Education’s responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Teaneck Board of Education’s responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Teaneck Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teaneck Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 22, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Teaneck Board of Education
651 Teaneck Road
Teaneck, New Jersey 07666

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

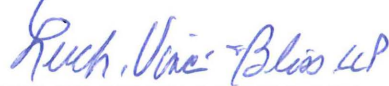
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Teaneck Board of Education, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 22, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 22, 2024

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

| Federal/Grantor/Pass-Through Grantor/ Program Title | Federal AL Number | FAIN | Grant Period | Award Amount | Balance July 1, 2022 | | Carryover Deferred Revenue | Cash Received | Budgetary Expenditures | Adjustments | Prior Year Adjustments | Refund of Prior Year Balances | Balance, June 30, 2023 | | | MEMO GAAP Receivable | Cumulative Total Expenditures | |
|--|-------------------------|---------------|-----------------|-----------------|---|-------------------|----------------------------------|------------------|---------------------------|-------------|---------------------------|-------------------------------------|--------------------------|---------------------|-------------------|----------------------------|-------------------------------------|-----------|
| | | | | | Unearned Revenue/(Acct. Receivable) | Due to Grantor | | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | | | |
| U.S. Department of Education | | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | | | | | | | |
| NSLP -Non-Cash Assistance | 10.555 | 221NJ304N1099 | 7/1/21-6/30/22 | 122,990 | \$ 9,965 | | | \$ 9,965 | | | | | | | | | \$ 9,965 | |
| NSLP -Non-Cash Assistance | 10.555 | 231NJ304N1199 | 7/1/22-6/30/23 | 165,380 | | | \$ 165,380 | 145,932 | | | | | \$ 19,448 | | | | 145,932 | |
| NSLP -Cash Assistance | 10.555 | 221NJ304N1099 | 7/1/21-6/30/22 | 6,006,133 | (75,300) | | 75,300 | | | | | | | | | | | |
| NSLP -Cash Assistance | 10.555 | 231NJ304N1199 | 7/1/22-6/30/23 | 755,154 | | | 629,369 | 755,154 | | | | | \$ (125,785) | | \$ (125,785) | 755,154 | | |
| NSLP -Cash Assistance - SSO | 10.555 | 231NJ304N1199 | 7/1/22-6/30/23 | 2,765,742 | | | 2,765,742 | 2,765,742 | | | | | | | | | 2,765,742 | |
| School Breakfast Program | 10.553 | 221NJ304N1099 | 7/1/21-6/30/22 | 2,824,536 | (18,233) | | 18,233 | | | | | | | | | | | |
| School Breakfast Program | 10.553 | 231NJ304N1199 | 7/1/22-6/30/23 | 97,064 | | | 77,327 | 97,064 | | | | | (19,737) | | (19,737) | 97,064 | | |
| School Breakfast Program - SSO | 10.553 | 231NJ304N1199 | 7/1/22-6/30/23 | 1,579,125 | | | 1,579,125 | 1,579,125 | | | | | | | | | 1,579,125 | |
| Covid Supply Chain | 10.555 | 231NJ304N1199 | 7/1/22-6/30/23 | 175,574 | | | 175,574 | 175,574 | | | | | | | | | 175,574 | |
| Total Child Nutrition | | | | | (83,568) | | | 5,486,050 | 5,528,556 | | | | | (145,522) | 19,448 | | (145,522) | 5,518,591 |
| Total Enterprise Fund | | | | | (83,568) | | | 5,486,050 | 5,528,556 | | | | | (145,522) | 19,448 | | (145,522) | 5,518,591 |
| General Fund: | | | | | | | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | | |
| Medical Assistance Program (SEMI) - MAC | 93.778 | 2005NJ5MAP | 7/1/22-6/30/23 | 20,145 | | | | 20,145 | 20,145 | | | | | | | | | 20,145 |
| Medical Assistance Program (SEMI) - FFCRA CARES | 93.778 | 2005NJ5MAP | 1/1/21-12/31/21 | 10,166 | | | | 10,166 | 10,166 | | | | | | | | | 10,166 |
| Medical Assistance Program (SEMI) | 93.778 | 2005NJ5MAP | 7/1/22-6/30/23 | 48,773 | | | | 42,379 | 48,773 | | | | (6,394) | | (6,394) | 48,773 | | |
| Medical Assistance Program (SEMI) | 93.778 | 2005NJ5MAP | 7/1/21-6/30/22 | 97,548 | (22,744) | | | 22,744 | | | | | | | | | | |
| Total General Fund | | | | | (22,744) | | | 95,434 | 79,084 | | | | | (6,394) | | | (6,394) | 79,084 |
| Special Revenue Fund | | | | | | | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic | 84.027 | H027A210100 | 7/1/21-9/30/22 | 1,500,201 | (564,972) | | \$ (331,002) | 615,851 | | \$ 331,002 | \$ 203 | | | \$ 51,082 | | | | |
| I.D.E.A. Part B, Basic | 84.027 | H027A220100 | 7/1/22-9/30/23 | 1,199,295 | | | 331,002 | 924,361 | 1,399,405 | (331,002) | | | (605,936) | 130,892 | | (245,207) | 1,399,405 | |
| I.D.E.A. Part B, Preschool | 84.173 | H173A210114 | 7/1/21-9/30/22 | 30,338 | (28,549) | | (1,022) | 29,316 | | 1,022 | | | | 767 | | | | |
| I.D.E.A. Part B, Preschool | 84.173 | H173A220114 | 7/1/22-9/30/23 | 35,584 | | | 1,022 | | 35,584 | (1,022) | | | (36,606) | 1,022 | | (35,562) | 35,584 | |
| ARP IDEA Basic | 84.027X | H027X210100 | 7/1/21-9/30/22 | 246,889 | (109,397) | | | 219,097 | 129,366 | | 626 | | (19,040) | | | (11,566) | 129,366 | |
| ARP IDEA Preschool | 84.173X | H173X210114 | 7/1/21-9/30/22 | 20,829 | (17,875) | | | 20,829 | 2,954 | | | | | | | | 2,954 | |
| Total IDEA Special Education Cluster | | | | | (720,793) | | | 1,809,454 | 1,567,309 | | 829 | | (661,582) | 131,914 | 51,849 | (292,335) | 1,567,309 | |
| Title I, Part A | 84.010A | S010A200030 | 7/1/20-9/30/21 | 653,732 | (25,776) | 549 | | | | | 25,776 | | | | 549 | | | |
| Title I, Part A | 84.010A | S010A210030 | 7/1/21-9/30/22 | 909,806 | (120,536) | | | 261,536 | 127,788 | | (2,376) | | | 10,836 | | | 127,788 | |
| Title I, Part A | 84.010A | S010A220030 | 7/1/22-9/30/23 | 515,629 | | | | 343,040 | 337,796 | | | | (172,589) | 177,833 | | | 337,796 | |
| Total Title I | | | | | (146,312) | 549 | | 604,576 | 465,584 | | 23,400 | | (172,589) | 177,833 | 11,385 | | 465,584 | |
| Title II, Part A | 84.367 | S367A200029 | 7/1/20-9/30/21 | 141,998 | 12,007 | | | | | | | | | | 12,007 | | | |
| Title II, Part A | 84.367 | S367A210029 | 7/1/21-9/30/22 | 217,026 | (44,019) | | (30,897) | 48,420 | | 30,897 | 2,588 | | | | 6,989 | | | |
| Title II, Part A | 84.367 | S367A220029 | 7/1/22-9/30/23 | 134,670 | | | 30,897 | 61,485 | 62,884 | (30,897) | | | (104,082) | 102,683 | | | 62,884 | |
| Title III | 84.365 | S365A200030 | 7/1/20-9/30/21 | 24,589 | 6,000 | | | | | | | | | | 6,000 | | | |
| Title III | 84.365 | S365A210030 | 7/1/21-9/30/22 | 90,372 | (11,009) | | (28,176) | 16,310 | 5,300 | 28,176 | 1,100 | | | 1,101 | | | 5,300 | |
| Title III | 84.365 | S365A220030 | 7/1/22-9/30/23 | 25,281 | | | 28,176 | 22,986 | 33,338 | (28,176) | | | (30,471) | 20,119 | | (10,352) | 33,338 | |
| Title IV | 84.424 | S424A200031 | 7/1/20-9/30/21 | 48,129 | 3,663 | | | | | | | | | | 3,663 | | | |
| Title IV | 84.424 | S424A210031 | 7/1/21-9/30/22 | 81,220 | (4,972) | | (47,718) | 8,575 | | 47,718 | 629 | | | 4,232 | | | | |
| Title IV | 84.424 | S424A220031 | 7/1/22-9/30/23 | 51,241 | | | 47,718 | 23,500 | 25,476 | (47,718) | | | (75,459) | 73,483 | | (1,976) | 25,476 | |
| Schools Climate Transformation Grant | 84.184G | S184G210115 | 7/1/20-6/30/21 | 669,015 | (120,907) | | | | | | 120,907 | | | | | | | |
| Schools Climate Transformation Grant | 84.184G | S184G220115 | 7/1/21-6/30/22 | 669,515 | (117,455) | | (237,740) | 32,223 | | 237,740 | 85,232 | | | | | | | |
| Schools Climate Transformation Grant | 84.184G | S184G230115 | 7/1/22-6/30/23 | 669,515 | | | 237,740 | 394,778 | 570,628 | (237,740) | | | (512,477) | 336,627 | | (112,659) | 570,628 | |
| Total Schools Climate Transformation Grant | | | | | (238,362) | | | 427,001 | 570,628 | | 206,139 | | (512,477) | 336,627 | | (112,659) | 570,628 | |

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

| Federal/Grantor/Pass-Through Grantor/ Program Title | Federal AL Number | FAIN | Grant Period | Award Amount | Balance July 1, 2022 | | Carryover Deferred Revenue | Cash Received | Budgetary Expenditures | Adjustments | Prior Year Adjustments | Refund of Prior Year Balances | Balance, June 30, 2023 | | | MEMO GAAP Receivable | Cumulative Total Expenditures |
|--|-------------------------|-------------|-------------------|-----------------|---|-------------------|----------------------------------|------------------|---------------------------|-------------|---------------------------|-------------------------------------|--------------------------|---------------------|-------------------|----------------------------|-------------------------------------|
| | | | | | Unearned Revenue/(Acct. Receivable) | Due to Grantor | | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | | |
| Educational Stabilization Fund | | | | | | | | | | | | | | | | | |
| CARES Emergency Relief Grant (ESSER I) | 84.425D | S425D200027 | 3/13/20-9/30/22 | \$ 708,686 | \$ (99,566) | | \$ 98,243 | | | | \$ 57 | | | \$ (1,266) | | | |
| CRRSA - ESSER II | 84.425D | S425D210027 | 3/13/20-9/30/23 | 2,142,715 | (504,429) | | 1,161,359 | \$ 751,397 | | | 9,254 | | | (287,873) | \$ 202,660 | \$ (44,888) | \$ 751,397 |
| Learning Acceleration | 84.425D | S425D210027 | 3/13/20-9/30/23 | 137,509 | (3,795) | | 17,156 | 21,960 | | | | | | (35,774) | 27,175 | (8,599) | 21,960 |
| Mental Health | 84.425D | S425D210027 | 3/13/20-9/30/23 | 45,000 | (2,550) | | | 9,450 | | | | | | (12,000) | - | (12,000) | 9,450 |
| ARP ESSER | 84.425U | S425U210027 | 3/13/20-9/30/24 | 4,815,615 | (609,372) | | 2,094,531 | 2,772,431 | | | | | | (2,721,084) | 1,433,812 | (125,291) | 2,772,431 |
| Accelerated Learning Coach and Educator | 84.425U | S425U210027 | 3/13/20-9/30/24 | 338,865 | | | | 22,500 | | | | | | (316,365) | 316,365 | - | 22,500 |
| Evidence Based Summer Learning | 84.425U | S425U210027 | 3/13/20-9/30/24 | 40,000 | | | | 7,704 | | | | | | (40,000) | 32,296 | (7,704) | 7,704 |
| Beyond the School Day | 84.425U | S425U210027 | 3/13/20-9/30/24 | 40,000 | | | | | | | | | | (40,000) | 40,000 | - | - |
| Mental Health Support Staffing | 84.425U | S425U210027 | 3/13/20-9/30/24 | 88,501 | (2,000) | | | 86,501 | | | | | | (88,501) | - | (88,501) | 86,501 |
| ARP-Homeless | 84.425W | | 4/23/21-9/30/23 | 37,567 | 360,000 | | | 11,126 | | | (360,000) | | | (32,060) | 26,441 | (5,619) | 11,126 |
| CARES - Digital Divide | 84.425 | | | 57,725 | - | \$ 870 | | | | | | | | | \$ 870 | - | - |
| Total Education Stabilization Fund | | | | | (861,712) | 870 | | 3,399,296 | 3,683,069 | | (350,689) | | | (3,574,923) | 2,078,749 | (292,602) | 3,683,069 |
| Department of Health and Human Services | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | |
| American Rescue Plan | | | | | | | | | | | | | | | | | |
| Child Care Stabilization | 93.575 | 2101NJCS6 | | 870,000 | | | 510,000 | 268,468 | | | 360,000 | | | - | 601,532 | | 268,468 |
| U.S. Department of Justice | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | |
| COPS Technology Grant | 16.710 | | 07/01/21-06/30/22 | 500,000 | (500,000) | - | 205,040 | - | | | - | | | (294,960) | - | (154,359) | - |
| U.S. Department of Treasury | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | |
| Additional Compensation for Special Educ. and Related Services for Students with Disabilities -ACSIERS | 21.027 | | 7/1/21-6/30/22 | 512,534 | | | 512,534 | | | | (512,534) | | | | | | - |
| Coronavirus Relief Fund: COVID Relief Fund | 21.019 | S425D200027 | 3/13/20-12/31/21 | 269,978 | 269,978 | - | | | | | | | | | 269,978 | | - |
| Total Special Fund | | | | | (2,235,531) | 1,419 | 7,649,177 | 6,682,056 | | | (268,538) | | | (5,426,543) | 3,792,918 | (864,283) | 6,682,056 |
| Total Expenditures of Federal Awards | | | | | \$ (2,341,843) | \$ 1,419 | \$ 13,230,661 | \$ 12,289,696 | \$ - | \$ - | \$ (268,538) | \$ - | \$ (5,578,459) | \$ 3,812,366 | \$ 98,096 | \$ (1,016,199) | \$ 12,279,731 |

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

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

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at July 1, 2022 | | | | Cash Received | Budgetary Expenditures | Interfund Transfer | Adjustment | Repayment of Prior Years' Balances | Balance, June 30, 2023 | | | MEMO Cumulative Total | | |
|--|-------------------------------|----------------|--------------|-------------------------|------------------|----------------|------------------|---------------|------------------------|--------------------|------------|------------------------------------|------------------------|------------------|----------------|-----------------------|--------------|---------|
| | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | Carryover Amount | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | GAAP Receivable | Expenditures | |
| State Department of Education | | | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | | | |
| Special Education Aid | 22-495-034-5120-089 | 7/1/21-6/30/22 | \$ 3,324,400 | \$ (239,360) | | | \$ 239,360 | | | | | | | | | | | |
| Special Education Aid | 23-495-034-5120-089 | 7/1/22-6/30/23 | 3,422,556 | | | | 3,170,821 | \$ 3,422,556 | | | | \$ (251,735) | | | | | \$ 3,422,556 | |
| Security Aid | 22-495-034-5120-084 | 7/1/21-6/30/22 | 945,902 | (68,110) | | | 68,110 | | | | | | | | | | | |
| Security Aid | 23-495-034-5120-084 | 7/1/22-6/30/23 | 945,902 | - | - | - | 876,329 | 945,902 | - | - | - | (69,573) | - | - | - | - | 945,902 | |
| Total State Aid Public Cluster | | | | (307,470) | - | - | - | 4,354,620 | 4,368,458 | - | - | - | (321,308) | - | - | - | 4,368,458 | |
| Extraordinary Aid | 23-495-034-5120-044 | 7/1/22-6/30/23 | 1,799,494 | | | | | 1,799,494 | | | | (1,799,494) | | | | | 1,799,494 | |
| Extraordinary Aid | 22-495-034-5120-044 | 7/1/21-6/30/22 | 1,720,837 | (1,720,837) | | | 1,720,837 | | | | | | | | | | - | |
| Nonpublic Transportation Aid | 23-495-034-5120-014 | 7/1/22-6/30/23 | 423,298 | | | | | 423,298 | | | | (423,298) | | | \$ (423,298) | | 423,298 | |
| Nonpublic Transportation Aid | 22-495-034-5120-014 | 7/1/21-6/30/22 | 246,197 | (246,197) | | | 246,197 | | | | | | | | | | - | |
| Transportation Aid | 23-495-034-5120-014 | 7/1/22-6/30/23 | 2,348,999 | | | | 2,176,226 | 2,348,999 | | | | (172,773) | | | | | 2,348,999 | |
| Transportation Aid | 22-495-034-5120-014 | 7/1/21-6/30/22 | 2,348,999 | (169,153) | | | 169,153 | | | | | | | | | | - | |
| Lead Testing | | | 11,815 | | | | 11,815 | 11,815 | | | | | | | | | 11,815 | |
| Homeless Reimbursement | | | 173,835 | | | | 9,641 | 173,835 | | | | (164,194) | | | (164,194) | | 173,835 | |
| School Security - Alyssa's Law | | | 113,435 | | | | 113,435 | 113,435 | | | | - | | | | | 113,435 | |
| On Behalf TPAF Pension | | | | | | | | | | | | | | | | | | |
| Normal Cost | 23-495-034-5094-005 | 7/1/22-6/30/23 | 14,292,954 | | | | 14,292,954 | 14,292,954 | | | | | | | | | 14,292,954 | |
| NCGI Premium | 23-495-034-5094-006 | 7/1/22-6/30/23 | 198,299 | | | | 198,299 | 198,299 | | | | | | | | | 198,299 | |
| Post Retirement Medical Contributions | 23-495-034-5094-001 | 7/1/22-6/30/23 | 3,806,817 | | | | 3,806,817 | 3,806,817 | | | | | | | | | 3,806,817 | |
| Long Term Liability | 23-495-034-5094-004 | 7/1/22-6/30/23 | 5,321 | | | | 5,321 | 5,321 | | | | | | | | | 5,321 | |
| Reimbursed TPAF Social Security | 23-495-034-5094-003 | 7/1/22-6/30/23 | 2,957,820 | | | | 2,811,670 | 2,957,820 | | | | (146,150) | | | (146,150) | | 2,957,820 | |
| Reimbursed TPAF Social Security | 22-495-034-5094-003 | 7/1/21-6/30/22 | 2,879,014 | (141,653) | - | - | 141,653 | - | - | - | - | - | - | - | - | - | - | |
| Total General Fund | | | | (2,585,310) | - | - | - | 30,058,638 | 30,500,545 | - | - | - | (3,027,217) | - | - | (733,642) | 30,500,545 | |
| Special Revenue Fund: | | | | | | | | | | | | | | | | | | |
| Preschool Education Aid | 22-495-034-5120-086 | 7/1/21-6/30/22 | 4,478,445 | (447,845) | \$ 88,551 | | \$ (88,812) | 447,845 | | | \$ 261 | | | | | | | |
| Preschool Education Aid | 23-495-034-5120-086 | 7/1/22-6/30/23 | 4,354,050 | | | | 88,812 | 3,918,645 | 4,622,627 | \$ 194,216 | | (435,405) | \$ 14,451 | | | | 4,622,627 | |
| Nonpublic Teachers STEM | 22-100-034-5068-051 | 7/1/21-6/30/22 | 61,641 | (21,843) | | | 19,352 | | | | | (2,491) | | | (2,491) | | - | |
| Nonpublic Teachers STEM | 23-100-034-5068-051 | 7/1/22-6/30/23 | 38,279 | | | | 18,607 | 34,952 | | | | (16,345) | | | (16,345) | | 34,952 | |
| SDA Emergent Needs | 22-100-034-5120-519 | 7/1/20-6/30/21 | 166,963 | | 23,107 | | | | | | | | | | | | - | |
| SDA Emergent Needs | 23-100-034-5120-519 | 7/1/22-6/30/23 | 89,685 | | | | 89,685 | 89,669 | | | | | 23,107 | 16 | | | 89,669 | |
| Climate Awareness | | 4/1/23-6/30/23 | 6,660 | | | | 6,025 | 6,025 | | | | | | | | | 6,025 | |
| New Jersey Nonpublic Aid | | | | | | | | | | | | | | | | | | |
| Textbook Aid | 23-100-034-5120-064 | 7/1/22-6/30/23 | 86,922 | | | | 86,922 | 84,006 | | | | | | | | \$ 2,916 | 84,006 | |
| Textbook Aid | 22-100-034-5120-064 | 7/1/21-6/30/22 | 76,507 | | | \$ 77 | | | | | \$ 77 | | | | | | - | |
| Nursing Services | 23-100-034-5120-070 | 7/1/22-6/30/23 | 168,000 | | | | 168,000 | 161,390 | | | | | | | | 6,610 | 161,390 | |
| Nursing Services | 22-100-034-5120-070 | 7/1/21-6/30/22 | 167,328 | | | 31,110 | | | | | 31,110 | | | | | | - | |
| Nonpublic Technology | 22-100-034-5120-373 | 7/1/21-6/30/22 | 54,936 | | | 5,932 | | | | | | 5,932 | | | | | - | |
| Nonpublic Technology | 23-100-034-5120-373 | 7/1/22-6/30/23 | 55,314 | | | | 55,314 | 44,091 | | | | | | | | 11,223 | 44,091 | |
| Nonpublic Security | 23-100-034-5120-509 | 7/1/22-6/30/23 | 307,500 | | | | 307,500 | 276,137 | | | | | | | | 31,363 | 276,137 | |
| Nonpublic Security | 22-100-034-5120-509 | 7/1/21-6/30/22 | 261,450 | | | 30,789 | | | | | | | | | | 30,789 | - | |
| Auxiliary Services (Chapter 192) | | | | | | | | | | | | | | | | | | |
| Compensatory Education | 23-100-034-5120-067 | 7/1/22-6/30/23 | 181,355 | | | | 181,355 | 167,122 | | | | | | | | 14,233 | 167,122 | |
| Compensatory Education | 22-100-034-5120-067 | 7/1/21-6/30/22 | 129,712 | | | 14,512 | | | | | 14,512 | | | | | | - | |
| English as a Second Language | 23-100-034-5120-067 | 7/1/22-6/30/23 | 26,660 | | | | 26,660 | 20,447 | | | | | | | | 6,213 | 20,447 | |
| English as a Second Language | 22-100-034-5120-067 | 7/1/21-6/30/22 | 26,127 | | | 6,304 | | | | | 6,304 | | | | | | - | |
| Transportation | 23-100-034-5120-067 | 7/1/22-6/30/23 | 21,446 | | | | 21,446 | 21,446 | | | | | | | | | 21,446 | |
| Home Instruction | 23-100-034-5120-067 | 7/1/22-6/30/23 | 43 | | | | - | 43 | | | | (43) | | | | (43) | 43 | |
| Total Auxiliary Svcs | | | | - | - | 20,816 | - | 229,461 | 209,058 | - | - | 20,816 | (43) | - | 20,446 | (43) | 209,058 | |
| Handicapped Services (Chapter 193): | | | | | | | | | | | | | | | | | | |
| Supplementary Instruction | 23-100-034-5120-066 | 7/1/22-6/30/23 | 118,944 | | | | 118,944 | 118,944 | | | | | | | | | | 118,944 |
| Supplementary Instruction | 22-100-034-5120-066 | 7/1/21-6/30/22 | 127,204 | | | 25,028 | | | | | 25,028 | | | | | | - | |
| Examination and Classification | 23-100-034-5120-066 | 7/1/22-6/30/23 | 283,837 | | | | 283,837 | 183,173 | | | | | | | | 100,664 | 183,173 | |
| Examination and Classification | 22-100-034-5120-066 | 7/1/21-6/30/22 | 388,461 | | | 185,993 | | | | | 185,993 | | | | | | - | |
| Corrective Speech | 23-100-034-5120-066 | 7/1/22-6/30/23 | 91,977 | | | | 91,977 | 91,977 | | | | | | | | | 91,977 | |
| Corrective Speech | 22-100-034-5120-066 | 7/1/21-6/30/22 | 79,422 | | | 10,974 | | | | | 10,974 | | | | | | - | |
| Total Handicap Svcs | | | | - | - | 221,995 | - | 494,758 | 394,094 | - | - | 221,995 | - | - | 100,664 | - | 394,094 | |

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

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

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at July 1, 2022 | | | Carryover Amount | Cash Received | Budgetary Expenditures | Interfund Transfer | Adjustment | Repayment of Prior Years' Balances | Balance, June 30, 2023 | | | GAAP Receivable | MEMO Cumulative Total Expenditures |
|---|-------------------------------|-----------------|--------------|-------------------------|------------------|----------------|------------------|---------------|------------------------|--------------------|------------|------------------------------------|------------------------|------------------|----------------|-----------------|------------------------------------|
| | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | | |
| Department of Children and Families | | | | | | | | | | | | | | | | | |
| School Based Youth Services | 23ALPB | 7/1/22-6/30/23 | 328,056 | | | | | 319,222 | 325,516 | | | | (6,294) | | 8,835 | - | 325,516 |
| School Based Youth Services | 22ALPB | 7/1/21-6/30/22 | 363,324 | | | 8,835 | | | | | | | | | | | |
| School Based Youth Services | 20ALPB | 7/1/19-6/30/20 | 307,892 | | | 476 | | | | | | | | | 476 | | |
| School Based Youth Services | 19ALPB | 7/1/18-6/30/19 | 307,892 | | | 1,604 | | | | | | | | | 1,604 | | |
| School Based Youth Services | 18ALPB | 7/1/17-6/30/18 | 315,839 | | | 832 | | | | | | | | | 832 | | |
| School Based Youth Services | 14ALBP | 7/1/13-6/30/14 | 307,616 | | | 315 | | | | | | | | | 315 | | |
| Total School Based Youth Svcs | | | | - | - | 12,062 | - | 319,222 | 325,516 | - | - | - | (6,294) | - | 12,062 | - | 325,516 |
| Bergen County Department of Human Svcs | | | | | | | | | | | | | | | | | |
| Juvenile Justice Partnership Grant | TPS-S23 | 1/1/23-12/31/23 | 62,376 | | | | | | 25,521 | | | | (25,521) | | | (25,521) | 25,521 |
| Juvenile Justice Partnership Grant | TPS-S22 | 1/1/22-12/31/22 | 52,388 | (12,635) | | | | 41,018 | 25,491 | | \$ 126 | | | 3,018 | | | 48,551 |
| Juvenile Justice Partnership Grant | TPS-S21 | 1/1/21-12/31/21 | 52,248 | (8,229) | | | | | | | | | (8,229) | | | (8,229) | |
| Juvenile Justice Partnership Grant | TPS-S20 | 1/1/20-12/31/20 | 61,435 | (4,640) | | | | | | | | | (4,640) | | | (4,640) | |
| Total Juvenile Justice | | | | (25,504) | - | - | - | 41,018 | 51,012 | - | 126 | - | (38,390) | 3,018 | - | (38,390) | 74,072 |
| Total Special Revenue Fund | | | | (495,192) | 111,658 | 322,781 | - | 6,202,354 | 6,298,577 | 194,216 | 387 | 310,719 | (498,968) | 40,592 | 185,284 | (57,269) | 6,321,637 |
| State Department of Agriculture | | | | | | | | | | | | | | | | | |
| State School Lunch Program | 23-100-010-3350-023 | 7/1/22-6/30/23 | 36,552 | | | | | 30,434 | 36,552 | | | | (6,118) | | | (6,118) | 36,552 |
| State School Lunch Program - SSO | 23-100-010-3350-023 | 7/1/22-6/30/23 | 42,433 | | | | | 42,433 | 42,433 | | | | | | | | 42,433 |
| State School Lunch Program | 22-100-010-3350-023 | 7/1/21-6/30/22 | 144,795 | (1,733) | | | | 1,733 | | | | | | | | | |
| State School Breakfast | 23-100-010-3350-023 | 7/1/22-6/30/23 | 2,617 | | | | | 2,065 | 2,617 | | | | (552) | | | (552) | 2,617 |
| State Supplement for Summer Food | 23-100-010-3350-023 | 7/1/22-6/30/23 | 121,238 | | | | | 121,238 | 121,238 | | | | | | | | 121,238 |
| Total Enterprise Fund | | | | (1,733) | - | - | - | 197,903 | 202,840 | - | - | - | (6,670) | - | - | (6,670) | 202,840 |
| Sub-Total State Financial Assistance | | | | (3,082,235) | 111,658 | 322,781 | - | 36,458,895 | 37,001,962 | 194,216 | 387 | 310,719 | (3,532,855) | 40,592 | 185,284 | (797,581) | 37,025,022 |
| Less: On-Behalf TPAF Pension Contributions Not Subject to Single Audit and Major Program Determination | | | | | | | | | | | | | | | | | |
| Normal Cost | 23-485-034-5094-002 | 7/1/22-6/30/23 | 14,292,954 | | | | | (14,292,954) | (14,292,954) | | | | | | | | |
| NCGI Premium | 23-485-034-5094-004 | 7/1/22-6/30/23 | 198,299 | | | | | (198,299) | (198,299) | | | | | | | | |
| Post Retirement Medical Contrib. | 23-495-034-5094-001 | 7/1/22-6/30/23 | 3,806,817 | | | | | (3,806,817) | (3,806,817) | | | | | | | | |
| Long Term Liability | 23-485-034-5094-004 | 7/1/22-6/30/23 | 5,321 | | | | | (5,321) | (5,321) | | | | | | | | |
| Total State Financial Assistance Subject to Single Audit and Major Program Determination | | | | \$ (3,082,235) | \$ 111,658 | \$ 322,781 | \$ - | \$ 18,155,504 | \$ 18,698,571 | \$ 194,216 | \$ 387 | \$ 310,719 | \$ (3,532,855) | \$ 40,592 | \$ 185,284 | | |

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$1,816,952 for the general fund and a decrease of \$610,824 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|----------------------|
| General Fund | \$ 79,084 | \$ 28,683,593 | \$ 28,762,677 |
| Special Revenue Fund | 6,042,732 | 6,131,144 | 12,173,876 |
| Food Service Fund | <u>5,692,227</u> | <u>39,169</u> | <u>5,731,396</u> |
| Total Financial Assistance | <u>\$ 11,814,043</u> | <u>\$ 34,853,906</u> | <u>\$ 46,667,949</u> |

**TEANECK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,957,820 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$14,491,253, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,806,817 and TPAF Long-Term Disability Insurance in the amount of 5,321 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

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

Noncompliance material to basic financial statements noted? X yes no

Federal Awards Section

Internal Control over compliance:

1) Material weakness(es) identified yes X no

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

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

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

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|--|
| <u>10.553</u> | <u>School Breakfast Program</u> |
| <u>10.555</u> | <u>National School Lunch Program</u> |
| <u>84.027, 84.027X</u> | <u>IDEA Basic and IDEA ARP</u> |
| <u>84.173, 84.173X</u> | <u>IDEA Preschool and IDEA ARP Preschool</u> |
| <u>84.425D</u> | <u>CRRSA - ESSER II</u> |
| <u>84.425U</u> | <u>ARP ESSER</u> |
| <u>84.425W</u> | <u>ARP-Homeless</u> |

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

Auditee qualified as low-risk auditee? X yes no

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

Part I – Summary of Auditor’s Results

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over compliance:

1) Material weakness(es) identified yes X no

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08, as amended? X yes no

Identification of major state programs:

| GMIS Number(s) | Name of State Program |
|---------------------|---------------------------------|
| 23-495-034-5120-089 | Special Education Aid |
| 23-495-034-5120-084 | Security Aid |
| 23-495-034-5120-014 | Transportation Aid |
| 23-495-034-5120-086 | Preschool Education Aid |
| 23-495-034-5120-044 | Extraordinary Aid |
| 23-495-034-5094-003 | Reimbursed TPAF Social Security |
| | |
| | |
| | |

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2023-001

Our audit noted that the monthly Treasurer’s reports for October 2022 through January 2023 were not submitted to the Board for their approval. In addition, the monthly Board Secretary and Treasurer’s reports for March through June 2023 and the certification of availability of funds/line item deficits were not approved by the Board until August 2023.

Criteria or Specific Requirement

N.J.S.A. 18A:17-36 “Accounting Monthly and Annual Reports”

Condition

See Finding 2023-001.

Context

See Finding 2023-001.

Effect

Financial statements and transactions may be misstated without proper and timely completion, review, submission and approval.

Cause

Unknown.

Recommendation

The District’s Board Secretary and Treasurer’s reports be completed and submitted with the monthly certification of funds for approval by the Board in a timely manner.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2023-002

Our audit noted the following items pertaining to year end balances:

With regards to the General Fund,

- The amount of the State debit/credit memo for the Commission for the Blind was recorded as an outstanding check on the District's warrant account.
- The intergovernmental accounts receivable account balance was overstated by \$2,105,965.
- The accounts payable report included \$177,645 for the State debit/credit memo for tuition and the debt service assessment. In addition, the accounts payable report was not in agreement with the general ledger/balance sheet by \$33,753.

With regards to the Special Revenue Fund,

- There were debit balances in liability accounts for intergovernmental payable (\$93,017) and compensated absences payable (\$215,226).
- The open purchase order (encumbrances) report was not in agreement with the general ledger/balance sheet by \$103,602.
- Accounts receivable balances of \$38,463 and unearned revenue balances for local grants of \$29,693 could not be identified.
- The accounts payable report and open purchase order (encumbrances) report were not in agreement with the general ledger/balance sheet. There were difference of \$87,347 and \$329,425, respectively.

Criteria or Specific Requirement

Internal controls over the reporting of year-end balances.

Condition

Certain general ledger account balances were not in agreement with subsidiary ledgers and reports.

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2023-002 (Continued)

Context

See Finding 2023-002.

Effect

Incorrect balances in the general ledger accounts may cause the District's financial statements to be misstated.

Cause

Unknown.

Recommendation

The District record State debit/credit memorandums in accordance with the State guidelines. In addition, the balance sheet accounts be reviewed and reconciled with the subsidiary ledgers and records.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2023-003

Our audit of Special Revenue Fund grants noted the following:

- Certain grant receipts and/or grant expenditures were not recorded when the transactions occurred.
- At June 30, 2023, there were various overexpended budgetary accounts for the IDEA-ARP, Title III, IDEA, ESSER II, ESSER II Learning Acceleration, ESSER II Mental Health and ESSER III ARP grants.
- All cash receipts for ARP-ESSER (\$2,094,531) were posted on June 30, 2023. The funds were received in the months of November, February, March, April, May and June.
- Salaries and stipends for employees charged to ESSER grants were not approved by a Board resolution.

Criteria or Specific Requirement

GAAP Technical Assistance Manual; NJAC 6A:23A-13.3

Condition

See Finding 2023-003.

Context

See Finding 2023-003.

Effect

Financial statements did not accurately reflect grant transactions and balances. In addition, certain budgetary accounts were overexpended.

Cause

Unknown.

Recommendation

Internal controls over grant accounting be reviewed and enhanced.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

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

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

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

CURRENT YEAR FEDERAL AWARDS

Finding 2023-004

Our audit of Special Revenue Fund grants noted the following:

- At June 30, 2023, there were various overexpended budgetary accounts for the IDEA-ARP, IDEA, ESSER II, ESSER II Learning Acceleration, ESSER II Mental Health and ESSER III ARP grants.
- All cash receipts for ARP-ESSER (\$2,094,531) were posted on June 30, 2023. The funds were received in the months of November, February, March, April, May and June.
- Salaries and stipends for employees charged to ESSER grants were not approved by a Board resolution.

Information on Federal Program

| | |
|-----------------|----------------|
| 84.027, 84.027X | IDEA, ARP IDEA |
| 84.425D | CRRSA-ESSER II |
| 84.425U | ARP ESSER |

Criteria or Specific Requirement

Grant Compliance Supplements.

Condition

See Finding 2023-004.

Questioned Costs

None.

Effect

- Grant expenditures are not in compliance with approved grant budgets.
- Grant receivable and revenues are not accurately reported.
- Salaries charged to federal programs were not approved by the Board.

Cause

Unknown.

Recommendation

Internal controls over grant accounting be reviewed and enhanced.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

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

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

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

CURRENT YEAR STATE AWARDS

Finding 2023-005

Our audit noted that the monthly Treasurer's reports for October 2022 through January 2023 were not submitted to the Board for their approval. In addition, the monthly Board Secretary and Treasurer's reports for March through June 2023 and the certification of availability of funds/line item deficits were not approved by the Board until August 2023.

State Program Information

| | |
|---------------------|-----------------------|
| 23-495-034-5120-089 | Special Education Aid |
| 23-495-034-5120-084 | Security Aid |

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public

Condition

See Finding 2023-005

Questioned Costs

None

Context

See Finding 2023-005

Effect

Financial statements and transactions may be misstated without proper and timely completion, review, submission and approval.

Cause

Unknown

Recommendation

The District's Board Secretary and Treasurer's reports be completed and submitted with the monthly certification of funds for approval by the Board in a timely manner.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

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

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.