

TEANECK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Teaneck, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Teaneck Board of Education
Teaneck, New Jersey
For The Fiscal Year Ended June 30, 2012**

**Prepared by
Business Office**

**TEANECK BOARD OF EDUCATION
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INTRODUCTORY SECTION



TEANECK PUBLIC SCHOOLS

One Merrison Street
Teaneck, New Jersey 07666

October 15, 2012

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

Dear Members of the Board of Education:

I am pleased to submit The Comprehensive Annual Financial Report of the Teaneck School District (hereafter the "District") for the fiscal year ending June 30, 2012. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, 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 the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the "Independent Auditors' Report".

The comprehensive annual 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 Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB No. 14. All funds of the District are included in this report. The Teaneck Public Schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as special education for handicapped students through the age of 21.

In the 2011-2012 fiscal year, the District's official enrollment was 4,196 resident students, which is 112 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:

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	4,196	-2.6%
2010-2011	4,308	+2.8%
2009-2010	4,192	-2.1%
2008-2009	4,284	-1.5%
2007-2008	4,350	-2.9%
2006-2007	4,482	-1.0%
2005-2006	4,526	-0.1%
2004-2005	4,531	-2.0%
2003-2004	4,626	-1.3%
2002-2003	4,685	-1.2%

These figures exclude enrollments for in-district preschool students and nonpublic school students residing in the township.

2) ECONOMIC CONDITION AND OUTLOOK

The economic environment for the past fiscal year has been characterized by many as the worst economic downturn since the Great Depression of the 1930's. While the economy today is showing some signs of positive economic growth, there are still many uncertainties for the future. The unemployment rate in Teaneck increased from 4.1% to 7.0% from 2008 to 2012, according to the Bureau of Labor Statistics. Per capita income for Bergen County decreased to \$65,486 for 2010, the latest available year, compared to the revised New Jersey Department of Labor and Workforce Development income data of \$68,227 for 2008.

In accordance with mandates by the state, the District's budget continues to include line items for charter school expenditures. In fiscal year 2011-2012, there were three charter schools serving students' kindergarten through 8th grade to which Teaneck students attended, Teaneck Community Charter School, Englewood on the Palisades and Bergen Arts & Science. The 2011-2012 budget included \$4,505,644 expended for tuition and transportation to these charter schools. A new charter school, Shalom Academy was approved by the NJ Department of Education to open during the 2011-2012 school year, however, the school could not lease a suitable facility and instead was granted a planning year by the New Jersey Department of Education. The District had to budget funds in the amount of \$1,407,720 for tuition and raise those funds through the Local Tax Levy even though the school did not open during the 2011-2012 fiscal year.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 88.9% of the 2011-2012 budget. The reliance on the local taxpayers to fund the majority

of the District's budget will likely continue under the provisions of the School Funding Reform Act of 2008. According to the NJ Department of Education, Office of School Funding, the District's tax levy exceeds the Local Fair Share and the district's total budget exceeds the "adequacy model" used to calculate state aid.

3) MAJOR INITIATIVES

As the stewards of our children's educational future, the District has high expectations of each teacher, administrator and all support personnel; an expectation that only excellence will be acceptable in the provision of the educational program in the coming years. We have high expectations for our community partners and parents that they will engage with us in this educational effort providing much needed support to our system and children. We have high expectations and high demands for our students that they will come to school each day with a willingness and desire to learn and to work hard to obtain the knowledge and experiences offered to them.

Instructional Initiatives

STUDENT ACHIEVEMENT:

Goal: Develop a framework for increasing student achievement for all students while simultaneously eliminating achievement gaps.

ACCOUNTABILITY:

Goal: Increase Organizational effectiveness and efficiency.

ASSESSMENT AND EVALUATION:

Goal: Implement a protocol that assesses the effectiveness of administrators and other instructional staff in improving student achievement.

CLIMATE:

Goal: Provide a positive climate and a safe, secure, cooperative and respectful environment of mutual support, teamwork, shared responsibility, and success that promotes character development, physical and mental health and thereby supports student achievement.

COMMUNITY AND FAMILY ENGAGEMENT:

Goal: Actively engage family and community members as partners in raising and maintaining high student achievement.

BOARD OF EDUCATION

Goal: The Superintendent and Board of Education function as a leadership team committed to improving student achievement.

Facilities Initiatives

The District completed the renovation of the Culinary Lab at Teaneck High School and held a grand opening in March 2012. The District received a grant from Bergen County Community College in the amount of \$50,000, which was used to purchase new equipment and appliances for the culinary lab.

During the past few years the District began the implementation a five year plan for roof replacements for all of its eight (8) buildings. To date the roofs have been replaced at Lowell School, Whittier School, Thomas Jefferson Middle School, Eugene Field School Administration Building and the first phase at Teaneck High School. The District received grant funds in the amount of 40% of the approvable cost from the NJ Schools Development Authority for both the Eugene Field Administration Building and Teaneck High School projects. The balance of the roof replacement projects including

the second phase at Teaneck High School, Benjamin Franklin Middle School, Bryant and Hawthorne Schools are scheduled to take place over the next five years provided that the District can secure grant funding or deposit sufficient funds in its' Capital Reserve account.

The District received an Energy Audit grant during the 2010-2011 fiscal year from the NJ Clean Energy Program and subsequently performed an Energy Audit in order to evaluate potential ECRM projects (Energy Conservation Retrofit Measures). As a follow up to the Audit, the District and the Board's Architect developed an Energy Savings Improvement Program (ESIP) as a model to implement these projects throughout the District. The Board approved the projects and secured funding by issuing ESIP bonds in the amount of \$8,180,000 in March 2012. The projects include Lighting Retrofits, Boiler Replacements, Installation of Digital Temperature Controls, Replacement of Rooftop HVAC Units, and Replacement of Hot Water Heaters and Chiller units. The goal is to reduce energy usage and utility expenses and use the savings to repay the bonds issued over a 15 year period. There is no cost to the taxpayers for the repayment of the bonds. All projects are scheduled to be completed by November 2012.

The District also awarded a Power Purchase Agreement to Hudson Solar Energy for the installation of Ground Mounted Solar Panel Canopies at six (6) of the district's buildings. The contractor will install the solar panel canopies at no cost to the District and in return the District will receive electricity generated by the systems at a reduced rate for a fifteen (15) year period. The contractor will also be able to use the clean renewable energy generated by the solar panel systems in order meet their requirements as a utility provider. The solar panel project should be completed by December 2012.

4) 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 is 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. This internal control structure is also subject to periodic evaluation by District management.

As a part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS

In addition to the 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 Board. Annual appropriated budgets are adopted by the Board for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the Financial section of this report.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012. These are re-appropriated automatically into the following fiscal year, and as a result, increase the approved budget.

6) ACCOUNTING SYSTEM AND REPORTS

The district's accounting records reflect New Jersey Statutes (N.J.S.A. 18:4-14) that requires a uniform system of double-entry bookkeeping consistent with the generally accepted accounting principles, (GAAP) established by GASB for use in all school districts.

The accounting system of the District is organized on the basis of funds in accordance with the Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools. These funds are explained in the Notes to the Financial Statements.

The District continues to maintain a budgetary/finance software package which provides decentralized access to requisitions, purchase order status, account records and program reporting. Appropriate internal controls are established for both purchasing and line item expenditures.

7) DEBT ADMINISTRATION

As of June 30, 2012, the district has four (4) outstanding general obligation bond issues, one (1) outstanding Lease/Purchase obligation and one (1) ESIP obligation bond issue. The first general obligation issuance was in April 2001 to finance construction projects at Teaneck High School, Benjamin Franklin Middle School and Thomas Jefferson Middle School. The debt maturity is July 2014 and the outstanding principal is \$1,200,000.

The second general obligation issuance was in February 2003 and also matures in July 2014. This was a refinancing of a previous bond issuance and the outstanding principal balance is \$1,205,000.

The third general obligation issue, financed in February 2003, relates to the district's Early Retirement Pension Obligation. Previously, this obligation had been funded through the general current expense budget; however, funding the obligation through debt service was made possible in fiscal year 2003 by an act of the New Jersey Legislature. This issue has an 18-year repayment schedule that matures in July 2020. The outstanding principal balance is \$3,930,000.

Finally, the fourth general obligation issuance is the refinancing of callable bonds issued in April 2001. The bonds were issued in July 2006 and mature in July 2030. The principal balance outstanding is \$9,195,000. The refinancing of both the Early Retirement Pension Obligation and the 1993 Bond Issue will provide a net savings to the taxpayers of Teaneck of \$2 million over the life of the debt.

The Lease/Purchase obligation was issued in March 2011 to finance the first phase of roof replacement at Teaneck High School. The debt matures in June 2016 and the outstanding principal balance is \$1,043,787.

The Energy Savings Improvement Program (ESIP) obligation bonds were issued in March 2012 with a maturity date of June 2027 and the outstanding principal balance is \$8,180,000. The bonds will finance the energy conservation measures throughout the district's schools. The reduction to utility costs accruing from these conservation measures will be used to repay the bonds, resulting in no cost to the taxpayers.

8) CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 by the New Jersey State Legislature to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT

The District is a member of the Northeast Bergen County School Boards Insurance Group (NESBIG), a joint insurance pool comprised of forty school districts, for its entire insurance coverage, including but not limited to workers' compensation, general liability, fidelity bonds, automobile liability and comprehensive/collision, hazard and theft insurance for property and contents.

10) INDEPENDENT AUDIT

New Jersey State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

11) ACKNOWLEDGEMENTS

The administration wishes to express its appreciation to the entire business office staff, whose continued efforts and tenacity to ensure the implementation of GAAP, board policies and regulations make the efficient operation of the District possible. The Business Office staff wishes to thank the school district auditors for their technical expertise and for providing accounting guidance in general, and for this report in particular.

Respectfully Submitted,

Barbara A. Pinsak

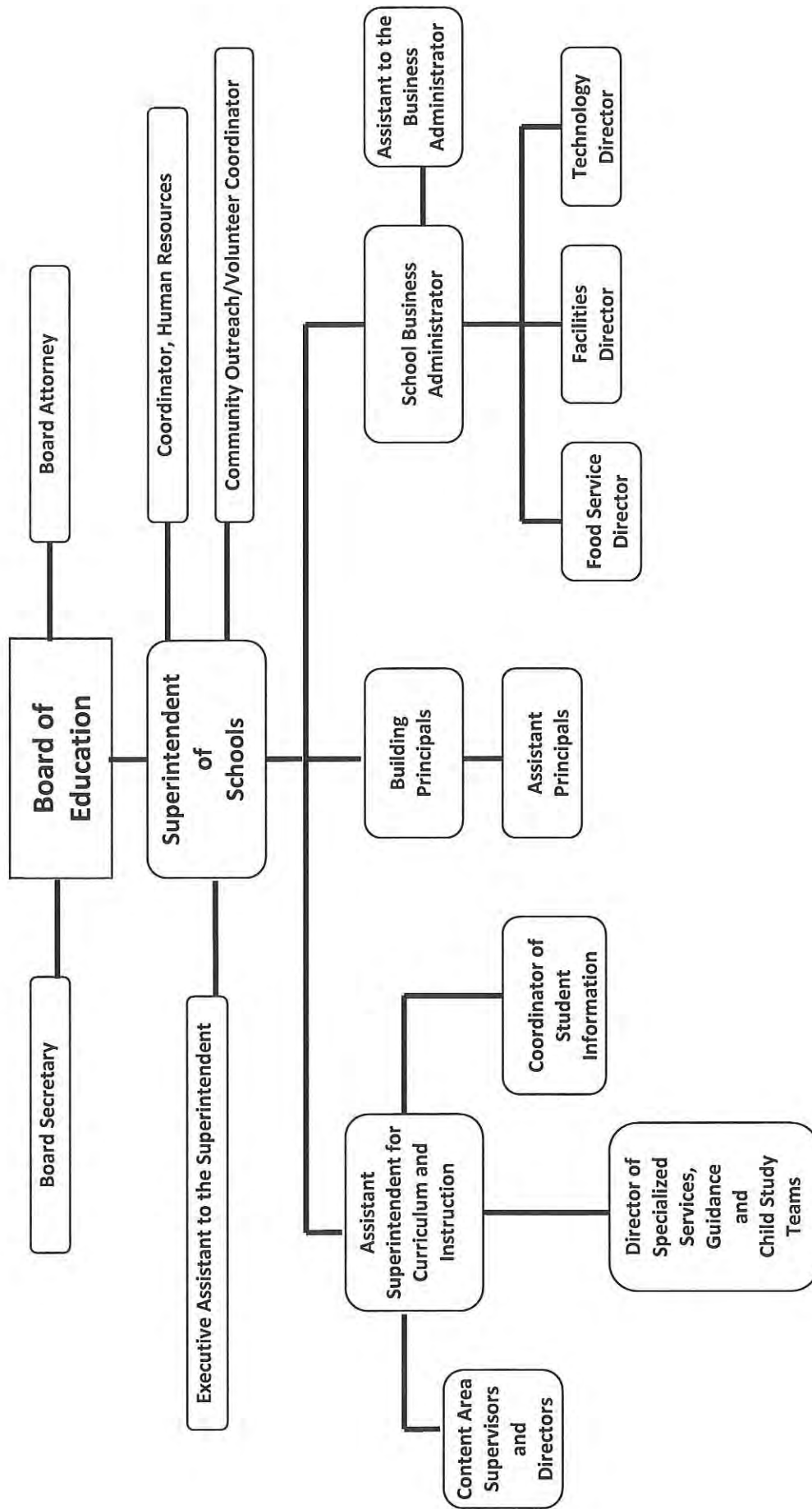
Barbara A. Pinsak
Superintendent of Schools

Robert S. Finger

Robert S. Finger, CFE, CGFM, QPA
Business Administrator/Board Secretary



Teaneck Public Schools Administrative Organizational Chart 2011-2012





TEANECK BOARD OF EDUCATION
TEANECK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2012

MEMBERS OF THE BOARD

TERM EXPIRES

Dr. Ardie Walser, President	2014
Gervonn Rice, Vice President	2012
Herbert Burack	2012
Dr. David Diuguid	2012
Margot Embree Fisher	2013
Dr. Henry Pruitt (resigned 7/1/12)	2013
Sarah Rappoport (replaced Dr. Pruitt)	2012
Sebastian Rodriguez	2013
Howard Rose	2014
Clara Williams	2014

OTHER OFFICIALS

Barbara A. Pinsak, Superintendent of Schools

Robert S. Finger, Business Administrator/Board Secretary

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

Anthony Bianchi, Treasurer of School Monies



**TEANECK PUBLIC SCHOOLS
TEANECK, NEW JERSEY**

Consultants and Advisors

Attorney

Adams, Stern, Gutierrez & Lattiboudere
1037 Raymond Boulevard
Newark, NJ 07102

Auditor

Lerch, Vinci & Higgins
17-17 Route 208
Fair Lawn, NJ 07410

Architect

DiCara/Rubino
30 Galesi Drive
Wayne, NJ 07470

Health Insurance Broker

Brown & Brown
80 Lambert Lane
Lambertville, NJ 08530

Official Depository

Capital One Bank
450 Hackensack Avenue
Hackensack, NJ 07601

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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FAIR LAWN, NJ 07410
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GARY W. HIGGINS, CPA, RMA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

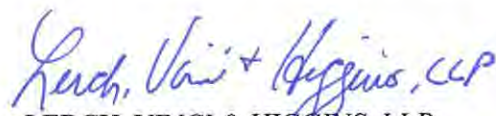
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2012 on our consideration of the Teaneck Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. 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 combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
October 15, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

This section of the Teaneck Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-2012 fiscal year include the following:

- The assets of the Teaneck Board of Education exceeded its liabilities at the close of the fiscal year by \$29,127,735 (net assets).
- Overall revenues were \$98,613,548. General revenues accounted for \$79,517,066 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$19,096,482 or 19% of total revenues.
- The school district had \$96,332,948 in expenses; only \$19,096,482 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) and available net assets 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 \$16,750,940.
- The General Fund fund balance at June 30, 2012 was \$8,955,665 an increase of \$2,082,290 when compared with the fund balance at July 1, 2011.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

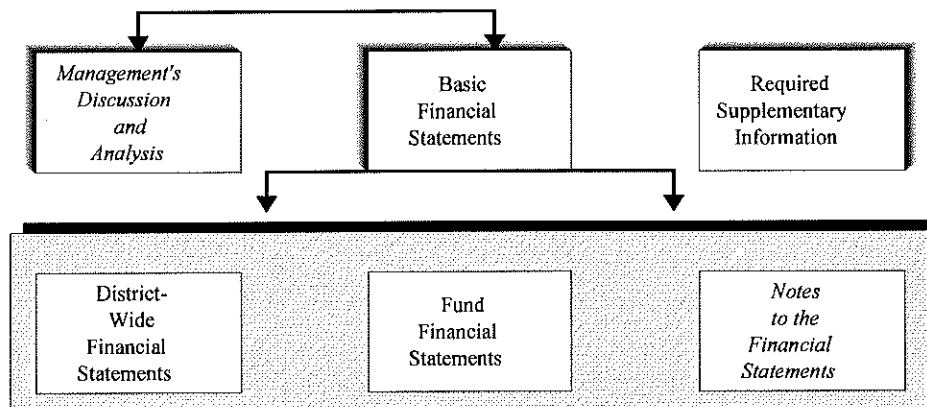
OVERVIEW OF THE FINANCIAL STATEMENTS

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.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular instruction, special Education and building maintenance	Activities the district operates similar to private businesses: Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as Unemployment, Payroll Agency, and Student Activities
Required financial statements	Statements of net assets Statement of activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Assets Statement of revenue, expenses, and changes in fund net assets Statement of cash flows	Statements of Fiduciary net assets Statement of changes in fiduciary net assets
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting And current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset/liability information	All assets and liabilities, 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 there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the Year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

District-wide financial statements

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

The two district-wide statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

District-wide financial statements (continued)

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

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Community School Fund are included under this category.

Fund financial statements

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

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

The District has three kinds of funds:

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

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Fund financial statements (continued)

Enterprise Funds – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two enterprise funds.

- Food Service (Cafeteria)
- Community School

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

Notes to the Basic Financial Statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$29,127,735 as of June 30, 2012. See Table A-1.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

By far the largest portion of the District's net assets 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.

Table A-1
Statement of Net Assets
As of June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current Assets	\$ 18,782,997	\$ 9,793,058	\$ 375,650	\$ 499,379	\$ 19,158,647	\$ 10,292,437
Capital Assets	<u>41,367,432</u>	<u>39,872,601</u>	<u>81,353</u>	<u>101,233</u>	<u>41,448,785</u>	<u>39,973,834</u>
Total Assets	<u>60,150,429</u>	<u>49,665,659</u>	<u>457,003</u>	<u>600,612</u>	<u>60,607,432</u>	<u>50,266,271</u>
Other Liabilities	2,084,773	1,682,253	409,200	423,085	2,493,973	2,105,338
Long-Term Liabilities	<u>28,985,724</u>	<u>21,313,798</u>	<u>-</u>	<u>-</u>	<u>28,985,724</u>	<u>21,313,798</u>
Total Liabilities	<u>31,070,497</u>	<u>22,996,051</u>	<u>409,200</u>	<u>423,085</u>	<u>31,479,697</u>	<u>23,419,136</u>
Net Assets:						
Invested in Capital Assets, Net						
of Related Debt	30,205,437	27,808,537	81,353	101,233	30,286,790	27,909,770
Restricted	1,191,255	643,243			1,191,255	643,243
Unrestricted	<u>(2,316,760)</u>	<u>(1,782,172)</u>	<u>(33,550)</u>	<u>76,294</u>	<u>(2,350,310)</u>	<u>(1,705,878)</u>
Total Net Assets	<u>\$ 29,079,932</u>	<u>\$ 26,669,608</u>	<u>\$ 47,803</u>	<u>\$ 177,527</u>	<u>\$ 29,127,735</u>	<u>\$ 26,847,135</u>

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2012 and 2011

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues						
Charges for Services	\$ 205,243	\$ 183,867	\$ 1,469,851	\$ 1,465,212	\$ 1,675,094	\$ 1,649,079
Operating Grants and Contributions	16,260,691	13,896,066	656,447	641,420	16,917,138	14,537,486
Capital Grants and Contributions	504,250	202,209			504,250	202,209
General Revenues						
Property Taxes	79,235,126	78,894,065			79,235,126	78,894,065
State and Federal Aid		180,939			-	180,939
Other	281,940	243,364	-	-	281,940	243,364
Total Revenues	<u>96,487,250</u>	<u>93,600,510</u>	<u>2,126,298</u>	<u>2,106,632</u>	<u>98,613,548</u>	<u>95,707,142</u>
Expenses						
Instruction						
Regular	32,671,988	30,421,657			32,671,988	30,421,657
Special Education	16,711,830	17,263,704			16,711,830	17,263,704
Other Instruction	4,061,728	3,382,495			4,061,728	3,382,495
Support Services						
Student and Instruction Related Serv.	14,361,913	13,183,619			14,361,913	13,183,619
School Administrative Services	4,189,822	4,416,827			4,189,822	4,416,827
General Administrative Services	1,080,471	1,122,333			1,080,471	1,122,333
Plant Operations and Maintenance	9,025,685	10,012,275			9,025,685	10,012,275
Pupil Transportation	4,696,541	4,853,999			4,696,541	4,853,999
Business and Other Support Services	1,993,106	1,982,452			1,993,106	1,982,452
Charter Schools	4,363,312	4,322,115			4,363,312	4,322,115
Interest on Long-Term Debt	920,530	833,217			920,530	833,217
Food Services			1,397,117	1,325,864	1,397,117	1,325,864
Community School	-	-	858,905	859,294	858,905	859,294
Total Expenses	<u>94,076,926</u>	<u>91,794,693</u>	<u>2,256,022</u>	<u>2,185,158</u>	<u>96,332,948</u>	<u>93,979,851</u>
Change in Net Assets	2,410,324	1,805,817	(129,724)	(78,526)	2,280,600	1,727,291
Net Assets, Beginning of Year	26,669,608	24,979,406	177,527	256,053	26,847,135	25,235,459
Prior Period Adjustment - Capital Assets	-	(115,615)	-	-	-	(115,615)
Net Assets, End of Year	<u>\$ 29,079,932</u>	<u>\$ 26,669,608</u>	<u>\$ 47,803</u>	<u>\$ 177,527</u>	<u>\$ 29,127,735</u>	<u>\$ 26,847,135</u>

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$96,487,250 for the year ended June 30, 2012, a 3 percent increase from the previous year. Property taxes of \$79,235,126 represented 82% of revenues. Another significant portion of revenues is intergovernmental aid; total State, Federal and formula aid was \$16,764,941. Another source of revenues is miscellaneous income which includes items such as rentals, prior year refunds, etc. and charges for services which includes tuition from other LEAs and transportation fees.

The total cost of all governmental activities programs and services was \$94,076,926. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$53,445,546 or 57% of total expenditures. Student support services, exclusive of administration, total \$14,361,913 or 15% of total expenditures (See Table A-4).

Total governmental activities revenues surpassed expenses, increasing net assets \$2,410,324 from the previous year. This increase is predominantly due to an increase in revenues from state and federal grants obtained by the District.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2012

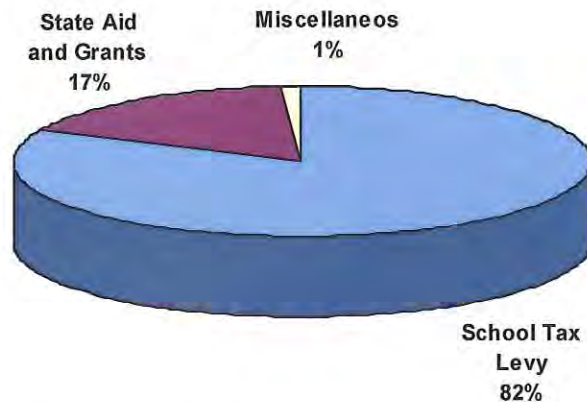
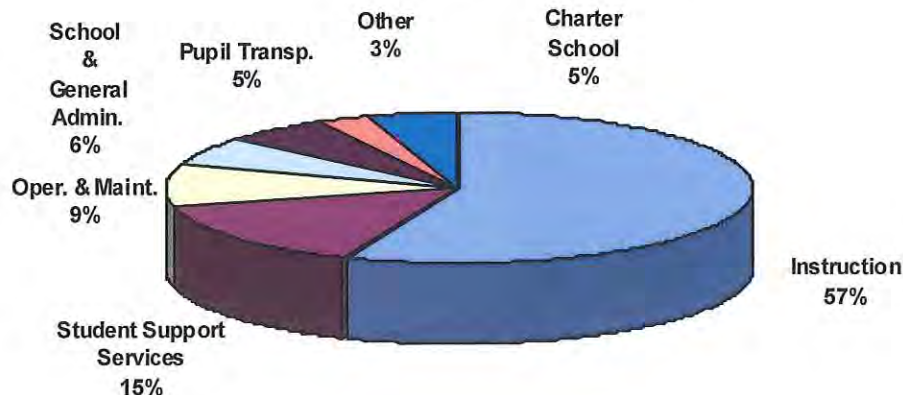


Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2012



Net Cost of Governmental Activities. The District's total cost of services was \$94,076,926 for the fiscal year ended June 30, 2012. After applying program revenues, derived from charges for services of \$205,243, operating grants and contributions of \$16,260,691 and capital grants and contributions of \$504,250 the net cost of services of the District was \$77,106,742 for the fiscal year ended June 30, 2012. See Table A-5.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Table A-5
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2012 and 2011

	<u>Total Cost of</u> <u>Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Instruction				
Regular	\$ 32,671,988	\$ 30,421,657	\$ 27,865,603	\$ 26,545,063
Special Education	16,711,830	17,263,704	10,233,682	10,670,429
Other Instruction	4,061,728	3,382,495	3,478,402	2,946,528
Support Services				
Student and Instruction Related Svcs.	14,361,913	13,183,619	12,665,274	11,320,784
School Administrative Services	4,189,822	4,416,827	3,860,124	4,139,081
General Administrative Services	1,080,471	1,122,333	1,080,471	1,122,333
Plant Operations and Maintenance	9,025,685	10,012,275	7,828,476	9,144,163
Pupil Transportation	4,696,541	4,853,999	2,844,765	4,509,345
Business and Other Support Services	1,993,106	1,982,452	1,966,103	1,959,493
Charter Schools	4,363,312	4,322,115	4,363,312	4,322,115
Interest on Long-Term Debt	920,530	833,217	920,530	833,217
Total	\$ 94,076,926	\$ 91,794,693	\$ 77,106,742	\$ 77,512,551

Business-Type Activities – The District's total business-type activities revenues were \$2,126,298 for the fiscal year ended June 30, 2012. Charges for services accounted for \$1,469,851, or 69% of total revenues. Operating grants and contributions accounted for \$656,447, or 31% of total revenue for the year.

The total cost of all business-type activities programs and services was \$2,256,022 for the fiscal year ended June 30, 2012. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District and the operation of the after school child care and adult education programs.

Total business-type activities expenses surpassed revenues by \$129,724 reducing net assets from \$177,527 at June 30, 2011 to \$47,803 at June 30, 2012.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, 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 \$16,750,940. As of June 30, 2011, the fund balance was \$8,181,144. This increase is predominately attributable to additional State and Federal aid received by the District in 2011-2012 and the issuance of bonds to finance capital expenditures relating to the District's energy savings program.

Revenues for the District's governmental funds were \$96,487,250, while total expenses were \$96,795,542. After applying the net of other financing sources/(uses) of \$8,878,088, the net change in the fund balance for the year was an increase of \$8,569,796.

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

The following schedule presents a comparison of General Fund Revenues for the fiscal years ended June 30, 2012 and 2011

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local Sources				
Property Tax Levy	\$ 77,452,263	\$ 77,452,263		0%
Tuition	205,243	183,867	\$ 21,376	12%
Interest	19,927	51,095	(31,168)	-61%
State and Federal Sources	13,239,453	10,399,520	2,839,933	27%
Miscellaneous	<u>262,013</u>	<u>192,205</u>	<u>69,808</u>	36%
Total General Fund Revenues	<u>\$ 91,178,899</u>	<u>\$ 88,278,950</u>	<u>\$ 2,899,949</u>	3%

Total General Fund Revenues increased by \$2,899,949 or 3% over the previous year.

Local property taxes remained unchanged from 2010-2011. State and Federal revenues increased \$2,839,933 or 27%. The increase in State aid revenues is predominantly attributable to increases in State formula aid. Tuition and miscellaneous revenues increased from the previous year while interest income decreased.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

The following schedule presents a comparison of General Fund expenditures (budgetary basis) for the fiscal years ended June 30, 2012 and 2011.

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction	\$ 32,603,849	\$ 30,820,018	\$ 1,783,831	6%
Support Services	51,854,344	50,577,036	1,277,308	3%
Capital Outlay	374,676	531,474	(156,798)	-30%
Charter School	<u>4,363,312</u>	<u>4,322,115</u>	<u>41,197</u>	1%
Total Expenditures	<u>\$ 89,196,181</u>	<u>\$ 86,250,643</u>	<u>\$ 2,945,538</u>	3%

Total General Fund expenditures increased \$2,945,538 or 3% from the previous year. The District experienced increases in expenditures for both instruction and support services.

In 2011-2012 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2,082,290. As a result, total fund balance increased to \$8,955,655 at June 30, 2012. After deducting statutory transfers and reserves, the unassigned fund balance on a budgetary basis decreased from \$3,047,576 at June 30, 2011 to \$1,663,119 at June 30, 2012. This decrease is predominantly due to the amounts designated in the 2012-2013 budget.

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

Revenues of the Special Revenue Fund were \$3,021,238, for the year ended June 30, 2012. Federal sources accounted for 71% of the total Special Revenue Fund revenue for the year. Total Special Revenue Fund revenues decreased \$656,247 from the previous year. State sources increased \$8,295, while Federal sources decreased \$727,809 and local sources increased \$63,267.

Expenditures of the Special Revenue Fund were \$3,021,238. Instructional expenditures were \$1,464,728 and expenditures for the support services were \$1,549,800 for the year ended June 30, 2012. Capital outlay expenditures totaled \$6,710.

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$6,487,506 resulting in a fund balance of \$7,795,274 at June 30, 2012. This increase is a result of the unexpended proceeds of the energy savings bonds.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Proprietary Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

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

- Implementing budgets for specially funded projects, which include both federal and state grants, reinstating prior year purchase orders being carried over, and budgeting for clearing, resale, and gifts.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2012 amounts to \$41,448,785 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, construction in progress, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2011-12 amounted to \$1,325,950 for governmental activities and \$22,195 for business-type activities.

Capital Assets at June 30, 2012 and 2011 (Net of Accumulated Depreciation)

	Governmental		Business-Type		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 1,601,471	\$ 1,601,471			\$ 1,601,471	\$ 1,601,471
Improvements Other than Buildings	676,293	741,112			676,293	741,112
Building and Building Improvements	36,687,923	36,125,481			36,687,923	36,125,481
Machinery and Equipment	903,766	987,142	\$ 81,353	\$ 101,233	985,119	1,088,375
Construction in Progress	1,497,979	417,395	-	-	1,497,979	417,395
Total Capital Assets, Net	<u>\$ 41,367,432</u>	<u>\$ 39,872,601</u>	<u>\$ 81,353</u>	<u>\$ 101,233</u>	<u>\$ 41,448,785</u>	<u>\$ 39,973,834</u>

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

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$3,475,720, bonds payable of \$23,710,000 and lease purchases/capital leases of \$1,329,968.

Additional information of the District's long-term liabilities is presented in the "Notes to the Basic 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 2012-2013 budget. The primary factors included the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2012-2013. Budgeted expenditures in the General Fund increased \$3,635,068 or 4% percent in fiscal year 2012-2013.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

TEANECK BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 15,241,292	\$ 370,807	\$ 15,612,099
Receivables, net	2,864,457	48,041	2,912,498
Inventory		15,071	15,071
Internal Balance	71,298	(71,298)	
Prepaid Items		13,029	13,029
Deferred Charge	372,696		372,696
Restricted Assets			
Cash and Cash Equivalents	233,254		233,254
Capital Assets			
Not Being Depreciated	3,099,450		3,099,450
Being Depreciated, Net	<u>38,267,982</u>	<u>81,353</u>	<u>38,349,335</u>
Total Assets	<u>60,150,429</u>	<u>457,003</u>	<u>60,607,432</u>
LIABILITIES			
Accounts Payable	1,260,668	114,074	1,374,742
Accrued Interest Payable	425,412		425,412
Intergovernmental Payables	91,021		91,021
Unearned Revenue	307,672	295,126	602,798
Noncurrent Liabilities			
Due Within One Year	1,906,238		1,906,238
Due Beyond One Year	<u>27,079,486</u>	<u>-</u>	<u>27,079,486</u>
Total Liabilities	<u>31,070,497</u>	<u>409,200</u>	<u>31,479,697</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	30,205,437	81,353	30,286,790
Restricted for			
Capital Projects	1,191,254		1,191,254
Debt Service	1		1
Unrestricted	<u>(2,316,760)</u>	<u>(33,550)</u>	<u>(2,350,310)</u>
Total Net Assets	<u>\$ 29,079,932</u>	<u>\$ 47,803</u>	<u>\$ 29,127,735</u>

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

TEANECK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 32,671,988		\$ 4,806,385		\$ (27,865,603)	\$	\$ (27,865,603)
Special Education	16,711,830	\$ 205,243	6,272,905		(10,233,682)		(10,233,682)
Other Instruction	4,061,728		583,326		(3,478,402)		(3,478,402)
Support Services							
Student and Instruction Related Services	14,361,913		1,696,639		(12,665,274)		(12,665,274)
School Administrative Services	4,189,822		329,698		(3,860,124)		(3,860,124)
General Administrative Services	1,080,471				(1,080,471)		(1,080,471)
Plant Operations and Maintenance	9,025,685		692,959	\$ 504,250	(7,828,476)		(7,828,476)
Pupil Transportation	4,696,541		1,851,776		(2,844,765)		(2,844,765)
Business and Other Support Services	1,993,106		27,003		(1,966,103)		(1,966,103)
Charter Schools	4,363,312				(4,363,312)		(4,363,312)
Interest and Other Charges on Long-Term Debt	920,530				(920,530)		(920,530)
Total Governmental Activities	94,076,926	205,243	16,260,691	504,250	(77,106,742)	-	(77,106,742)
Business-Type Activities							
Food Service	1,397,117	685,717	609,857		\$ (101,543)		(101,543)
Community School	858,905	784,134	46,590		-	(28,181)	(28,181)
Total Business-Type Activities	2,256,022	1,469,851	656,447		-	(129,724)	(129,724)
Total Primary Government	\$ 96,332,948	\$ 1,675,094	\$ 16,917,138	\$ 504,250	(77,106,742)	(129,724)	(77,236,466)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					77,452,263		77,452,263
Taxes Levied for Debt Service					1,782,863		1,782,863
Investment Earnings					19,927		19,927
Miscellaneous Income					262,013		262,013
Total General Revenues					79,517,066		79,517,066
Change in Net Assets					2,410,324	(129,724)	2,280,600
Net Assets, Beginning of Year					26,669,608	177,527	26,847,135
Net Assets, End of Year					\$ 29,079,932	\$ 47,803	\$ 29,127,735

FUND FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2012**

	<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	\$ 8,457,611		\$ 6,783,680	\$ 1	\$ 15,241,292
Receivables					
Receivables From Other Governments	404,791	\$ 639,743	1,768,625		2,813,159
Other Receivables		51,298			51,298
Due from Other Funds	419,894				419,894
Restricted Assets					
Cash With Fiscal Agents	-	-	233,254	-	233,254
Total Assets	<u>\$ 9,282,296</u>	<u>\$ 691,041</u>	<u>\$ 8,785,559</u>	<u>\$ 1</u>	<u>\$ 18,758,897</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 326,631	\$ 45,376	\$ 888,661		\$ 1,260,668
Due to Other Funds		246,972	101,624		348,596
Intergovernmental Payable					
State		85,305			85,305
Federal		150			150
Other		5,566			5,566
Deferred Revenue	-	307,672	-	-	307,672
Total Liabilities	<u>326,631</u>	<u>691,041</u>	<u>990,285</u>	<u>-</u>	<u>2,007,957</u>
Fund Balances					
Restricted					
Capital Reserve	661,254				661,254
Capital Reserve - Designated for					
Subsequent Year's Expenditures	530,000				530,000
Excess Surplus - Designated for					
for Subsequent Year's Expenditures	1,901,172				1,901,172
Excess Surplus	2,472,823				2,472,823
Capital Projects			7,795,274		7,795,274
Debt Service				\$ 1	1
Committed					
Year End Encumbrances	79,970				79,970
Assigned					
Designated for Subsequent					
Year's Expenditures	3,242,677				3,242,677
Year End Encumbrances	147,113				147,113
Unassigned	(79,344)	-	-	-	(79,344)
Total Fund Balances	<u>8,955,665</u>	<u>-</u>	<u>7,795,274</u>	<u>1</u>	<u>16,750,940</u>
Total Liabilities and Fund Balances	<u>\$ 9,282,296</u>	<u>\$ 691,041</u>	<u>\$ 8,785,559</u>	<u>\$ 1</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,966,309 and the accumulated depreciation is \$20,598,877.

41,367,432

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

(425,412)

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

(28,613,028)

Net Assets of Governmental Activities

\$ 29,079,932

**TEANECK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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					
Local Property Tax Levy	\$ 77,452,263			\$ 1,782,863	\$ 79,235,126
Tuition	205,243				205,243
Interest	19,927				19,927
Miscellaneous	262,013	\$ 327,897	\$ 48,969	-	638,879
Total - Local Sources	77,939,446	327,897	48,969	1,782,863	80,099,175
State Sources	12,909,318	541,395	455,281		13,905,994
Federal Sources	330,135	2,151,946	-	-	2,482,081
Total Revenues	91,178,899	3,021,238	504,250	1,782,863	96,487,250
EXPENDITURES					
Current					
Regular Instruction	31,990,063	525,246			32,515,309
Special Education Instruction	15,773,626	939,482			16,713,108
Other Instruction	4,062,282				4,062,282
Support Services					
Student and Instruction Related Services	12,722,147	1,528,953			14,251,100
General Administrative Services	1,074,120				1,074,120
School Administrative Services	4,179,353				4,179,353
Plant Operations and Maintenance	7,849,296				7,849,296
Pupil Transportation	4,675,710	20,847			4,696,557
Business and Other Support Services	1,993,324				1,993,324
Transfer to Charter Schools	4,363,312				4,363,312
Debt Service					
Principal	315,245			1,035,000	1,350,245
Interest and Other Charges	85,396			747,863	833,259
Costs of Issuance			93,496		93,496
Capital Outlay	112,307	6,710	2,701,764	-	2,820,781
Total Expenditures	89,196,181	3,021,238	2,795,260	1,782,863	96,795,542
Excess (Deficiency) of Revenues Over Expenditures	1,982,718	-	(2,291,010)	-	(308,292)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Bonds			8,180,000		8,180,000
Premium on Sale of Bonds			698,088		698,088
Transfers In	219,572		120,000		339,572
Transfers Out	(120,000)	-	(219,572)	-	(339,572)
Total Other Financing Sources and Uses	99,572	-	8,778,516	-	8,878,088
Net Change in Fund Balances	2,082,290	-	6,487,506	-	8,569,796
Fund Balance, Beginning of Year	6,873,375	-	1,307,768	1	8,181,144
Fund Balance, End of Year	\$ 8,955,665	\$ -	\$ 7,795,274	\$ 1	\$ 16,750,940

**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, 2012**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 8,569,796**

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

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

Depreciation Expense	\$ (1,325,950)	
Capital Outlays	<u>2,820,781</u>	
		1,494,831

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

Bond Principal	1,035,000	
Accrued Insurance Liability	8,500	
Lease Purchase	242,213	
Capital Lease Principal	<u>73,032</u>	
		1,358,745

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

(47,527)

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

Energy Savings Improvement Bonds	<u>(8,180,000)</u>	
		(8,180,000)

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

Issuance Costs- Energy Savings Improvement Bonds	93,496	
Amortization of Bond Issuance Costs	(24,406)	
Original Issuance Premium - Energy Savings Improvement Bonds	(698,088)	
Amortization of Original Issuance Premium	2,092	
Amortization - Lease Purchase Issuance Costs	(3,940)	
Amortization - Deferred Amount on Refunding	<u>(13,490)</u>	
		(644,336)

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

(141,185)

Change in Net Assets of Governmental Activities (Exhibit A-2) **\$ 2,410,324**

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 137,640	\$ 233,167	\$ 370,807
Intergovernmental Accounts Receivable	38,187		38,187
Other Receivables	9,854		9,854
Inventories	15,071		15,071
Prepaid Items	-	13,029	13,029
Total Current Assets	200,752	246,196	446,948
Noncurrent Assets			
Machinery and Equipment	389,207	9,607	398,814
Less: Accumulated Depreciation	(307,854)	(9,607)	(317,461)
Total Noncurrent Assets	81,353	-	81,353
Total Assets	282,105	246,196	528,301
LIABILITIES			
Current Liabilities			
Accounts Payable	111,818	2,256	114,074
Unearned Revenue	5,029	290,097	295,126
Due to Other Funds	71,298	-	71,298
Total Current Liabilities	188,145	292,353	480,498
NET ASSETS			
Invested in Capital Assets	81,353	-	81,353
Unrestricted	12,607	(46,157)	(33,550)
Total Net Assets	\$ 93,960	\$ (46,157)	\$ 47,803

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

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
OPERATING REVENUES			
Charges for Services			
Daily Sales-Reimbursable Programs	\$ 637,076		\$ 637,076
Special Functions	36,998		36,998
Vending Sales	11,643		11,643
Program Fees	-	\$ 784,134	784,134
Total Operating Revenues	685,717	784,134	1,469,851
OPERATING EXPENSES			
Salaries and Employee Benefits	653,307	607,728	1,261,035
Purchased Professional and Technical Services		106,051	106,051
Contracted Services- Transportation		21,357	21,357
Communications/ Telephone	756	1,831	2,587
Postage		2,989	2,989
Travel		265	265
Other Purchased Services	60,666	52,291	112,957
Supplies and Materials	104,445	6,908	111,353
Depreciation	22,195		22,195
Cost of Sales	555,748		555,748
Miscellaneous	-	59,485	59,485
Total Operating Expenses	1,397,117	858,905	2,256,022
Operating Income/(Loss)	(711,400)	(74,771)	(786,171)
NONOPERATING REVENUES/(EXPENSES)			
State Sources			
School Lunch Program	14,799		14,799
Federal Sources			
School Breakfast Program	72,644		72,644
National School Lunch Program	522,414		522,414
Local Sources	-	46,590	46,590
Total Nonoperating Revenues/ (Expenses)	609,857	46,590	656,447
Change in Net Assets	(101,543)	(28,181)	(129,724)
Total Net Assets, Beginning of Year	195,503	(17,976)	177,527
Total Net Assets, End of Year	\$ 93,960	\$ (46,157)	\$ 47,803

The accompanying Notes to the Basic 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, 2012**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 684,738	\$ 774,500	\$ 1,459,238
Payments to Employees' Salaries and Benefits	(603,307)	(607,728)	(1,211,035)
Payments to Suppliers for Goods and Services	(663,627)	(278,374)	(942,001)
Net Cash Provided (Used) by Operating Activities	(582,196)	(111,602)	(693,798)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State, Federal, and Local Sources	565,884	46,590	612,474
Net Cash Provided by Noncapital Financing Activities	565,884	46,590	612,474
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of Machinery and Equipment	(2,315)	-	(2,315)
Net Used by Capital Financing Activities	(2,315)	-	(2,315)
Net Increase/(Decrease) in Cash and Cash Equivalents	(18,627)	(65,012)	(83,639)
Cash and Cash Equivalents, Beginning of Year	156,267	298,179	454,446
Cash and Cash Equivalents, End of Year	\$ 137,640	\$ 233,167	\$ 370,807
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income/ (Loss)	\$ (711,400)	\$ (74,771)	\$ (786,171)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Used by Operating Activities			
Depreciation	22,195		22,195
USDA Commodities	44,744		44,744
Change in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable	(979)		(979)
(Increase)/Decrease in Prepaid Items		(12,089)	(12,089)
Increase/(Decrease) in Other Accounts Payable	14,169	(15,108)	(939)
Increase/(Decrease) in Unearned Revenue	(3,312)	(9,634)	(12,946)
Increase/(Decrease) in Interfund Payable	50,000		50,000
(Increase)/Decrease in Inventory	2,387	-	2,387
Total Adjustments	129,204	(36,831)	92,373
Net Cash Provided (Used) by Operating Activities	\$ (582,196)	\$ (111,602)	\$ (693,798)
Noncash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 44,744		

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

**TEANECK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2012**

	Private Purpose <u>Scholarships Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 136,025	\$ 189,741
Total Assets	<u>136,025</u>	<u>\$ 189,741</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 29,755
Accrued Salaries and Wages		92
Due to Student Groups	<u>-</u>	<u>159,894</u>
Total Liabilities	<u>-</u>	<u>\$ 189,741</u>
NET ASSETS		
Held in Trust for Other Purposes	<u>\$ 136,025</u>	

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

**TEANECK BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Private Purpose Scholarships <u>Fund</u>
ADDITIONS	
Contributions	
Donations	\$ 1,400
Investment Earnings	
Interest	<u>912</u>
Total Additions	<u>2,312</u>
DEDUCTIONS	
Scholarships Awarded	<u>8,840</u>
Total Deductions	<u>8,840</u>
Change in Net Assets	(6,528)
Net Assets, Beginning of Year	<u>142,553</u>
Net Assets, End of Year	<u>\$ 136,025</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Teaneck Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

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

B. Basic Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. 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.

The district-wide financial statements (i.e., the statement of net assets 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 assets, 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.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

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.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. 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.

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

TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

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

The *debt service fund* accounts for the accumulation of resources for and 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 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 after school child care program, summer camp program and adult education programs.

Additionally, the government reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

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

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.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits 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 and Payables*

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".

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

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 2010-2011 and 2011-2012 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.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is 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 revenues. 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.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

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

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

5. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects and/or Lease-Purchase Agreements for capital projects and/or certificates of participation, principal and interest.

6. Capital Assets

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

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

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

7. *Compensated Absences*

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

8. *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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and 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 net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

9. *Fund Equity*

With the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during fiscal year 2011, 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. Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

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

Capital Reserve – Designated for Subsequent Year's Expenditures – This restriction was created to represent the portion of capital reserve appropriated to fund expenditures in the adopted 2012/2013 original budget certified for taxes.

TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

9. *Fund Equity (Continued)*

Restricted Fund Balance (Continued)

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that was appropriated in the 2012/2013 original budget certified for taxes.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that is required to be appropriated in the 2013/2014 original budget certified for taxes.

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

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

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

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2012/2013 District budget certified for taxes.

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

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

10. *Reclassifications*

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the district-wide statement of net assets. 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 \$28,613,028 difference are as follows:

Bonds Payable	\$ 23,710,000
Add: Issuance Premium (to be amortized over life of debt)	739,951
Less: Deferred Charge on Refunding (to be amortized over life of debt)	(269,915)
Less: Deferred Charge for Issuance Costs (to be amortized over life of debt)	(372,696)
Obligations Under Lease Purchase Agreement	1,043,787
Capital Leases Payable	286,181
Compensated Absences	<u>3,475,720</u>
Net Adjustment to Reduce Fund Balance -	
Total Governmental Funds to Arrive at	
Net Assets - Governmental Activities	<u>\$ 28,613,028</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption and is voted upon at the annual school election on the third Tuesday in April. 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 2011/2012. During 2011/2012 the Board increased the original general fund budget by \$406,619. The increase was funded by the reappropriation of prior year general fund encumbrances and an additional grant allotment for Education Jobs Fund. In addition, the Board increased the original special revenue fund budget by \$2,324,177. This increase was funded by grant awards.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 18, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law.

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 Community School Enterprise Fund has a cumulative net assets deficit of \$46,157 as of June 30, 2012. The District plans to eliminate this deficit through the operations of the Community School in the 2012-2013 fiscal year.

The District has an unassigned deficit fund balance of \$79,344 in the General Fund as of June 30, 2012 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 2011/2012 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund balance 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 balance deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$79,344 in the General Fund is less than the delayed state aid payments.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012 is as follows:

Balance, July 1, 2011	\$	643,242
Increased by:		
Deposit Approved by Board Resolution	\$	550,000
Project Balances Cancelled and Returned from the		
Capital Projects Fund		<u>118,012</u>
Total Increases		<u>668,012</u>
		1,311,254
Withdrawals		
Approved by Voters in District Budget		<u>120,000</u>
Balance, June 30, 2012	\$	<u>1,191,254</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is \$4,812,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

D. Transfers to Capital Outlay

During the 2011/2012 school year, the district transferred \$93,028 to the capital outlay accounts for non-equipment expenditures relating to the principal payments on lease purchase agreements. The transfer was approved by the County Superintendent.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance 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, 2012 is \$4,373,995. Of this amount, \$1,901,172 was designated and appropriated in the 2012/2013 original budget certified for taxes and the remaining amount of \$2,472,823 will be appropriated in the 2013/2014 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank and \$250,000 in the aggregate by the NCUA for each credit union. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2012, the book value of the Board's deposits was \$16,171,119 and bank balances of the Board's cash and deposits amounted to \$19,260,078. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash", "cash and cash equivalents", "cash with fiscal agents" are categorized as:

Depository Account

Insured	\$ 19,026,824
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department in the Board's name	<u>233,254</u>
	<u>\$ 19,260,078</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, 2012 none of the Board's bank balance was exposed to custodial credit risk.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments

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

As of June 30, 2012, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund.

B. Receivables

Receivables as of June 30, 2012 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts		\$ 51,298		\$ 9,854	\$ 61,152
Intergovernmental	\$ 404,791	639,743	\$ 1,768,625	38,187	2,851,346
Gross Receivables	404,791	691,041	1,768,625	48,041	2,912,498
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	\$ 404,791	\$ 691,041	\$ 1,768,625	\$ 48,041	\$ 2,912,498

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$241,700
Grant Drawdowns Reserved for Encumbrances	65,972
Total Deferred Revenue for Governmental Funds	\$307,672

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance, July 1, 2011	Increases	Decreases	Balance, June 30, 2012
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,601,471			\$ 1,601,471
Construction in Progress	417,395	\$ 1,497,979	\$ (417,395)	1,497,979
Total Capital Assets, Not Being Depreciated	<u>2,018,866</u>	<u>1,497,979</u>	<u>(417,395)</u>	<u>3,099,450</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	50,340,624	1,578,982		51,919,606
Improvements Other Than Buildings	3,575,602			3,575,602
Machinery and Equipment	<u>3,232,598</u>	<u>161,215</u>	<u>(22,162)</u>	<u>3,371,651</u>
Total Capital Assets Being Depreciated	<u>57,148,824</u>	<u>1,740,197</u>	<u>(22,162)</u>	<u>58,866,859</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(14,215,143)	(1,016,540)		(15,231,683)
Improvements Other Than Buildings	(2,834,490)	(64,819)		(2,899,309)
Machinery and Equipment	<u>(2,245,456)</u>	<u>(244,591)</u>	<u>22,162</u>	<u>(2,467,885)</u>
Total Accumulated Depreciation	<u>(19,295,089)</u>	<u>(1,325,950)</u>	<u>22,162</u>	<u>(20,598,877)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,853,735</u>	<u>414,247</u>	<u>-</u>	<u>38,267,982</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,872,601</u>	<u>\$ 1,912,226</u>	<u>\$ (417,395)</u>	<u>\$41,367,432</u>
	Balance, July 1, 2011	Increases	Decreases	Balance, June 30, 2012
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 396,499	2,315	\$ -	\$ 398,814
Total Capital Assets Being Depreciated	<u>396,499</u>	<u>2,315</u>	<u>-</u>	<u>398,814</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(295,266)	\$ (22,195)	-	(317,461)
Total Accumulated Depreciation	<u>(295,266)</u>	<u>(22,195)</u>	<u>-</u>	<u>(317,461)</u>
Total Capital Assets, Being Depreciated, Net	<u>101,233</u>	<u>(19,880)</u>	<u>-</u>	<u>81,353</u>
Business-Type Activities Capital Assets, Net	<u>\$ 101,233</u>	<u>\$ (19,880)</u>	<u>\$ -</u>	<u>\$ 81,353</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 60,192
Total Instruction	<u>60,192</u>
Support Services	
Student and Instruction Related Services	112,153
Operations and Maintenance of Plant	<u>1,153,605</u>
Total Support Services	<u>1,265,758</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,325,950</u>

Business-Type Activities:

Food Service Fund	\$ 22,195
Total Depreciation Expense-Business-Type Activities	<u>\$ 22,195</u>

Construction Commitments

The District has the following active construction projects as of June 30, 2012:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Energy Savings Improvement Program	<u>\$ 1,591,475</u>	<u>\$ 4,717,621</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 246,972
General Fund	Capital Projects Fund	101,624
General Fund	Food Service - Enterprise Fund	71,298
		<u>\$ 419,894</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 and/or to cover cash balances which were in an overdraft position.

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

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 120,000	\$ 120,000
Capital Projects Fund	<u>\$ 219,572</u>	<u>-</u>	<u>219,572</u>
	<u>\$ 219,572</u>	<u>\$ 120,000</u>	<u>\$ 339,572</u>

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

E. Leases

Capital Leases

The District is leasing 22 copy machines totaling \$394,390 under a capital lease. The lease is for a term of 5 years.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Capital Lease</u>
2013	\$ 89,268
2014	89,268
2015	89,268
2016	<u>44,634</u>
Total Minimum Lease Payments	312,438
Less: Amount Representing Interest	<u>(26,257)</u>
Present Value of Minimum Lease Payments	<u>\$ 286,181</u>

Lease Purchase Agreements

The District has entered into a facility lease for capital improvements to the Teaneck High School roof. The lease purchase totals \$1,286,000 with an interest rate of 2.980%. The lease term is five years.

The maturity schedule of the remaining lease payments for principal and interest is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Lease Purchase</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 249,485	\$ 29,260	\$ 278,745
2014	256,975	21,770	278,745
2015	264,690	14,055	278,745
2016	<u>272,637</u>	<u>6,108</u>	<u>278,745</u>
	<u>\$ 1,043,787</u>	<u>\$ 71,193</u>	<u>\$ 1,114,980</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases (Continued)

The capital assets acquired through lease purchase are as follows:

	Governmental <u>Activities</u>
Buildings and Building Improvements	\$ <u>1,101,712</u>

The unexpended proceeds from the facilities capital lease totaling \$164,590 at June 30, 2012 are held with the Fiscal Agent.

F. 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 the refunding of pension obligations. 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, 2012 are comprised of the following issues:

\$11,816,000, 2001 Bonds, due in annual installments of \$305,000 to \$550,000 through July 15, 2014, interest at 4.875%	\$1,200,000
\$4,270,000, 2003 Refunding Bonds, due in annual installments of \$390,000 to \$410,000 through July 1, 2014, interest at 4.00%	1,205,000
\$6,450,000 2003 Pension Refunding Bonds, due in annual installments of \$345,000 to \$545,000 through July 1, 2020, interest at 5.00% to 5.625%	3,930,000
\$9,305,000, 2006 Refunding Bonds, due in annual installments of \$25,000 to \$580,000 through July 15, 2030, interest at 4.00% to 4.50%	9,195,000
\$8,180,000, 2012 School Energy Savings Obligation Refunding Bonds, due in annual Installments of \$295,000 to \$805,000 through April 1, 2027, interest at 2.00% to 4.50%	<u>8,180,000</u>
	<u>\$23,710,000</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 1,380,000	\$ 987,484	\$ 2,367,484
2014	1,625,000	942,291	2,567,291
2015	1,675,000	875,025	2,550,025
2016	1,385,000	810,747	2,195,747
2017	1,445,000	750,063	2,195,063
2018-2022	7,625,000	2,739,513	10,364,513
2023-2027	6,335,000	1,267,601	7,602,601
2028-2031	<u>2,240,000</u>	<u>200,926</u>	<u>2,440,926</u>
	<u>\$ 23,710,000</u>	<u>\$ 8,573,650</u>	<u>\$ 32,283,650</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2012 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 236,575,160
Less: Net Debt	<u>23,710,000</u>
Remaining Borrowing Power	<u>\$ 212,865,160</u>

Prior-Year Defeasance of Debt

In prior years, the District defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. On July 15, 2011, \$8,991,000 of the defeased 2001 Bonds outstanding were redeemed.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Balance, <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2012</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 16,565,000	\$ 8,180,000	\$ 1,035,000	\$ 23,710,000	\$ 1,380,000
Add: Unamortized Premium	43,955	698,088	2,092	739,951	
Less: Unamortized Amount on Refunding	(283,405)	-	(13,490)	(269,915)	-
	16,325,550	8,878,088	1,023,602	24,180,036	1,380,000
Capital Leases	359,213		73,032	286,181	76,753
Obligations Under Lease Purchase	1,286,000		242,213	1,043,787	249,485
Claims and Judgments	8,500		8,500	-	
Compensated Absences	3,334,535	252,111	110,926	3,475,720	200,000
Governmental Activity Long-Term Liabilities	<u>\$ 21,313,798</u>	<u>\$ 9,130,199</u>	<u>\$ 1,458,273</u>	<u>\$ 28,985,724</u>	<u>\$ 1,906,238</u>

For the governmental activities, the liabilities for compensated absences and claims and judgments are generally liquidated by the general fund.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION

A. Risk Management

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

Prior to June 30, 2005, the District was self-insured for a worker's compensation plan for its employees. Effective July 1, 2005, the District elected to participate in an insurance pool rather than remain self-insured. However, the District remains liable for the run out of those claims incurred prior to this date. Transactions related to the plan are accounted for in the General Fund. The District funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$250,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Re-Insurance Agreement with Reliance National. The reinsurance policy also contains an aggregate loss provision in the amount of \$250,000 employers limit \$1,000,000. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company may not be able to meet their obligations to the District under existing reinsurance agreements.

There was no unpaid claims liability at June 30, 2012.

Changes in the balances of claims liabilities for the workmen's compensation plan for the fiscal years ended June 30, 2012 and 2011 are as follows:

Governmental Activities:	<u>Fiscal Year Ended</u>	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 8,500	\$ 17,157
Incurred Claims (Including IBNR's)	(5,910)	1,193
Claim Payments	<u>(2,590)</u>	<u>(9,850)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ -</u>	<u>\$ 8,500</u>

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of 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, 2012, 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, 2012, the District has not estimated its arbitrage earnings due to the IRS, if any.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

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

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. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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

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

Basis of Accounting

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. 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.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Funding Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 78.5 percent and \$10.7 billion.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

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

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

Actuarial Methods and Assumptions

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.91 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the years ended June 30, 2012, 2011 and 2010 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2012	\$ 1,153,215	\$ 1,185,416	\$ 1,731
2011	1,101,298	114,219	1,381
2010	877,810	122,336	

During the previous two fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$1,185,416 during 2011/2012 for normal cost pension, accrued liability and the NCGI premium. For fiscal years 2010/2011 and 2009/2010, the State contributed \$114,219 and \$122,336, respectively for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,591,835 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for 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. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$21.1 billion for state active and retired members and \$38.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2010, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits and the State contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,079 eligible retired members in fiscal year 2011.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2012, 2011 and 2010 were \$2,382,997, \$2,426,020 and \$2,297,645, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 77,452,263		\$ 77,452,263	\$ 77,452,263	
Tuition - Intergovernmental	122,666		122,666	205,243	\$ 82,577
Interest on Capital Reserve	2,400		2,400		(2,400)
Interest	22,000		22,000	19,927	(2,073)
Rentals	122,000		122,000	36,496	(85,504)
Miscellaneous	166,182	-	166,182	225,517	59,335
Total Local Sources	<u>77,887,511</u>	<u>-</u>	<u>77,887,511</u>	<u>77,939,446</u>	<u>51,935</u>
State Sources					
Transportation Aid	871,967		871,967	1,775,901	903,934
Special Education Categorical Aid	2,438,809		2,438,809	2,438,809	
Security Aid	697,483		697,483	697,483	
Extraordinary Aid	1,800,513		1,800,513	1,459,956	(340,557)
Nonpublic Transportation Aid	175,300		175,300	157,163	(18,137)
Other State Aid				2,358	2,358
TPAF Pension - System Contributions - Normal Costs and Accrued Liability (Non-Budget)				1,070,533	1,070,533
TPAF Pension - System Contributions - NCGI Premium (Non-Budget)				114,883	114,883
TPAF Pension - Post Retirement Contributions (Non-Budget)				2,382,997	2,382,997
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,591,835	2,591,835
Total State Sources	<u>5,984,072</u>	<u>-</u>	<u>5,984,072</u>	<u>12,691,918</u>	<u>6,707,846</u>
Federal Sources					
Education Jobs Fund	252,486	\$ 7,910	260,396	260,396	-
Medicaid Reimbursement Program	48,094	-	48,094	69,739	21,645
Total Federal Sources	<u>300,580</u>	<u>7,910</u>	<u>308,490</u>	<u>330,135</u>	<u>21,645</u>
Total Revenues	<u>84,172,163</u>	<u>7,910</u>	<u>84,180,073</u>	<u>90,961,499</u>	<u>6,781,426</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,457,090	(150,708)	1,306,382	1,305,026	1,356
Grades 1-5	6,818,233	(409,487)	6,408,746	6,322,246	86,500
Grades 6-8	5,834,819	(367,700)	5,467,119	5,429,893	37,226
Grades 9-12	7,819,734	(67,668)	7,752,066	7,744,155	7,911
Regular Programs - Home Instruction					
Salaries of Teachers	1,500		1,500		1,500
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	35,000	33,130	68,130	68,130	
Purchased Professional-Educational Svcs.	4,325	4,600	8,925	7,300	1,625
Purchased Technical Services	20,000	(3,759)	16,241	11,923	4,318
Other Purchased Services	160,500	75,240	235,740	193,424	42,316
General Supplies	1,171,237	24,809	1,196,046	1,055,005	141,041
Textbooks	171,185	(39,166)	132,019	109,951	22,068
Other Objects	9,704	(6,035)	3,669	1,371	2,298
Total Regular Programs	<u>23,503,327</u>	<u>(906,744)</u>	<u>22,596,583</u>	<u>22,248,424</u>	<u>348,159</u>
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	886,594	196,919	1,083,513	1,082,807	706
Other Salaries for Instruction	415,791	76,138	491,929	491,928	1
General Supplies	5,000	(5,000)	-	-	-
Total Learning / Language Disabilities	<u>1,307,385</u>	<u>268,057</u>	<u>1,575,442</u>	<u>1,574,735</u>	<u>707</u>

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 55,360		\$ 55,360	\$ 55,360	
Other Salaries for Instruction	36,792	\$ 36,792	73,584	73,584	-
Total Behavioral Disabilities	92,152	36,792	128,944	128,944	-
Multiple Disabilities					
Salaries of Teachers	160,594	91,065	251,659	251,659	
Other Salaries for Instruction	136,682	(33,781)	102,901	102,901	
General Supplies	2,000	(32)	1,968	1,968	-
Total Multiple Disabilities	299,276	57,252	356,528	356,528	-
Resource Room / Resource Center					
Salaries of Teachers	3,599,807	(338,558)	3,261,249	3,245,361	\$ 15,888
Other Salaries for Instruction	73,584	50,869	124,453	124,453	
General Supplies	24,000	(13,415)	10,585	7,810	2,775
Total Resource Room / Resource Center	3,697,391	(301,104)	3,396,287	3,377,624	18,663
Autism					
Salaries of Teachers	246,585	(58,145)	188,440	188,440	
Other Salaries for Instruction	219,823	263,541	483,364	483,364	
General Supplies	4,000	(2,116)	1,884	1,884	-
Total Autism	470,408	203,280	673,688	673,688	-
Preschool Disabilities - Part - Time					
Salaries of Teachers	117,180	50,389	167,569	167,569	
Other Salaries for Instruction	221,574	(20,592)	200,982	200,982	-
Total Preschool Disabilities - Part - Time	338,754	29,797	368,551	368,551	-
Preschool Disabilities - Full - Time					
Salaries of Teachers	135,900	83,040	218,940	218,940	
Other Salaries for Instruction	73,584	50,384	123,968	123,875	93
General Supplies	3,000	2,000	5,000	3,630	1,370
Total Preschool Disabilities - Full - Time	212,484	135,424	347,908	346,445	1,463
Home Instruction					
Salaries of Teachers	168,000	18,377	186,377	186,377	
Purchased Professional-Educational Svcs.	50,000	(17,822)	32,178	27,657	4,521
Total Home Instruction	218,000	555	218,555	214,034	4,521
Total Special Education	6,635,850	430,053	7,065,903	7,040,549	25,354

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 1,700,581	\$ 163,658	\$ 1,864,239	\$ 1,863,470	\$ 769
Other Salaries for Instruction	-	-	-	-	-
Total Basic Skills/Remedial	1,700,581	163,658	1,864,239	1,863,470	769
Bilingual Education					
Salaries of Teachers	391,396	-	391,396	391,396	-
General Supplies	-	-	-	-	-
Total Bilingual Education	391,396	-	391,396	391,396	-
School Sponsored Co-Curricular Activities					
Salaries	153,765	41,054	194,819	194,819	-
Purchased Services	6,000	-	6,000	5,870	130
Supplies and Materials	13,000	(500)	12,500	12,220	280
Other Objects	8,700	6,530	15,230	15,222	8
Total School Sponsored Co-Curricular Activities	181,465	47,084	228,549	228,131	418
School Sponsored Athletics - Instruction					
Salaries	446,450	154,151	600,601	574,664	25,937
Purchased Services	65,075	11,888	76,963	68,834	8,129
Supplies and Materials	125,150	(26,214)	98,936	94,960	3,976
Other Objects	25,000	-	25,000	13,378	11,622
Transfers to Cover Deficit	70,000	-	70,000	69,999	1
Total School Sponsored Athletics - Instruction	731,675	139,825	871,500	821,835	49,665
Before and After School Programs - Instruction					
Salaries	-	16,000	16,000	10,044	5,956
Total Before and After School Programs - Instruction	-	16,000	16,000	10,044	5,956
Total - Instruction	33,144,294	(110,124)	33,034,170	32,603,849	430,321
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular		4,370	4,370	4,369	1
Tuition - Other LEA's Within State - Special	1,007,547	(110,731)	896,816	896,816	-
Tuition to County Voc. School Dist.-Regular	597,180	(22,235)	574,945	574,945	-
Tuition to County Voc. School Dist.-Special	250,000	26,180	276,180	276,180	-
Tuition to CSSD & Reg. Day Schools	2,468,811	(65,139)	2,403,672	2,188,813	214,859
Tuition to Private Schools - Disabled Within State	2,722,777	(316,656)	2,406,121	2,404,995	1,126
Tuition to Private Schools - Disabled Outside State	340,347	136,872	477,219	477,219	-
Tuition - State Facilities	108,630	-	108,630	108,630	-
Tuition - Other	42,900	(42,900)	-	-	-
Total Undistributed Expenditures - Instruction	7,538,192	(390,239)	7,147,953	6,931,967	215,986

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 148,207	\$ (220)	\$ 147,987	\$ 147,101	\$ 886
Purchased Professional and Technical Svcs.	53,000	2,524	55,524	41,113	14,411
Other Purchased Services	625	1,115	1,740	1,740	-
Total Attendance and Social Work Services	201,832	3,419	205,251	189,954	15,297
Health Services					
Salaries	681,376	13,085	694,461	694,461	-
Purchased Professional and Technical Svcs.	174,000	17,070	191,070	168,766	22,304
Other Purchased Services	2,000	(954)	1,046	746	300
Supplies and Materials	14,240	(4,006)	10,234	8,463	1,771
Total Health Services	871,616	25,195	896,811	872,436	24,375
Other Support Services - Students - Speech, OT, PT and Related Services					
Salaries	605,497	25,181	630,678	629,616	1,062
Purchased Professional-Educational Services	1,201,370	181,686	1,383,056	1,328,940	54,116
Supplies and Materials	5,000	(5,000)	-	-	-
Total Other Support Services - Students - Speech, OT, PT and Related Services	1,811,867	201,867	2,013,734	1,958,556	55,178
Other Support Services-Students-Extra Serv.					
Salaries	586,603	56,615	643,218	578,209	65,009
Purchased Professional-Educational Services	235,000	138,639	373,639	343,094	30,545
Supplies and Materials	2,000	(2,000)	-	-	-
Total Other Support Services-Extra Serv.	823,603	193,254	1,016,857	921,303	95,554
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	1,598,249	(75,806)	1,522,443	1,522,076	367
Salaries of Secretarial and Clerical Assistants	246,082	(4,692)	241,390	241,390	-
Other Salaries	73,000	813	73,813	73,813	-
Purchased Professional-Educational Services	1,000	-	1,000	-	1,000
Other Purchased Prof. and Tech. Services	4,000	5,860	9,860	9,860	-
Other Purchased Services	5,405	881	6,286	1,523	4,763
Supplies and Materials	26,400	601	27,001	10,516	16,485
Other Objects	220	-	220	28	192
Total Other Support Services-Students-Guidance	1,954,356	(72,343)	1,882,013	1,859,206	22,807
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	1,568,517	29,924	1,598,441	1,576,430	22,011
Salaries of Secretarial and Clerical Assistants	112,231	-	112,231	101,837	10,394
Purchased Professional-Educational Services	110,000	222,252	332,252	329,131	3,121
Other Purchased Prof. and Tech. Services	6,000	(1,000)	5,000	5,000	-
Other Purchased Services	24,825	(4,854)	19,971	17,061	2,910
Residential Costs	205,551	(9,712)	195,839	191,971	3,868
Supplies and Materials	10,099	7,000	17,099	16,455	644
Total Other Support Services - Students - Child Study Team	2,037,223	243,610	2,280,833	2,237,885	42,948

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	\$ 439,478	\$ 28,340	\$ 467,818	\$ 467,818	
Salaries of Other Professional Staff	37,000	120	37,120	37,120	
Salaries of Secretarial and Clerical Assistants	218,764	3,113	221,877	219,821	\$ 2,056
Other Salaries	3,000		3,000	464	2,536
Purchased Professional-Educational Services	64,500	4,990	69,490	44,548	24,942
Other Purchased Services	10,650		10,650	4,574	6,076
Supplies and Materials	14,500	(1,432)	13,068	8,961	4,107
Total Improvement of Instruction Services	787,892	35,131	823,023	783,306	39,717
Educational Media Services/School Library					
Salaries	402,045	5,101	407,146	405,914	1,232
Purchased Professional and Technical Services	70,000	(14,100)	55,900	27,224	28,676
Supplies and Materials	33,817	(2,496)	31,321	21,164	10,157
Total Educational Media Services/School Library	505,862	(11,495)	494,367	454,302	40,065
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	419,659	(28,690)	390,969	389,355	1,614
Salaries of Other Professional Staff	118,540	20,704	139,244	121,065	18,179
Salaries of Secretarial and Clerical Assistants	129,025	56	129,081	129,014	67
Other Salaries	8,000	(8,000)			
Purchased Professional-Educational Svcs.	23,200	5,500	28,700	15,450	13,250
Other Purchased Services	39,900	(2,482)	37,418	1,947	35,471
Supplies and Materials	18,000	7,600	25,600	17,440	8,160
Other Objects	5,250	-	5,250	1,294	3,956
Total Instructional Staff Training Services	761,574	(5,312)	756,262	675,565	80,697
Support Services General Administration					
Salaries	284,353	17,764	302,117	301,301	816
Legal Services	300,000	191	300,191	243,594	56,597
Audit Fees	60,000		60,000	42,350	17,650
Architectural/Engineering Services	5,000	63,759	68,759	67,772	987
Purchased Technical Services	15,000	(3,000)	12,000	5,000	7,000
Communications/Telephone	171,900	(24,302)	147,598	126,722	20,876
BOE Other Purchased Services	9,500	(3,000)	6,500	4,152	2,348
Other Purchased Services	158,000	(5,768)	152,232	96,242	55,990
General Supplies	7,500	(85)	7,415	5,694	1,721
BOE In-House Training/Meeting Supplies	6,000		6,000	4,070	1,930
Judgments Against the School District	75,000		75,000	20,000	55,000
Miscellaneous Expenditures	12,000	2,551	14,551	13,030	1,521
BOE Membership Dues and Fees	36,000	(986)	35,014	33,108	1,906
Total Support Services General Administration	1,140,253	47,124	1,187,377	963,035	224,342

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,693,626	\$ 16,176	\$ 1,709,802	\$ 1,709,370	\$ 432
Salaries of Other Professional Staff	76,050	1,141	77,191	77,191	
Salaries of Secretarial and Clerical Assistants	1,134,979	772	1,135,751	1,135,751	
Other Purchased Service	39,375	2,950	42,325	36,591	5,734
Supplies and Materials	67,817	18,701	86,518	75,970	10,548
Other Objects	3,200	3,300	6,500	4,849	1,651
Total Support Services School Administration	3,015,047	43,040	3,058,087	3,039,722	18,365
Central Services					
Salaries	764,000	(12,099)	751,901	704,478	47,423
Purchased Professional Services	33,236	(31,056)	2,180	2,180	
Purchased Technical Services	13,000	45,041	58,041	57,041	1,000
Misc. Purchased Services	53,200	(1,624)	51,576	35,875	15,701
Supplies and Materials	19,000	2,501	21,501	16,564	4,937
Interest on Leach Purchase Agreements	28,000	8,532	36,532	36,532	-
Other Objects	1,500	-	1,500	265	1,235
Total Central Services	911,936	11,295	923,231	852,935	70,296
Admin. Info. Tech					
Salaries	487,555	10,300	497,855	490,926	6,929
Purchased Technical Services	189,400	1,140	190,540	187,167	3,373
Other Purchased Services	7,990	(1,140)	6,850	5,125	1,725
Supplies and Materials	44,400	593	44,993	42,869	2,124
Total Admin. Info. Tech.	729,345	10,893	740,238	726,087	14,151
Required Maintenance for School Facilities					
Salaries	590,422	8,434	598,856	598,856	
Cleaning, Repair & Maintenance Services	269,000	171,346	440,346	415,482	24,864
General Supplies	180,000	37,181	217,181	205,984	11,197
Total Required Maintenance for School Facilities	1,039,422	216,961	1,256,383	1,220,322	36,061
Custodial Services					
Salaries	2,307,050	159,607	2,466,657	2,466,657	
Salaries of Non-Instructional Aides	352,023	48,152	400,175	354,784	45,391
Purchased Professional and Technical Services	51,250	147,646	198,896	189,891	9,005
Cleaning, Repair & Maintenance Services	267,841	35,639	303,480	269,877	33,603
Other Purchased Property Services	65,100	(8,195)	56,905	56,905	
Insurance	360,000	(20,703)	339,297	339,297	
Miscellaneous Purchased Services	7,100	5,886	12,986	12,986	
General Supplies	300,570	(72,418)	228,152	226,130	2,022
Energy (Natural Gas)	310,000	(146,065)	163,935	163,065	870
Energy (Electricity)	900,000	(136,421)	763,579	724,816	38,763
Energy (Oil)	466,900	(90,248)	376,652	376,652	
Other Objects	4,900	9,055	13,955	13,954	1
Total Custodial Services	5,392,734	(68,065)	5,324,669	5,195,014	129,655

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 353,093	\$ (6,401)	\$ 346,692	\$ 337,385	\$ 9,307
Total Care and Upkeep of Grounds	353,093	(6,401)	346,692	337,385	9,307
Security					
Salaries	20,500	6,401	26,901	26,901	
Purchased Professional and Technical Services	105,000	3,058	108,058	90,892	17,166
Total Security	125,500	9,459	134,959	117,793	17,166
Student Transportation Services					
Salaries of Non-Instructional Aides	1,000	(239)	761	720	41
Salaries for Pupil Transportation (Between Home and School) - Regular	26,773	86	26,859	25,823	1,036
Salaries for Pupil Transportation (Between Home and School) - Special	22,691	763	23,454	23,454	
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	39,569	1	39,570	39,570	
Other Purchased Prof. and Technical Serv.	11,000	9,800	20,800	12,300	8,500
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	312,123	700	312,823	303,557	9,266
Contracted Services (Between Home and School) - Vendors	1,545,392	367,390	1,912,782	1,734,047	178,735
Contracted Services (Other Than Between Home and School) - Vendors	264,600	61,190	325,790	193,034	132,756
Contracted Services (Spec Ed) - Vendors	591,077	107,000	698,077	617,704	80,373
Contracted Services (Reg. Students) - ESCs & CTSA's	940,600	(8,500)	932,100	590,386	341,714
Contracted Services (Spl. Ed. Students)-ESC's & CTSA's	1,208,410	(92,000)	1,116,410	1,101,299	15,111
General Supplies	1,500	-	1,500	460	1,040
Total Student Transportation Services	4,964,735	446,191	5,410,926	4,642,354	768,572
Allocated Benefits					
Regular Programs - Instruction - Employee Benefits					
Health Benefits	5,000,000	(14,144)	4,985,856	4,544,735	441,121
Total Regular Programs - Instruction - Employee Benefits	5,000,000	(14,144)	4,985,856	4,544,735	441,121
Special Programs - Instruction - Employee Benefits					
Health Benefits	1,000,000	-	1,000,000	1,000,000	-
Total Special Programs - Instruction - Employee Benefits	1,000,000	-	1,000,000	1,000,000	-
Operation and Maintenance of Plant Services - Employee Benefits					
Health Benefits	350,000	-	350,000	350,000	-
Total Operation and Maintenance of Plant Services - Employee Benefits	350,000	-	350,000	350,000	-
Total Allocated Benefits - Employee Benefits	6,350,000	(14,144)	6,335,856	5,894,735	441,121

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits					
Group Insurance	\$ 345,000		\$ 345,000	\$ 319,601	\$ 25,399
Social Security Contributions	1,116,000	\$ (57,000)	1,059,000	983,433	75,567
Other Retirement Contributions - PERS	1,252,701	(47,805)	1,204,896	1,124,842	80,054
Unemployment Compensation	140,000		140,000	138,390	1,610
Workmen's Compensation	525,000		525,000	437,252	87,748
Health Benefits	2,441,621		2,441,621	2,395,836	45,785
Tuition Reimbursement	284,620		284,620	261,281	23,339
Other Employee Benefits	357,000	1,442	358,442	159,599	198,843
Total Unallocated Benefits	6,461,942	(103,363)	6,358,579	5,820,234	538,345
TPAF Pension - System Contributions					
Normal Costs and Accrued Liability (Non-Budget)				1,070,533	(1,070,533)
TPAF Pension - System Contributions - NCGI Premium (Non Budget)				114,883	(114,883)
TPAF Pension - Post Retirement Contributions (Non-Budget)				2,382,997	(2,382,997)
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,591,835	(2,591,835)
Total On-Behalf Contributions/Reimbursements	-	-	-	6,160,248	(6,160,248)
Total Undistributed Expenditures	47,778,024	816,077	48,594,101	51,854,344	(3,260,243)
Total Current Expenditures	80,922,318	705,953	81,628,271	84,458,193	(2,829,922)
CAPITAL OUTLAY EXPENDITURES					
Increase in Capital Reserve					
Interest Deposit to Capital Reserve	2,400		2,400		2,400
Equipment					
Instruction					
Grades 9-12		26,245	26,245	26,245	
Undistributed Expenditures					
Instruction		2,567	2,567	2,567	
Support Serv. - Child Study Teams	15,000		15,000	3,995	11,005
Central Services	7,500	15,433	22,933	17,075	5,858
School Administration		11,740	11,740	11,740	
Custodial Services		4,142	4,142	4,142	
Required Maintenance for School Facilities	-	34,071	34,071	34,071	-
Total Equipment	24,900	94,198	119,098	99,835	19,263
Facilities Acquisition and Construction Serv.					
Lease Purchase Agreements - Principal	149,185	93,028	242,213	242,213	
Other Objects	32,628	-	32,628	32,628	-
Total Facilities Acquisition and Construction Serv.	181,813	93,028	274,841	274,841	-
Total Capital Outlay	206,713	187,226	393,939	374,676	19,263

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Transfer of Funds to Charter Schools	\$ 5,885,671	\$ (486,560)	\$ 5,399,111	\$ 4,363,312	\$ 1,035,799
Total Expenditures	87,014,702	406,619	87,421,321	89,196,181	(1,774,860)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,842,539)	(398,709)	(3,241,248)	1,765,318	5,006,566
Other Financing Sources (Uses)					
Transfer In - Capital Projects				219,572	219,572
Transfer Out - Capital Reserve to Capital Projects	(120,000)	-	(120,000)	(120,000)	-
Total Other Financing Sources (Uses)	(120,000)	-	(120,000)	99,572	219,572
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,962,539)	\$ (398,709)	(3,361,248)	1,864,890	5,226,138
Fund Balances, Beginning of Year	8,833,238	-	8,833,238	8,833,238	-
Fund Balances, End of Year	\$ 5,870,699	\$ (398,709)	\$ 5,471,990	\$ 10,698,128	\$ 5,226,138
Recapitulation					
Restricted					
Capital Reserve				\$ 661,254	
Capital Reserve - Designated for Subsequent Year's Expenditures				530,000	
Excess Surplus				2,472,823	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,901,172	
Committed					
Year End Encumbrances				79,970	
Assigned					
Designated for Subsequent Year's Expenditures				3,242,677	
Year End Encumbrances				147,113	
Unassigned				1,663,119	
				10,698,128	
Reconciliation to Governmental Funds Statements (GAAP)					
2011/2012 State Aid Payments Not Recognized on GAAP Basis				(282,507)	
2011/2012 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(1,459,956)	
Fund Balance Per Governmental Funds (GAAP)				\$ 8,955,665	

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
EDUCATION JOBS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Federal Sources					
Education Jobs Fund	\$ 252,486	\$ 7,910	\$ 260,396	\$ 260,396	\$ -
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Grades 9-12	252,486	7,910	260,396	260,396	-
Total Regular Programs	252,486	7,910	260,396	260,396	-
Total - Instruction	252,486	7,910	260,396	260,396	-
Total Expenditures	252,486	7,910	260,396	260,396	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 226,470	\$ 379,103	\$ 605,573	\$ 541,395	\$ (64,178)
Federal	1,455,039	1,336,858	2,791,897	2,184,788	(607,109)
Local Sources					
Miscellaneous	-	608,216	608,216	322,932	(285,284)
Total Revenues	<u>1,681,509</u>	<u>2,324,177</u>	<u>4,005,686</u>	<u>3,049,115</u>	<u>(956,571)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	415,492	(34,163)	381,329	187,563	193,766
Purchased Professional/Educational Services		114,275	114,275	91,800	22,475
Purchased Technical Services		24,278	24,278	14,430	9,848
Tuition	1,039,547	(130,649)	908,898	908,898	-
General Supplies		545,593	545,593	284,049	261,544
Textbooks	46,644	(11,597)	35,047	31,976	3,071
Other Objects	-	7,886	7,886	5,266	2,620
Total Instruction	<u>1,501,683</u>	<u>515,623</u>	<u>2,017,306</u>	<u>1,523,982</u>	<u>493,324</u>
Support Services					
Salaries		587,758	587,758	501,661	86,097
Salaries of Other Professional Staff		198,129	198,129	198,129	-
Salaries of Secretaries and Clerical Assistants		2,854	2,854	2,854	-
Salaries of Social Services Coordinator		1,589	1,589	1,589	-
Personal Services-Employee Benefits		169,570	169,570	121,229	48,341
Purchased Professional/Educational Services	179,826	252,367	432,193	359,639	72,554
Purchased Prof. and Technical Services		143,101	143,101	141,499	1,602
Contracted Services-Transportation		79,664	79,664	20,704	58,960
Purchased Property Services		6,930	6,930	6,930	-
Rentals		12,488	12,488	6,930	5,558
Travel		106,131	106,131	20,074	86,057
Other Purchased Services		109,940	109,940	59,178	50,762
Supplies and Materials		130,148	130,148	78,007	52,141
Miscellaneous Expenditures	-	455	455	-	455
Total Support Services	<u>179,826</u>	<u>1,801,124</u>	<u>1,980,950</u>	<u>1,518,423</u>	<u>462,527</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	7,430	7,430	6,710	720
Total Facilities Acq. & Construction	<u>-</u>	<u>7,430</u>	<u>7,430</u>	<u>6,710</u>	<u>720</u>
Total Expenditures	<u>1,681,509</u>	<u>2,324,177</u>	<u>4,005,686</u>	<u>3,049,115</u>	<u>956,571</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2012**

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 Funds 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	\$ 90,961,499	\$ 3,049,115
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, 2011 (net of cancellations)		38,095
Encumbrances, June 30, 2012		(65,972)
The last State Aid payment is 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 (2010/2011 State Aid)	1,959,863	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements (2011/2012 State Aid)	(1,742,463)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 91,178,899</u>	<u>\$ 3,021,238</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 89,196,181	\$ 3,049,115
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, 2011 (net of cancellations)		38,095
Encumbrances, June 30, 2012	-	(65,972)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 89,196,181</u>	<u>\$ 3,021,238</u>

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, 2012

	Counsel Expansion Program	Improve Mental Health	NCLB Title IIA	NCLB Title IIA Prior	NCLB Title IID Prior	NCLB Title IV Prior	NCLB Title I Prior	NCLB Title I ARRA	Total Exhibit E-1a	Total Exhibit E-1b	Total Exhibit E-1c	Totals
REVENUES												
Intergovernmental												
State												
Federal												
Other												
Total Revenues	\$ 329,210	\$ 68,657	\$ 140,584	\$ 19,626	\$ 16	\$ 891	\$ 315,038	\$ 44,545	\$ 1,164,688	\$ 541,395	\$ 322,932	\$ 541,395
	\$ 329,210	\$ 68,657	\$ 140,584	\$ 19,626	\$ 16	\$ 891	\$ 315,038	\$ 44,545	\$ 1,164,688	\$ 541,395	\$ 322,932	\$ 3,049,115
EXPENDITURES												
Instruction												
Salaries of Teachers												
Purchased Prof and Educ Svcs												
Purchased Technical Services												
Tuition												
General Supplies	\$ 47,196					\$ 891	85,144	\$ 68,091	48,599	-	34,128	284,049
Textbooks										\$ 31,976		31,976
Other Objects											5,266	5,266
Total Instruction	47,196		22,987			891	236,278	30,907	960,101	31,976	125,555	1,523,982
Support Services												
Salaries	198,129						20,184	1,678	49,509	307,892	122,398	501,661
Salaries of Other Prof Staff												198,129
Salaries of Secretaries and Clerical		\$ 2,854										2,854
Salaries of Social Services Coord.		1,589										1,589
Personal Svcs. -Emp. Benefits	71,278	367	1,759				6,083	2,364	4,276	-	34,974	121,229
Purchased Prof & Educ Svcs			95,933	\$ 2,200			42,184	4,756	9,895	201,527	-	359,639
Purchased Prof and Tech Svcs	10,214	33,607							97,678			141,499
Rentals							7,596				6,930	6,930
Contracted Svcs. -Transportation											13,108	20,704
Purchased Property Services											6,930	6,930
Travel	1,462	465	9,261	1,845			2,713	978	2,038	-	1,312	20,074
Other Purchased Services		24,549						325	26,228	-	8,076	59,178
Supplies and Materials	931	5,226	10,644	15,581	\$ 16			7,152	8,253	-	3,649	78,007
Other Objects												-
Total Support Services	282,014	68,657	117,597	19,626	16		78,760	13,638	197,877	509,419	197,377	1,518,423
Instructional Equipment												
Total Facilities Acquisition									6,710			6,710
Total Expenditures	\$ 329,210	\$ 68,657	\$ 140,584	\$ 19,626	\$ 16	\$ 891	\$ 315,038	\$ 44,545	\$ 1,164,688	\$ 541,395	\$ 322,932	\$ 3,049,115

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	IDEA - Part B-Basic Prior	IDEA - Part B-Basic ARRA	IDEA - Part B Preschool	IDEA - Part B Preschool ARRA	NCLB Title III	Readiness and Emergency Mgmt	Total Exhibit E-1a
REVENUES							
Intergovernmental							
State	\$ 1,013,697	\$ 1,827	\$ 83,741	\$ 27,599	\$ 3,992	\$ 27,007	\$ 1,164,688
Federal							
Total Revenues	\$ 1,013,697	\$ 1,827	\$ 83,741	\$ 27,599	\$ 3,992	\$ 27,007	\$ 1,164,688
EXPENDITURES							
Instruction							
Salaries of Teachers					\$ 2,604	\$	2,604
Other Salaries for Instruction							-
Salaries of Family Support Teams							-
Purchased Prof and Tech Svcs							-
Tuition	\$ 907,071	\$ 1,827					908,898
Other Purchased Services							-
General Supplies	13,797	\$	14,073	\$	3,992	16,737	48,599
Textbooks							-
Other Objects							-
Total Instruction	920,868	1,827	14,073	-	3,992	19,341	960,101
Support Services							
Salaries			48,291			1,218	49,509
Salaries of Other Prof Staff							-
Salaries of Secretaries and Clar.							-
Personal Svcs. -Emp. Benefits			3,984			292	4,276
Indirect Costs							-
Purchased Prof & Educ Svcs.			9,895	\$ 27,599			9,895
Purchased Prof and Tech Svcs	70,079						97,678
Rentals							-
Contracted Svcs. -Transportation							-
Travel			788			1,250	2,038
Other Purchased Services	22,750					\$ 3,478	26,228
Supplies and Materials						4,906	8,253
Other Objects							-
Total Support Services	92,829	-	62,958	27,599	-	7,666	197,877
Facilities Acquisition							
Instructional Equipment	-	-	6,710	-	-	-	6,710
Total Facilities Acquisition	-	-	6,710	-	-	-	6,710
Total Expenditures	\$ 1,013,697	\$ 1,827	\$ 83,741	\$ 27,599	\$ 3,992	\$ 27,007	\$ 1,164,688

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	NonPublic Chapter 193				Nonpublic	NonPublic Chap 192		School	
	Exam. & Class	Corrective Speech	Supp. Instr.	Nonpublic Nursing	Textbook Aid	Home Instruction	Compensatory Education Services	Based Youth Services	Total Exhibit E-1b
REVENUES									
Intergovernmental									
State	\$ 86,133	\$ 2,291	\$ 25,465	\$ 50,061	\$ 31,976	\$ 382	\$ 37,195	\$ 307,892	\$ 541,395
Federal	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 86,133	\$ 2,291	\$ 25,465	\$ 50,061	\$ 31,976	\$ 382	\$ 37,195	\$ 307,892	\$ 541,395
EXPENDITURES									
Instruction									
Salaries of Teachers	-	-	-	-	\$ 31,976	-	-	-	\$ 31,976
General Supplies	-	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	-	-	31,976	-	-	-	31,976
Support Services									
Salaries							\$ 307,892	307,892	-
Salaries of Other Prof Staff									-
Personal Svcs. -Emp. Benefits									-
Purchased Prof & Educ Svcs.	\$ 86,133	\$ 2,291	\$ 25,465	\$ 50,061	\$	\$ 382	\$ 37,195		201,527
Travel	-	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-	-
Indirect Costs	-	-	-	-	-	-	-	-	-
Total Support Services	86,133	2,291	25,465	50,061	-	382	37,195	307,892	509,419
Total Expenditures	\$ 86,133	\$ 2,291	\$ 25,465	\$ 50,061	\$ 31,976	\$ 382	\$ 37,195	\$ 307,892	\$ 541,395

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Other Local Grants	TWT Work Success	Forum Twp Funds	Forum Juvenile Justice	TWT Incentive Funds	Puffin Grants	BCUA Grant	Target Grants	Forum Cheesman Donation	Total Exhibit E-1c
REVENUES										
Intergovernmental										
State										
Federal										
Other	\$ 2,807	\$ 147,050	\$ 71,656	\$ 59,152	\$ 30,033	\$ 6,806	\$ 983	\$ 2,954	\$ 1,491	\$ 322,932
Total Revenues	\$ 2,807	\$ 147,050	\$ 71,656	\$ 59,152	\$ 30,033	\$ 6,806	\$ 983	\$ 2,954	\$ 1,491	\$ 322,932
EXPENDITURES										
Instruction										
Salaries of Teachers			\$ 43,174	\$ 28,557						\$ 71,731
Salaries of Other Prof Staff										-
Purchased Prof and Educ Svcs			2,725	11,705						14,430
Purchased Prof and Tech Svcs										-
Tuition										-
Other Purchased Services										-
General Supplies	\$ 1,664		14,940	8,744	\$	\$ 5,806	\$ 983	\$ 1,991		34,128
Textbooks										
Other Objects	-	-	4,266	-	-	1,000	-	-	-	5,266
Total Instruction	1,664	-	65,105	49,006	-	6,806	983	1,991	-	125,555
Support Services										
Salaries	\$	106,427		\$	15,971					122,398
Salaries of Other Prof. Staff										-
Personal Svcs. -Emp. Benefits		29,713		2,420	2,841					34,974
Indirect Costs										-
Purchased Prof and Educ Svcs.										-
Purchased Prof and Tech Svcs										-
Rentals					6,930					6,930
Travel			1,148		164					1,312
Contracted Svcs. -Transportation			2,928	7,726				963	\$ 1,491	13,108
Purchased Property Services		6,930								6,930
Other Purchased Services		3,283	2,475		2,318					8,076
Supplies and Materials	1,143	697			1,809					3,649
Energy										-
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Support Services	1,143	147,050	6,551	10,146	30,033	-	-	963	1,491	197,377
Facilities Acquisition										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,807	\$ 147,050	\$ 71,656	\$ 59,152	\$ 30,033	\$ 6,806	\$ 983	\$ 2,954	\$ 1,491	\$ 322,932

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<u>Project Title/Description</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancellations</u>		<u>Balance June 30, 2012</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	
Whittier Roof Replacement	\$ 637,650	\$ 586,446		\$ 42,154	\$ 9,050	
Thomas Jefferson Middle School Roof - I	412,850	399,021		12,389	1,440	
Benjamin Franklin Elevator	300,000	253,601			46,399	
Eugene Field Generator	93,586	93,019			567	
Eugene Field Roof	461,229	348,795	\$ 36,491		75,943	
Teaneck High School Roof (Lease Purchase)	1,266,302	68,600	1,033,112			\$ 164,590
Teaneck High School Culinary Lab	168,969		134,182		33,551	1,236
Energy Savings Improvement Program	8,878,088	-	1,591,475	-	-	7,286,613
	<u>\$ 12,218,674</u>	<u>\$ 1,749,482</u>	<u>\$ 2,795,260</u>	<u>\$ 54,543</u>	<u>\$ 166,950</u>	<u>\$ 7,452,439</u>

Reconciliation of Fund Balance, June 30, 2012

Project Balances Available	\$ 7,452,439
Reserve for Payment of Lease Purchase (High School Roof)	339,125
Interest to be Utilized for Payment of Lease Purchase Principal and Interest	<u>3,710</u>
Fund Balance, June 30, 2012 - GAAP Basis	<u>\$ 7,795,274</u>
 <u>Analysis of Restricted Fund Balance (GAAP):</u>	
Year End Encumbrances	\$ 4,718,081
Restricted for Capital Projects	<u>3,077,193</u>
Total Restricted Fund Balance	<u>\$ 7,795,274</u>

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Revenues and Other Financing Sources

Revenues	
State Sources - SDA Grant	\$ 391,747
Donation	48,969
Other Financing Sources	
Energy Savings Bonds Issued	8,180,000
Premium on Energy Savings Bonds	698,088
Transfer from Capital Reserve	<u>120,000</u>
Total Revenues and Other Financing Sources	<u>9,438,804</u>

Expenditures and Other Financing Uses

Expenditures	
Capital Outlay	
Purchased Professional and Technical Services	713,492
Construction Services	1,988,272
Other Financing Uses	
Costs of Issuance on Sale of Bonds	93,496
Transfer to General Fund	101,560
Transfer to General Fund - Return Funds to Capital Reserve	<u>118,012</u>
Total Expenditures and Other Financing Uses	<u>3,014,832</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	6,423,972
Fund Balance - Beginning of Year	<u>1,371,302</u>
Fund Balance - End of Year	<u>\$ 7,795,274</u>

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
WHITTIER ROOF REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 595,496	\$ (9,050)	\$ 586,446	\$ 586,446
Total Revenues	595,496	(9,050)	586,446	586,446
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	81,802		81,802	81,802
Construction Services	504,644	-	504,644	504,644
Total Expenditures and Other Financing Uses	586,446	-	586,446	586,446
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 9,050	\$ (9,050)	\$ -	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	637,650			
Additional Authorized Cost	(51,204)			
Revised Authorized Cost	586,446			
Percentage Increase over Original Authorized Cost	-8%			
Percentage Completion	100%			
Original Target Completion Date	2009			
Revised Target Completion Date	2009			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
THOMAS JEFFERSON ROOF
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 400,461	\$ (1,440)	\$ 399,021	\$ 399,021
Total Revenues	400,461	(1,440)	399,021	399,021
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	59,206		59,206	59,206
Construction Services	339,815	-	339,815	339,815
Total Expenditures and Other Financing Uses	399,021	-	399,021	399,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,440	\$ (1,440)	\$ -	\$ -
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	412,850			
Additional Authorized Cost	(13,829)			
Revised Authorized Cost	399,021			
Percentage Increase over Original Authorized Cost	-3%			
Percentage Completion	100%			
Original Target Completion Date	2009			
Revised Target Completion Date	2009			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BENJAMIN FRANKLIN ELEVATOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 120,000	\$ (18,560)	\$ 101,440	\$ 101,440
Transfer from Capital Reserve	180,000	(27,839)	152,161	152,161
 Total Revenues	 300,000	 (46,399)	 253,601	 253,601
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	29,507		29,507	29,507
Construction Services	224,094	-	224,094	224,094
 Total Expenditures and Other Financing Uses	 253,601	 -	 253,601	 253,601
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 46,399	 \$ (46,399)	 \$ -	 \$ -
 Additional Project Information:				
Project Number	5150-060-09-1003			
Grant Date	7/7/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	300,000			
Additional Authorized Cost	(46,399)			
Revised Authorized Cost	253,601			
 Percentage Increase over Original Authorized Cost	 -15%			
Percentage Completion	100%			
Original Target Completion Date	2010			
Revised Target Completion Date	2010			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
EUGENE FIELD GENERATOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 36,000		\$ 36,000	\$ 36,000
Transfer from Capital Reserve	57,586	\$ (567)	57,019	57,019
Total Revenues	<u>93,586</u>	<u>(567)</u>	<u>93,019</u>	<u>93,019</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	12,000		12,000	12,000
Construction Services	81,019	-	81,019	81,019
Total Expenditures and Other Financing Uses	<u>93,019</u>	<u>-</u>	<u>93,019</u>	<u>93,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 567</u>	<u>\$ (567)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5150-X01-09-1004
Grant Date	7/7/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	90,000
Additional Authorized Cost	3,019
Revised Authorized Cost	93,019

Percentage Increase over Original Authorized Cost	3%
Percentage Completion	100%
Original Target Completion Date	2010
Revised Target Completion Date	2010

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
EUGENE FIELD ROOF
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 184,492	\$ (30,378)	\$ 154,114	\$ 154,114
Transfer from Capital Reserve	276,737	(45,565)	231,172	231,172
Total Revenues	461,229	(75,943)	385,286	385,286
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	53,415	3,650	57,065	57,065
Construction Services	295,380	32,841	328,221	328,221
Total Expenditures and Other Financing Uses	348,795	36,491	385,286	385,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 112,434	\$ (112,434)	\$ -	\$ -
Additional Project Information:				
Project Number	5150-X01-10-1002			
Grant Date	9/8/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	461,229			
Additional Authorized Cost	(75,943)			
Revised Authorized Cost	385,286			
Percentage Increase over Original Authorized Cost	-16%			
Percentage Completion	100%			
Original Target Completion Date	2011			
Revised Target Completion Date	2011			

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL ROOF
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 506,521	\$ (65,836)	\$ 440,685	\$ 440,685
Lease Purchase	759,781	506,521	1,266,302	825,617
 Total Revenues	<u>1,266,302</u>	<u>440,685</u>	<u>1,706,987</u>	<u>1,266,302</u>
 Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	68,600	100,524	169,124	169,124
Construction Services		932,588	932,588	1,097,178
Transfer to General Fund	-	101,560	101,560	-
 Total Expenditures and Other Financing Uses	<u>68,600</u>	<u>1,134,672</u>	<u>1,203,272</u>	<u>1,266,302</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,197,702</u>	<u>\$ (693,987)</u>	<u>\$ 503,715</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5150-050-10-2001
Grant Date	9/1/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,266,302
Additional Authorized Cost	-
Revised Authorized Cost	1,266,302

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	95%
Original Target Completion Date	2011
Revised Target Completion Date	2012

**TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
TEANECK HIGH SCHOOL CULINARY LAB
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Donation		\$ 48,969	\$ 48,969	\$ 48,969
Transfer from Capital Reserve	-	86,449	86,449	86,449
 Total Revenues	 -	 135,418	 135,418	 135,418
Expenditures and Other Financing Uses				
Construction Services	-	134,182	134,182	135,418
 Total Expenditures and Other Financing Uses	 -	 134,182	 134,182	 135,418
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ -	 \$ 1,236	 \$ 1,236	 \$ -

Additional Project Information:

Project Number	
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	170,000
Additional Authorized Cost	(34,582)
Revised Authorized Cost	135,418
 Percentage Increase over Original Authorized Cost	 -20%
Percentage Completion	99%
Original Target Completion Date	2012
Revised Target Completion Date	2012

TEANECK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ENERGY SAVINGS IMPROVEMENT PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Other Sources - Premium on Bonds		\$ 698,088	\$ 698,088	\$ 698,088
Bond Proceeds	-	8,180,000	8,180,000	8,180,000
Total Revenues	-	8,878,088	8,878,088	8,878,088
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		672,384	672,384	3,624,130
Construction Services	-	919,091	919,091	5,253,958
Total Expenditures and Other Financing Uses	-	1,591,475	1,591,475	8,878,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 7,286,613	\$ 7,286,613	\$ -

Additional Project Information:

Project Number	
Grant Date	N/A
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	8,180,000
Other Sources - Premium on Bonds	698,088
Original Authorized Cost	8,878,088
Additional Authorized Cost	
Revised Authorized Cost	8,878,088
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	18%
Original Target Completion Date	2012/2013
Revised Target Completion Date	2012/2013

PROPRIETARY FUNDS

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**TEANECK BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2012**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 159,894	\$ 29,847	\$ 189,741
Total Assets	<u>\$ 159,894</u>	<u>\$ 29,847</u>	<u>\$ 189,741</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 29,755	\$ 29,755
Accrued Salaries and Wages		92	92
Due to Student Groups	<u>\$ 159,894</u>	<u>-</u>	<u>159,894</u>
Total Liabilities	<u>\$ 159,894</u>	<u>\$ 29,847</u>	<u>\$ 189,741</u>

**TEANECK BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**TEANECK BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Balance, July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2012</u>
ELEMENTARY SCHOOLS				
Hawthorne	\$ 1,763	\$ 12,692	\$ 11,715	\$ 2,740
Bryant		9,610	9,100	510
Lowell	<u>2,262</u>	<u>6,426</u>	<u>6,098</u>	<u>2,590</u>
 Total Elementary Schools	 <u>4,025</u>	 <u>28,728</u>	 <u>26,913</u>	 <u>5,840</u>
 MIDDLE SCHOOLS				
Thomas Jefferson	15,151	39,452	36,120	18,483
Benjamin Franklin	<u>10,266</u>	<u>42,594</u>	<u>30,177</u>	<u>22,683</u>
 Total Middle Schools	 <u>25,417</u>	 <u>82,046</u>	 <u>66,297</u>	 <u>41,166</u>
 HIGH SCHOOL				
Teaneck High School	<u>83,651</u>	<u>149,936</u>	<u>135,721</u>	<u>97,866</u>
 OTHER				
Athletic	12,207	92,994	95,118	10,083
Music	<u>4,489</u>	<u>3,650</u>	<u>3,200</u>	<u>4,939</u>
 Total Other	 <u>16,696</u>	 <u>96,644</u>	 <u>98,318</u>	 <u>15,022</u>
 Total All Schools	 <u>\$ 129,789</u>	 <u>\$ 357,354</u>	 <u>\$ 327,249</u>	 <u>\$ 159,894</u>

**TEANECK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Balance, July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2012</u>
ASSETS				
Cash	\$ 27,643	\$ 53,061,587	\$ 53,059,383	\$ 29,847
Total Assets	<u>\$ 27,643</u>	<u>\$ 53,061,587</u>	<u>\$ 53,059,383</u>	<u>\$ 29,847</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 27,643	\$ 22,468,251	\$ 22,466,139	\$ 29,755
Accrued Salaries and Wages	<u>-</u>	<u>30,593,336</u>	<u>30,593,244</u>	<u>92</u>
Total Liabilities	<u>\$ 27,643</u>	<u>\$ 53,061,587</u>	<u>\$ 53,059,383</u>	<u>\$ 29,847</u>

LONG-TERM DEBT

TEANECK BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance, July 1, 2011	Issued	Paid	Balance, June 30, 2012			
Various Capital Improvements-District-wide	4/1/01	\$ 11,816,000	7/15/12	\$ 305,000	4.875 %							
			7/15/13	345,000	4.875							
			7/15/14	550,000	4.875	\$ 1,465,000	\$ 265,000	\$ 1,200,000				
School Refunding Bonds	2/15/2003	4,270,000	7/1/12	410,000	4.00 %							
			7/1/13	405,000	4.00							
			7/1/14	390,000	4.00	1,625,000	420,000	1,205,000				
School Refunding Bonds (Pension Series 2003)	2/15/2003	6,450,000	7/1/12	345,000	5.00 %							
			7/1/13	365,000	5.00							
			7/1/14	385,000	5.00							
			7/1/15	405,000	5.00							
			7/1/16	430,000	5.625							
			7/1/17	455,000	5.625							
			7/1/18	485,000	5.625							
			7/1/19	515,000	5.625							
			7/1/20	545,000	5.625	4,255,000	325,000	3,930,000				
School Refunding Bonds	7/27/2006	9,305,000	7/15/12-13	25,000	4.00 %							
			7/15/14	30,000	4.00							
			7/15/15	580,000	var							
			7/15/16-17	575,000	var							
			7/15/18	570,000	4.25							
			7/15/19	580,000	4.25							
			7/15/20	575,000	4.20							
			7/15/21-22	570,000	4.20							
			7/15/23	565,000	4.50							
			7/15/24	575,000	4.50							
			7/15/25-26	570,000	4.50							
			7/15/27	565,000	4.50							
			7/15/28-29	560,000	4.50							
			7/15/30	555,000	4.50	9,220,000	25,000	9,195,000				
School Energy Savings Obligation Refunding Bonds	4/15/2012	8,180,000	4/1/13	295,000	2.00 %							
			4/1/14	485,000	2.00							
			4/1/15	320,000	3.00							
			4/1/16	400,000	3.00							
			4/1/17	440,000	3.00							
			4/1/18	465,000	3.00							
			4/1/19	500,000	3.00							
			4/1/20	545,000	4.00							
			4/1/21	600,000	4.00							
			4/1/22	645,000	4.00							
			4/1/23	590,000	4.50							
			4/1/24	640,000	4.00							
			4/1/25	700,000	4.00							
			4/1/26	750,000	4.00							
			4/1/27	805,000	4.00							
			Totals						\$ 16,565,000	\$ 8,180,000	\$ 1,035,000	\$ 23,710,000

TEANECK BOARD OF EDUCATION
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Paid</u>	<u>Balance, June 30, 2012</u>
Savin Copiers	11/29/10	\$ 394,390	0.41%	\$ 359,213	\$ 73,032	\$ 286,181
Teaneck High School Roof Improvements	3/1/11	1,286,000	2.98%	1,286,000	242,213	1,043,787
				<u>\$ 1,645,213</u>	<u>\$ 315,245</u>	<u>\$ 1,329,968</u>

**TEANECK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,782,863	-	\$ 1,782,863	\$ 1,782,863	-
Total Revenues	1,782,863	-	1,782,863	1,782,863	-
EXPENDITURES					
Regular Debt Service					
Principal	1,035,000	-	1,035,000	1,035,000	
Interest	747,863	-	747,863	747,863	-
Total Expenditures	1,782,863	-	1,782,863	1,782,863	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
OTHER FINANCING SOURCES					
Transfer In	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	\$ 1	\$ -	\$ 1	\$ 1	\$ -

Recapitulation of Fund Balance:

Assigned

Designated for Subsequent
Year's Expenditures

\$ 1

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 9,002,715	\$ 14,862,018	\$ 22,868,603	\$ 24,173,348	\$ 25,187,935	\$ 25,514,557	\$ 26,966,982	\$ 27,900,242	\$ 27,808,537	\$ 30,205,437
Restricted	3,760,786	2,272,936	2,142,023	536,883	324,375	229,174	1,975,666	899,886	643,243	1,191,255
Unrestricted	525,173	(4,101,443)	(11,933,550)	(953,246)	1,297,242	1,007,645	(1,778,289)	(3,820,722)	(1,782,172)	(2,316,760)
Total Governmental Activities Net Assets	\$ 13,288,674	\$ 13,033,511	\$ 13,077,276	\$ 23,756,985	\$ 26,809,552	\$ 26,751,376	\$ 27,164,359	\$ 24,979,406	\$ 26,669,608	\$ 29,079,932
Business-Type Activities										
Invested in Capital Assets	\$ 220,758	\$ 158,593	\$ 136,606	\$ 121,884	\$ 118,735	\$ 161,028	\$ 136,574	\$ 132,953	\$ 101,233	\$ 81,353
Restricted	253,400									
Unrestricted	208,567	256,930	250,417	317,915	343,334	312,806	275,705	123,100	76,294	(33,550)
Total Business-Type Activities Net Assets	\$ 682,725	\$ 415,523	\$ 387,023	\$ 439,799	\$ 462,069	\$ 473,834	\$ 412,279	\$ 256,053	\$ 177,527	\$ 47,803
District-wide										
Invested in Capital Assets, Net of Related Debt	\$ 9,223,473	\$ 15,020,611	\$ 23,005,209	\$ 24,295,232	\$ 25,306,670	\$ 25,675,585	\$ 27,103,556	\$ 28,033,195	\$ 27,909,770	\$ 30,286,790
Restricted	4,014,186	2,272,936	2,142,023	536,883	324,375	229,174	1,975,666	899,886	643,243	1,191,255
Unrestricted	733,740	(3,844,513)	(11,682,933)	(635,331)	1,640,576	1,320,451	(1,502,584)	(3,697,622)	(1,705,878)	(2,350,310)
Total District Net Assets	\$ 13,971,399	\$ 13,449,034	\$ 13,464,299	\$ 24,196,784	\$ 27,271,621	\$ 27,225,210	\$ 27,576,638	\$ 25,235,459	\$ 26,847,135	\$ 29,127,735

Source: District Records

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 28,694,913	\$ 29,719,687	\$ 31,160,121	\$ 30,526,336	\$ 33,233,572	\$ 35,644,622	\$ 32,850,320	\$ 34,139,305	\$ 30,421,657	\$ 32,671,988
Special Education	11,018,460	11,544,949	12,373,083	13,615,374	13,872,251	14,532,504	15,424,664	16,598,057	17,263,704	16,711,830
Other Instruction	3,605,784	3,746,571	3,826,374	4,010,844	4,131,219	4,040,837	4,490,700	4,861,567	3,382,495	4,061,728
Support Services:										
Student & Instruction Related Services	9,300,245	8,625,768	9,577,878	11,242,305	11,120,386	12,406,377	13,209,300	14,235,446	13,183,619	14,361,913
School Administrative Services	3,580,648	3,249,220	3,585,010	3,528,222	3,834,824	4,208,866	4,088,235	4,200,508	4,416,827	4,189,822
General Administration	1,595,222	1,753,771	1,665,867	1,300,385	1,465,891	1,481,314	1,789,267	1,410,162	1,122,333	1,080,471
Plant Operations and Maintenance	8,432,852	8,477,970	8,698,453	9,376,412	9,540,867	10,801,577	10,340,866	9,631,766	10,012,275	9,025,685
Pupil Transportation	4,109,634	4,205,799	4,778,426	4,718,265	4,967,222	5,174,050	5,101,656	5,134,633	4,833,999	4,696,541
Business and Other Support Services	1,081,754	937,802	1,366,593	1,425,830	1,494,306	1,368,503	1,376,200	1,790,946	1,982,452	1,993,106
Charter Schools	1,360,091	1,567,180	1,702,891	1,882,124	2,040,585	2,388,987	3,913,381	4,274,546	4,322,115	4,663,312
Interest and Other Charges on Long-Term Debt	896,805	1,045,821	1,014,275	1,023,267	969,897	921,055	887,725	847,364	833,217	920,530
Loss on Disposal of Capital Assets		1,529,758	78,461							
Total Governmental Activities Expenses	73,676,408	76,404,296	79,628,432	82,649,384	86,670,638	93,368,702	93,472,314	97,124,300	91,794,693	94,076,926
Business-Type Activities:										
Food Service	973,124	1,282,939	1,075,534	1,109,797	1,156,163	1,282,444	1,316,617	1,350,203	1,325,864	1,397,117
Loss on Disposal of Capital Assets		95,299	7,640							
Community School	625,722	635,442	718,397	777,445	799,129	855,417	747,254	884,402	859,294	858,905
Total Business-Type Activities	1,598,846	2,013,680	1,801,571	1,887,242	1,955,292	2,137,861	2,063,871	2,234,605	2,185,158	2,256,022
Total District Expenses	\$ 75,275,254	\$ 78,417,976	\$ 81,430,003	\$ 84,536,626	\$ 88,625,930	\$ 95,506,563	\$ 95,536,185	\$ 99,358,905	\$ 93,979,851	\$ 96,332,948
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 34,458	\$ 21,594	\$ 34,758	\$ 13,690	\$ 12,465	\$ 123,683	\$ 122,388	\$ 187,773	\$ 183,867	\$ 205,243
Special Education (Tuition)	92,201	89,313	103,044	146,930	192,172					
Student and Instruction Related Services	92,540	100,910	102,272	93,170		29,050	6,913	1,391		
Pupil Transportation			40,533	31,816	30,231	16,684,940	14,893,154	13,382,713	13,895,066	16,260,691
Operating Grants and Contributions	11,007,727	12,049,664	12,298,920	13,371,086	15,462,501	77,089		417,097	203,209	504,250
Capital Grants and Contributions	56,532		4,525	8,946,805	13,594	74,259				
Total Governmental Activities Program Revenues	11,283,458	12,261,481	12,584,052	22,603,497	15,710,963	16,911,932	15,099,544	13,988,974	14,282,142	16,970,184
Business-Type Activities:										
Charges for Services:										
Food Service	695,275	701,213	685,543	729,821	760,083	809,596	794,154	751,458	714,849	685,717
Community School	660,693	700,932	749,440	726,803	719,255	769,935	672,503	697,946	750,363	784,134
Operating Grants and Contributions	313,785	341,503	338,088	433,394	486,507	504,607	535,659	628,975	641,420	656,447
Capital Grants and Contributions					3,790	65,488				
Total Business-Type Activities Program Revenues	1,669,753	1,743,648	1,773,071	1,890,018	1,969,635	2,149,626	2,002,316	2,078,379	2,106,632	2,126,298
Total District Program Revenues	\$ 12,953,211	\$ 14,005,129	\$ 14,357,123	\$ 24,493,515	\$ 17,680,598	\$ 19,061,558	\$ 17,101,860	\$ 16,067,353	\$ 16,388,774	\$ 19,096,482

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental Activities	\$ (62,392,950)	\$ (64,142,815)	\$ (67,044,380)	\$ (60,045,887)	\$ (70,959,675)	\$ (76,456,770)	\$ (78,372,770)	\$ (83,135,326)	\$ (77,512,551)	\$ (77,106,742)
Business-Type Activities	70,907	(270,032)	(28,500)	2,776	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)
Total District-Wide Net Expense	\$ (62,322,043)	\$ (64,412,847)	\$ (67,072,880)	\$ (60,043,111)	\$ (70,945,332)	\$ (76,445,005)	\$ (78,434,325)	\$ (83,291,552)	\$ (77,591,077)	\$ (77,236,466)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 58,432,104	\$ 61,126,989	\$ 64,266,441	\$ 67,872,613	\$ 71,386,061	\$ 73,468,869	\$ 75,400,085	\$ 77,384,174	\$ 77,452,263	\$ 77,452,263
Taxes Levied for Debt Service	1,259,114	1,790,672	1,757,205	1,778,539	1,770,877	1,755,174	1,768,016	1,758,616	1,441,802	1,782,863
Federal and State Aid - Restricted	39,635	3,683	25,963							
Federal and State Aid - Unrestricted		500,850	679,755	685,824	658,131	835,868	1,376,462	1,684,442	180,939	19,927
Investment Earnings	195,301	61,847	106,635	183,490	344,263	231,044	68,258	34,349	51,159	51,159
Miscellaneous Income	288,180	403,611	252,146	253,923	161,599	107,639	172,932	88,792	192,205	262,013
Adjustments to Capital Assets				1,207						
Transfers	-	-	-	(50,000)						
Total Governmental Activities	60,214,334	63,887,652	67,088,145	70,725,596	74,320,931	76,398,594	78,785,753	80,950,373	79,318,368	79,517,066
Business-Type Activities:										
Miscellaneous Income		2,830		50,000						
Transfers										
Total Business-Type Activities	-	2,830	-	50,000	-	-	-	-	-	-
Total District-Wide	\$ 60,214,334	\$ 63,890,482	\$ 67,088,145	\$ 70,775,596	\$ 74,320,931	\$ 76,398,594	\$ 78,785,753	\$ 80,950,373	\$ 79,318,368	\$ 79,517,066
Change in Net Assets										
Governmental Activities	\$ (2,178,616)	\$ (255,163)	\$ 43,765	\$ 10,679,709	\$ 3,361,256	\$ (58,176)	\$ 412,983	\$ (2,184,953)	\$ 1,805,817	\$ 2,410,324
Business-Type Activities	70,907	(267,202)	(28,500)	52,776	14,343	11,765	(61,555)	(156,226)	(78,526)	(129,724)
Total District	\$ (2,107,709)	\$ (522,365)	\$ 15,265	\$ 10,732,485	\$ 3,375,599	\$ (46,411)	\$ 351,428	\$ (2,341,179)	\$ 1,727,291	\$ 2,280,600

Source: District Records

**TEANECK BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 4,034,064	\$ 4,553,477	\$ 5,321,786	\$ 5,065,041	\$ 8,072,251	\$ 7,724,554	\$ 5,974,960	\$ 3,704,385		
Unreserved	3,810,196	2,905,202	2,136,356	1,615,228	1,215,268	1,219,147	2,534,923	678,054	\$ 2,721,849	\$ 5,565,249
Restricted									120,305	79,970
Committed									2,943,508	3,389,790
Assigned									1,087,713	(79,344)
Unassigned										
Total General Fund	\$ 7,844,260	\$ 7,458,679	\$ 7,458,142	\$ 6,680,269	\$ 9,287,519	\$ 8,943,701	\$ 8,509,883	\$ 4,382,439	\$ 6,873,375	\$ 8,955,665
All Other Governmental Funds										
Reserved	\$ 6,530,066	\$ 2,360,074	\$ 130,518	\$ 1,593,018	\$ 646,918	\$ 37,798	\$ 1,214,258	\$ 290,768		
Unreserved	(6,128,642)	(7,936,369)	(7,478,776)	587,825	647,524	959,688	(853,564)	539,451	\$ 1,307,769	\$ 7,795,275
Restricted										
Total All Other Governmental Funds	\$ 401,424	\$ (5,576,295)	\$ (7,348,258)	\$ 2,180,843	\$ 1,294,442	\$ 997,486	\$ 360,694	\$ 830,219	\$ 1,307,769	\$ 7,795,275

Source: District Records

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

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property Tax Levy	\$ 59,691,218	\$ 62,917,661	\$ 66,023,646	\$ 69,651,152	\$ 73,156,938	\$ 75,224,043	\$ 77,168,101	\$ 79,142,790	\$ 78,894,065	\$ 79,235,126
Tuition Charges	126,659	110,907	137,802	160,620	204,637	123,683	122,388	187,773	183,867	205,243
Transportation				31,816	30,231	29,050	6,913	1,391		
Interest Earnings	189,178	61,847	106,635	183,490	344,263	231,044	68,258	34,349	51,159	19,927
Miscellaneous	545,616	653,560	633,559	448,061	386,422	331,950	402,246	329,281	456,835	638,879
State Sources	9,343,270	10,598,557	10,964,730	21,147,823	14,481,637	15,662,352	13,758,044	12,419,416	11,081,930	13,905,994
Federal Sources	1,503,188	1,851,688	1,702,792	1,661,754	1,427,766	1,708,404	2,359,347	2,824,347	2,932,654	2,482,081
Total Revenues	71,399,129	76,194,220	79,569,164	93,284,716	90,031,894	93,310,526	93,885,297	94,939,347	93,600,510	96,487,250
Expenditures										
Instruction										
Regular Instruction	28,549,866	29,650,392	31,039,378	30,639,436	32,813,841	35,346,984	32,639,028	34,144,175	30,353,393	32,515,309
Special Education Instruction	11,009,869	11,544,949	12,338,630	13,653,744	13,863,019	14,953,496	15,436,454	16,597,980	17,264,938	16,713,108
Other Instruction	3,943,934	4,122,140	4,193,269	3,975,103	4,125,038	4,050,555	4,494,747	4,859,251	3,383,004	4,062,282
Support Services:										
Student & Inst. Related Services	8,973,287	8,492,311	9,394,007	11,095,991	11,078,954	12,432,337	13,220,248	14,226,151	13,080,340	14,251,100
General Administration	1,479,234	1,770,563	1,625,480	1,238,231	1,532,168	1,446,207	1,488,827	1,508,645	1,172,764	1,074,120
School Administrative Services	3,514,564	3,238,962	3,328,951	3,572,804	3,684,283	4,035,116	4,022,602	4,155,819	4,397,523	4,179,353
Plant Operations and Maintenance	7,076,476	7,464,871	7,644,984	8,369,649	8,611,592	9,658,327	9,309,473	8,520,674	8,937,828	7,849,296
Pupil Transportation	4,109,634	4,205,799	4,777,295	4,719,755	4,966,864	5,174,724	5,101,986	5,134,631	4,854,016	4,696,557
Business and Other Support Services	1,075,092	931,694	1,353,602	1,416,551	1,492,488	1,371,661	1,377,927	1,790,932	1,982,676	1,993,324
Charter Schools	1,360,091	1,567,180	1,702,891	1,882,124	2,040,585	2,388,987	3,913,381	4,274,546	4,322,115	4,363,312
Capital Outlay	11,204,038	8,092,199	2,169,774	1,666,023	1,881,282	1,323,022	2,183,219	1,608,203	728,345	2,820,781
Debt Service:										
Principal	400,000	790,000	760,000	1,238,499	1,275,891	870,000	900,000	945,000	1,015,177	1,350,245
Interest and Other Charges	859,114	990,597	1,013,403	1,015,578	945,040	899,884	863,016	831,259	800,597	833,259
Cost of Issuance									19,698	93,496
Total Expenditures	83,555,199	82,861,657	81,341,664	84,483,488	88,311,045	93,951,300	94,955,908	98,597,266	92,312,414	96,795,542
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,156,070)	(6,667,437)	(1,772,500)	8,801,228	1,720,849	(640,774)	(1,070,611)	(3,657,919)	1,288,096	(308,292)

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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)										
Bond Sale Premium to Debt Service Fund	\$ (6,123)	\$ 304,137							\$ 1,680,390	\$ 8,180,000
Capital Leases (non-budgeted)										698,088
Proceeds from Sale of Bonds	10,855,248									
Premium on Sale of Bonds	(10,849,125)									
Proceeds from Refunding	406,314									
Payments to Escrow Agent	(400,191)									
Transfers In	6,123									
Transfers Out										
Total Other Financing Sources (Uses)	\$ (12,149,947)	\$ (6,363,300)	\$ (1,772,500)	\$ 8,751,228	\$ 1,720,849	\$ (640,774)	\$ (1,070,611)	\$ (3,657,919)	\$ 2,968,486	\$ 8,569,796
Net Change in Fund Balances										
Debt Service as a Percentage of Noncapital Expenditures	1.74%	2.38%	2.24%	2.72%	2.57%	1.91%	1.91%	1.83%	1.98%	2.32%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Records

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest Earned</u>	<u>Transportation</u>	<u>Prior Year Refunds</u>	<u>Township (Forum)</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2003	\$ 126,659	\$ 79,579			\$ 50,000	\$ 30,509	\$ 207,671	\$ 494,418
2004	110,907	51,278	\$ 47,709	\$ 38,251	50,000	59,273	208,378	565,796
2005	137,802	105,951	40,533		50,000	54,501	147,645	536,432
2006	160,620	181,952	31,816			41,841	212,082	628,311
2007	204,637	342,185	30,231			34,669	126,930	738,652
2008	123,683	229,648	29,050			24,274	83,365	490,020
2009	122,388	68,081	6,913	440		27,800	144,692	370,314
2010	187,773	34,349	1,391			23,166	65,626	312,305
2011	183,867	51,095		75,817		35,651	80,737	427,167
2012	205,243	19,927		26,325		36,496	199,192	487,183

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax Exempt Property	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2003	\$ 13,178,500	\$ 2,182,768,500	\$ 274,118,500	\$ 24,616,200	\$ 89,651,800	\$ 2,584,333,500	\$ 338,750,900	\$ 3,284,259	\$ 2,587,617,759	\$ 3,582,294,092	\$ 2.369
2004	13,884,300	2,196,846,700	274,001,100	24,616,200	89,651,800	2,599,000,100	338,060,300	3,345,752	2,602,345,852	4,032,636,060	2.477
2005	14,132,600	2,214,425,400	272,815,200	24,341,200	107,514,300	2,633,228,700	338,537,700	3,121,751	2,636,350,451	4,545,262,225	2.570
2006	12,228,400	2,252,561,700	273,763,900	23,682,500	89,433,700	2,651,670,200	339,526,100	2,723,194	2,654,393,394	5,083,024,439	2.690
2007	25,474,400	5,242,322,900	561,376,500	46,853,000	199,453,200	6,075,480,000	559,534,400	5,198,681	6,080,678,681	5,747,636,530	1.220
2008	29,911,100	5,239,172,100	575,765,100	45,394,000	198,441,100	6,088,683,400	558,851,200	5,118,294	6,093,801,694	6,176,343,931	1.250
2009	32,595,400	5,238,910,900	577,547,800	45,721,800	192,381,500	6,087,157,400	560,482,500	5,181,164	6,092,338,564	6,378,073,477	1.282
2010	28,599,600	5,250,478,800	572,256,800	42,596,300	191,725,400	6,085,656,900	565,901,000	7,236,257	6,092,893,157	6,130,053,183	1.297
2011	25,463,300	5,243,263,500	565,495,900	42,596,300	184,038,300	6,060,857,300	567,130,600	5,815,726	6,066,673,026	5,834,628,366	1.306
2012	23,156,300	5,202,928,400	557,720,900	41,484,700	186,093,300	6,011,383,600	570,785,800	5,549,185	6,016,932,785	5,786,499,545	1.322

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County of Bergen	
2003	\$ 2.369	\$ 1.328	\$ 0.293	\$ 3.990
2004	2.477	1.384	0.319	4.180
2005	2.570	1.473	0.337	4.380
2006	2.690	1.602	0.348	4.640
2007	1.220	0.758	0.172	2.150
2008	1.250	0.758	0.189	2.197
2009	1.282	0.797	0.202	2.281
2010	1.297	0.834	0.197	2.328
2011	1.306	0.858	0.199	2.363
2012	1.322	0.865	0.210	2.397

Source: County Abstract of Ratables

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

Taxpayer	2012		2003	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Glenpointe Associates	\$ 56,210,100	0.93 %	\$ 91,008,000	3.50 %
Glenpointe Associates III	43,186,000	0.72		
Glenpointe Associates II, LLC	40,714,500	0.68		
SNH Teaneck Properties, LLC	38,000,000	0.63		
Glenpointe Associates	31,324,200	0.52		
Teaneck Limited PTNP		0.00	27,000,000	1.04
Teaneck Garden Owners Corp.	16,500,000	0.27	7,600,000	0.29
Bell Atlantic			6,000,000	0.23
Givaudan-Roure Fragrance Corp			9,664,900	0.37
Holy Name Real Estate Corp			7,973,200	0.31
Care One at Teaneck, LLC	12,000,000	0.20		
Glenpointe Associates, II	13,469,200	0.22		
411 Alfred LLC	10,750,000	0.18		
SS Teaneck LP	9,000,000	0.15		
Individual Taxpayer		0.00	5,350,000	0.21
Cedar Holding Assoc			4,043,200	0.16
F.W. Teaneck			5,080,000	0.20
Carriage IV Office Center			3,926,000	0.15
	<u>\$ 271,154,000</u>	<u>\$ 4.51 %</u>	<u>\$ 167,645,300</u>	<u>\$ 6.46 %</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 59,691,218	\$ 59,691,218	100%	N/A
2004	62,917,661	62,917,661	100%	N/A
2005	66,023,646	66,023,646	100%	N/A
2006	69,651,152	69,651,152	100%	N/A
2007	73,156,938	73,156,938	100%	N/A
2008	75,224,043	75,224,043	100%	N/A
2009	77,168,101	77,168,101	100%	N/A
2010	79,142,790	79,142,790	100%	N/A
2011	78,894,065	78,894,065	100%	N/A
2012	79,235,126	79,235,126	100%	N/A

N/A - Not Applicable

Source: District records

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/ Lease Purchase Agreements			
2003	\$ 23,091,000	\$1,467,767	\$ 24,558,767	39,445	\$ 623
2004	22,301,000	1,352,887	23,653,887	3,933	6,014
2005	21,541,000	919,390	22,460,390	39,018	576
2006	20,751,000	470,891	21,221,891	38,820	547
2007	19,946,000		19,946,000	38,652	516
2008	19,390,000		19,390,000	38,541	503
2009	18,490,000		18,490,000	38,633	479
2010	17,545,000		17,545,000	39,823	441
2011	16,565,000	1,645,213	18,210,213	40,033	455
2012	23,710,000	1,329,968	25,039,968	40,033 *	625

Source: District records

* Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property		Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2003	\$ 23,091,000		\$ 23,091,000	0.89	%	\$ 585
2004	22,301,000		22,301,000	0.86		5,670
2005	21,541,000		21,541,000	0.82		552
2006	20,751,000		20,751,000	0.78		535
2007	20,260,000		20,260,000	0.33		524
2008	19,390,000		19,390,000	0.32		503
2009	18,490,000		18,490,000	0.30		479
2010	17,545,000		17,545,000	0.29		441
2011	16,565,000		16,565,000	0.27		414
2012	23,710,000		23,710,000	0.39		592

Source: District records

TEANECK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Direct Debt:			
Teaneck Board of Education (2)	\$ 15,530,000	\$ 15,530,000	
Township of Teaneck (1)	<u>35,372,957</u>	<u>5,950,000</u>	<u>\$ 29,422,957</u>
	<u>\$ 50,902,957</u>	<u>\$ 21,480,000</u>	<u>29,422,957</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			23,519,645
Bergen County Utilities Authority - Water Pollution (B)			<u>17,759,851</u>
			<u>41,279,496</u>
Total Direct and Overlapping Debt			<u>\$ 70,702,453</u>

Source:

- (1) Township of Teaneck's 2011 Annual Debt Statement
(2) Subsequent to December 31, 2011, the District issued \$8,180,000 of School Energy Savings Refunding Bonds.

- (A) The debt for this entity was apportioned to the Township of Teaneck by dividing the municipality's 2011 equalized value by the total 2011 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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 129,686,118	\$ 143,839,794	\$ 160,202,419	\$ 179,884,210	\$ 202,472,510	\$ 224,704,147	\$ 242,359,877	\$ 247,887,546	\$ 243,822,451	\$ 236,575,160
Total Net Debt Applicable to Limit	30,929,363	30,139,363	29,379,363	20,751,590	19,945,000	19,390,590	13,630,000	12,980,000	16,565,000	23,710,000
Legal Debt Margin	\$ 98,756,755	\$ 113,700,431	\$ 130,823,056	\$ 159,132,620	\$ 182,526,510	\$ 205,313,557	\$ 228,729,877	\$ 234,907,546	\$ 227,257,451	\$ 212,865,160
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.85%	20.95%	18.34%	11.54%	9.85%	8.63%	5.62%	5.24%	6.79%	10.02%

Source: Annual Debt Statements

Legal Debt Margin Calculation June 30, 2012

Equalized Valuation Basis

2011	\$ 5,808,757,236
2010	5,831,966,363
2009	6,102,413,434
	<u>\$ 17,743,137,033</u>

Average Equalized Valuation of Taxable Property
 Debt Limit (4 % of average equalization value)
 Less: Total Net Debt Applicable to Limit
 Legal Debt Margin

	\$ 5,914,379,011
	236,575,160
	<u>23,710,000</u>
	<u>\$ 212,865,160</u>

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	38,910	\$ 51,913	5.30%
2003	39,445	51,132	5.20%
2004	39,331	54,462	4.30%
2005	39,018	56,706	3.50%
2006	38,820	62,714	3.70%
2007	38,652	67,394	3.20%
2008	38,541	68,227	4.10%
2009	38,633	63,198	7.50%
2010	39,823	65,486	7.40%
2011	40,033	N/A	7.00%

Source: New Jersey State Department of Education

N/A - Information was not available.

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

Employer	2012		2005	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Fairleigh Dickinson University	2,569			
Holy Name Hospital	2,456			
Teaneck Board of Education	630			NOT AVAILABLE
Teaneck Township	503			
Glenpointe Associates	214			
The Community School	144			
US Postal Service	64			
May'ayanot Yeshiva High School	64			
Torah Academy	57			
Teaneck Charter School	45			

** Estimated

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction							
Regular	286.9	292.5	283.0	296.5	296.9	236.6	246.2
Special Education	107.0	97.5	106.0	127.5	132.6	123.4	137.4
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	3.0
Support Services:							
Student & Instruction Related Services	94.1	91.0	91.0	101.8	96.8	95.0	92.0
General Administration	5.0	5.5	5.0	3.3	4.3	3.0	4.0
School Administrative Services	32.5	31.0	35.0	36.0	36.0	35.0	34.0
Plant Operations and Maintenance	116.5	112.5	115.0	110.5	108.5	96.5	98.0
Pupil Transportation	9.0	10.0	10.0	9.0	11.0	1.0	1.0
Business and Other Support Services	13.0	11.0	10.0	13.0	16.0	15.0	15.0
Community School	5.0	5.0	5.0	4.5	6.0	6.0	3.7
Total	<u>670</u>	<u>657</u>	<u>661</u>	<u>703</u>	<u>709</u>	<u>613</u>	<u>634</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

**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				
2003	4,465	\$ 71,213,304	\$ 15,949	5.60%	448.36	12.8	14.6	13.1	13.1	4,465	4,250	2.24%	95.18%
2004	4,387	73,469,230	16,747	5.00%	436.04	13.7	11.1	11.5	11.5	4,387	4,172	-1.75%	95.10%
2005	4,256	77,578,173	18,228	8.84%	436.00	13.7	11.1	11.5	11.5	4,256	4,065	-2.99%	95.51%
2006	4,526	80,563,388	17,800	-2.35%	400.30	11.3	9.8	10.9	10.9	4,257	4,047	0.03%	95.06%
2007	4,482	84,212,622	18,789	5.56%	401.80	10.7	9.3	11	11	4,147	3,935	-2.59%	94.89%
2008	4,245	90,858,394	21,404	13.92%	428.30	9.7	8.5	10	10	4,021	3,839	-3.03%	95.47%
2009	4,192	91,004,673	21,709	1.43%	432.80	10.7	8.5	10	10	3,940	3,731	-2.02%	94.70%
2010	4,303	95,212,804	22,127	1.93%	433.40	11.6	8.8	9.5	9.5	4,020	3,786	2.03%	94.18%
2011	4,229	89,748,597	20,684	-6.52%	385.00	11.4	9.1	10.4	10.4	3,955	3,769	-1.62%	95.30%
2012	4,142	91,697,761	23,094	11.65%	391.00	11.0	8.9	9.8	9.8	3,875	3,706	-2.02%	95.64%

Sources: District records

Note: a 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 SEVEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>							
<u>Elementary</u>							
Bryant-Kindergarten/Pre-K (1926)							
Square Feet	47,438	47,438	47,438	47,438	47,438	47,438	47,438
Capacity (students)	475	475	475	475	475	475	475
Enrollment	345	345	288	292	367	366	352
Whittier (1921)							
Square Feet	55,118	55,118	55,118	55,118	55,118	55,118	55,118
Capacity (students)	656	656	656	656	656	656	656
Enrollment	411	411	373	385	406	380	365
Hawthorne (1925)							
Square Feet	49,373	49,373	49,373	49,373	49,373	49,373	49,373
Capacity (students)	648	648	648	648	648	648	648
Enrollment	374	374	371	354	347	319	346
Lowell (1934)							
Square Feet	47,106	47,106	47,106	47,106	47,106	47,106	47,106
Capacity (students)	536	536	536	536	536	536	536
Enrollment	375	375	327	305	321	352	309
<u>Middle School</u>							
Thomas Jefferson M.S. (1958)							
Square Feet	105,216	105,216	105,216	105,216	105,216	105,216	105,216
Capacity (students)	894	894	894	894	894	894	894
Enrollment	690	690	669	626	624	614	598
Ben Franklin M.S. (1957)							
Square Feet	100,202	100,202	100,202	100,202	100,202	100,202	100,202
Capacity (students)	727	727	727	727	727	727	727
Enrollment	611	611	558	555	576	560	570
Teaneck High School (1926)							
Square Feet	215,808	215,808	215,808	215,808	215,808	215,808	215,808
Capacity (students)	1,625	1,625	1,625	1,625	1,625	1,625	1,625
Enrollment	1,459	1,459	1,396	1,398	1,369	1,336	1,298
Eugene Field School (1955)							
Square Feet	24,877	24,877	24,877	24,877	24,877	24,877	24,877
Capacity (students)	25	25	25	25	-	-	-

Source: District Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

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

<u>School Facilities</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Teaneck Sr. High (#050)	\$ 865,247	\$ 646,694	\$ 535,018	\$ 570,400	\$ 490,756	\$ 618,357	\$ 526,983	\$ 477,898	\$ 392,018	\$ 454,271
Benjamin Franklin Middle School (#060)	162,554	400,951	210,450	192,554	226,142	294,547	238,789	185,205	161,360	177,288
Thomas Jefferson Middle School (#070)	144,260	237,793	257,414	188,874	251,812	319,761	267,972	199,156	179,666	186,301
Bryant (#080)	88,128	91,315	103,093	94,815	119,133	140,552	108,934	94,760	73,689	83,199
Hawthorne (#110)	112,417	137,997	168,560	194,952	116,255	133,688	115,099	96,526	92,565	95,720
Lowell (#130)	102,186	55,326	51,205	93,269	95,672	132,144	124,384	89,683	73,332	83,997
Whittier (#150)	97,886	131,603	188,417	167,690	146,222	196,666	120,333	102,949	85,635	96,002
Eugene Field (#999)	<u>74,397</u>	<u>90,778</u>	<u>141,906</u>	<u>126,913</u>	<u>48,802</u>	<u>63,721</u>	<u>65,148</u>	<u>50,985</u>	<u>40,248</u>	<u>43,544</u>
District-Wide Total	<u>\$ 1,647,075</u>	<u>\$ 1,792,457</u>	<u>\$ 1,656,063</u>	<u>\$ 1,629,467</u>	<u>\$ 1,494,794</u>	<u>\$ 1,899,436</u>	<u>\$ 1,567,642</u>	<u>\$ 1,297,162</u>	<u>\$ 1,098,513</u>	<u>\$ 1,220,322</u>

Source: District Records

**TEANECK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2012
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Co.		
Property-Blanket Building/Contents	\$ 175,936,357	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Comprehensive General Liability (each occurrence)	1,000,000	
Comprehensive Crime Coverage	100,000/400,000 Excess	5,000
Automobile Liability	1,000,000	1,000 Ded Comp/Coll
Boiler and Machinery - Selective Insurance Company		
Blanket Property Damage	175,936,357	5,000
Umbrella Liability - American Alternate Insurance Company	9,000,000	10,000 Retention
Excess Umbrella - (Fireman's Fund)	50,000,000 Group Agg	
Educator's Professional Liability - Ace American Insurance	1,000,000	25,000 Ded for SBLL
School Board Legal/Employment Practices Liability		50,000 Ded for EPL
Pollution Coverage - Ace American Insurance	1,000,000	15,000
	20,000,000 Group Agg	

Source: NESBIG/Burton Agency

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

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REGISTERED MUNICIPAL ACCOUNTANTS

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EDWARD N. KERE, CPA

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Teaneck Board of Education as of and for the fiscal year ended June 30, 2012, which collectively comprise the Teaneck Board of Education's basic financial statements and have issued our report thereon dated October 15, 2012. 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Teaneck Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Teaneck Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Teaneck Board of Education's internal control over financial reporting.

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 Teaneck Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

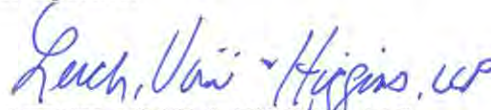
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Teaneck Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters 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 October 15, 2012.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


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


 Gary J. Vinci
 Public School Accountant
 PSA Number CS00829

Fair Lawn, New Jersey
 October 15, 2012

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
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EDWARD N. KERE, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

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

Compliance

We have audited the Teaneck Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Teaneck Board of Education's major federal and state programs for the fiscal year ended June 30, 2012. 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Teaneck Board of Education's management. Our responsibility is to express an opinion on Teaneck Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Teaneck Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Teaneck Board of Education's compliance with those requirements.

In our opinion, 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, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item 2012-1.

Internal Control Over Compliance

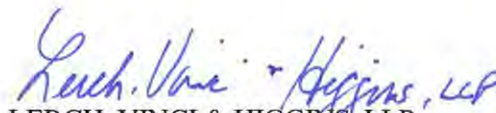
Management of Teaneck Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Teaneck Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.


A deficiency in internal control over compliance 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


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


 Gary J. Vinci
 Public School Accountant
 PSA Number CS00829

Fair Lawn, New Jersey
 October 15, 2012

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment Carryover Receivables	Refund Prior Year Balance	Adjustment Prior Year Orders	(Accounts Receivable)	Balance, June 30, 2012 Deferred Revenue	Due to Grantor	MEMO GAAP Receivable
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
84.010	NCLB Title I	NCLB515012	9/1/11-8/31/12	\$ 543,140	\$ (52,393)	\$ 246,291	\$ 70,318	\$ 315,038	\$ (246,291)			\$ (719,113)	\$ 474,393		\$ (244,720)
84.010	NCLB Title I	NCLB515011	9/1/10-8/31/11	246,291	(246,291)	(246,291)	96,938	44,545	246,291			(30)	30		(23,043)
84.389	NCLB Title I ARRA	NCLB515010	9/1/09-8/31/11	320,385	(86,391)		187,924	101,533	(18,457)			(38,732)	15,689		(23,043)
84.010	NCLB Title III	NCLB515012	9/1/11-8/31/12	24,239		18,457	3,964	27,007	(18,457)						
84.010	NCLB Title III	NCLB515011	9/1/10-8/31/11	25,806	(13,154)	(18,457)	13,154		18,457						
84.186	NCLB Title V	NCLB515008	9/1/07-8/31/08	5,512	794					794					
84.027	IDEA Part B Basic	IDEA515012	9/1/11-8/31/12	1,045,884	(590,255)	5,976	762,908	1,013,697	(5,976)			(288,932)	38,163		(250,789)
84.027	IDEA Part B Basic	IDEA515011	9/1/10-8/31/11	1,011,089	(164,295)	(5,976)	592,082	83,741	5,976			(12,221)	12,221		(3,300)
84.173	IDEA Part B Preschool	IDEA515010	9/1/09-8/31/11	1,119,578			247,862	27,599				(3,474)	174		
84.392	IDEA Part B Preschool ARRA	IDEA515012	9/1/11-8/31/12	27,773	(8,401)		24,299	3,982				(5,237)	5,237		(21,111)
84.367	NCLB Title II-Part A	NCLB515010	9/1/09-8/31/11	40,416		62,294	11,289	140,584	(62,294)			(79,600)	58,489		
84.367	NCLB Title II-Part A	NCLB515011	9/1/10-8/31/11	136,779	(74,098)	(62,294)	93,599	19,626							
84.318	NCLB Title II-Part D	NCLB515011	9/1/10-8/31/11	143,595			16								
84.184	NCLB Title IV	NCLB515011	9/1/09-8/31/10	4,962	(220)		1,993	891							
84.243A	Tech-Prep Grant	09-BV12-G06	9/1/10-8/31/11	240,000	150										
84.184E	Readiness and Emergency Management	Q184E090240	8/1/09-1/31/11	90,679	(31,794)		38,619	6,825							
84.215M	Grants to Improve the Mental Health of Children	Q215M090036	6/1/09-5/31/11	345,938	(76,018)		140,613	68,657							
84.215E	Counseling Expansion Program	Q215E090021-10	6/1/09-3/31/11	304,785	(62,612)		70,383	7,771							
84.215E	Counseling Expansion Program	Q215E090021	4/1/11-3/31/12	304,785			227,626	321,439				(93,813)			(93,813)
Total Special Revenue Fund					(1,159,923)	-	2,703,280	2,184,788	-	794	5,599	(1,241,172)	604,396	150	(636,776)
U.S. Department of Agriculture															
Passed-through State Department of Education															
Enterprise Fund:															
10.555	NSLP - Non Cash Assistance	N/A	7/1/10-6/30/11	72,263	8,341			8,341							
10.555	NSLP - Non Cash Assistance	N/A	7/1/11-6/30/12	44,744			44,744	39,715					5,029		
10.553	School Breakfast Program	N/A	7/1/10-6/30/11	71,530	(6,503)		6,503								
10.553	School Breakfast Program	N/A	7/1/11-6/30/12	72,644			67,215	72,644				(5,429)			(5,429)
10.555	NSLP - Cash Assistance	N/A	7/1/10-6/30/11	435,420	(30,703)		30,703								
10.555	NSLP - Cash Assistance	N/A	7/1/11-6/30/12	477,670			445,872	477,670				(31,798)			(31,798)
Total Enterprise Fund					(28,865)	-	595,037	598,370	-	-	-	(37,227)	5,029	-	(37,227)
U.S. Department of Health and Human Services															
Passed-through State Department of Education															
General Fund:															
84.410	Education Jobs Fund	N/A	7/1/11-6/30/12	260,396			233,829	260,396				(26,567)			(26,567)
93.778	Medicaid Reimbursement Program (SEMI)	N/A	7/1/11-6/30/12	69,739			54,344	69,739				(15,395)			(15,395)
93.778	Medicaid Reimbursement Program (SEMI)	N/A	7/1/10-6/30/11	46,150	(14,117)		14,117								
Total General Fund					(14,117)	-	302,290	330,135	-	-	-	(41,962)	-	-	(41,962)
Total Federal Financial Awards					(1,202,905)	-	3,600,607	3,113,293	-	794	5,599	(1,320,361)	609,425	150	(715,965)

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

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Adjustment	Balance, June 30, 2012			MEMO GAAP Accounts Receivable	Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Revenue/ Interfund	Due to Grantor		
State Department of Education														
General Fund:														
Transportation Aid	12-495-034-5120-014	7/1/11-6/30/12	\$ 1,775,901			\$ 1,673,766	\$ 1,775,901			\$ (102,135)			\$	1,775,901
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	2,438,809	\$ (130,416)		130,416								2,438,809
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	2,438,809			2,298,550	2,438,809			(140,259)				
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	665,517	(35,589)		35,589								697,483
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	697,483			657,370	697,483			(40,113)				1,459,956
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	1,459,956			1,793,858				(1,459,956)				
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	1,793,858	(1,793,858)										
Nonpublic Transportation Aid	11-103190	7/1/10-6/30/11	184,262	(184,262)										
Nonpublic Transportation Aid	12-103190	7/1/11-6/30/12	157,163			2,358	157,163			(157,163)			\$	157,163
Other State Aid-Anti Bullying Bill of Rights Act	N/A	7/1/11-6/30/12	2,358			2,358	2,358							2,358
On Behalf TPAF Pension System Contribution	12-495-034-5095-001	7/1/11-6/30/12	2,382,997			2,382,997	2,382,997							2,382,997
On Behalf TPAF Pension System Contribution	12-495-034-5095-006	7/1/11-6/30/12	1,070,533			1,070,533	1,070,533							1,070,533
On Behalf TPAF Pension System Contribution	12-495-034-5095-007	7/1/11-6/30/12	114,883			114,883	114,883							114,883
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	2,587,250	(128,646)		128,646								
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	2,591,835			2,461,963	2,591,835			(129,872)			(129,872)	2,591,835
Total General Fund				(2,272,771)	-	12,935,191	12,691,918	-	-	(2,029,498)	-	-	(287,035)	12,691,918
Special Revenue Fund:														
New Jersey Nonpublic Aid														
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	50,257	98				\$ 98						-
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	39,332	2,078				2,078						-
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	35,047			35,047	31,976					\$ 3,071		31,976
Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	50,061			50,061	50,061							50,061
Auxiliary Services														
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	61,963			61,963	37,195					24,768		37,195
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	4,310			4,310						4,310		-
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	4,269	4,269		7,644		4,269				7,644		
Transportation	12-100-034-5120-067	7/1/11-6/30/12	7,644			47								
Home Instruction	11-100-034-5120-067	7/1/10-6/30/11	47	(47)										
Home Instruction	12-100-034-5120-067	7/1/11-6/30/12	382				382			(382)			(382)	382
Handicapped Services														
Examination and Classification	12-100-034-5120-066	7/1/11-6/30/12	92,093			92,093	86,133					5,960		86,133
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	63,796	1,279				1,279						
Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	9,242			9,242	2,291					6,951		2,291
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	8,919	3,677				3,677						
Supplementary Instruction	12-100-034-5120-066	7/1/11-6/30/12	37,321			37,321	25,465					11,856		25,465
Supplementary Instruction	11-100-034-5120-066	7/1/10-6/30/11	28,696	4,099				4,099						
School Based Youth Services	12-100-054-7500-068	7/1/11-6/30/12	307,892			307,892	307,892							307,892
School Based Youth Services	10-100-054-7500-068	7/1/09-6/30/10	307,892	20,745								20,745		
School Based Youth Services	11-100-054-7500-068	7/1/10-6/30/11	307,892	(2,585)						(2,585)			(2,585)	-
Total Special Revenue Fund				33,613	-	605,620	541,395	15,500	-	(2,967)	-	85,305	(2,967)	541,395

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Adjustment	Balance, June 30, 2012			MEMO	
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures
Capital Projects														
Economic Development Grant	SP200422-C1		\$ 1,570,875	\$ (1,293,633)		\$ 1,293,633				\$ (603,548)			\$ -	227,242
Economic Development Grant	SP200422-C2		1,622,790	(1,614,676)		1,011,128							(603,548)	8,114
Economic Development Grant	SP2002877		56,532	(56,532)						(56,532)			(56,532)	-
NJ School Construction- EFCFA	5150-050-03-0908		411,704	(336,329)						(336,329)			(336,329)	75,375
NJ School Construction- EFCFA	5150-110-04-1000		128,118	(98,006)						(98,006)			(98,006)	30,112
NJ School Construction- EFCFA	5150-050-03-1292		194,800	(192,976)						(192,976)			(192,976)	1,824
NJ School Construction- EFCFA	5150-050-04-1000		170,400	(152,676)						(152,676)			(152,676)	17,724
NJ School Construction- EFCFA	various		290,376	(10,243)						(10,243)			(10,243)	280,133
NJ School Construction- EFCFA	5150-150-05-1000		41,390	(33,468)						(33,468)			(33,468)	7,922
NJ School Construction- EFCFA	5150-130-04-1000		88,954	(72,126)						(72,126)			(72,126)	16,828
NJ School Construction- EFCFA	5150-060-05-1000		255,415	(212,721)						(212,721)			(212,721)	42,694
NJ School Development Authority	5150-060-09-1003		120,000										-	101,440
NJ School Development Authority	5150-201-10-1002		184,492	(139,518)		154,114	\$ 14,596			-			-	154,114
NJ School Development Authority	5150-050-10-2001		506,521			440,685	440,685			-			-	440,685
Total Capital Projects				(4,212,904)		2,899,560	455,281			(1,768,625)			(1,768,625)	1,404,207
State Department of Agriculture														
National School Lunch Program	11-100-010-3360-067	7/1/10-6/30/11	14,557	(1,752)		1,752								-
National School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	14,799			13,839	14,799			(960)			(960)	14,799
Total Enterprise Fund				(1,752)		15,591	14,799			(960)			(960)	14,799
Sub-Total State Financial Assistance				\$ (6,453,814)	\$ -	\$ 16,455,962	13,703,393	\$ 15,500	\$ -	\$ (3,802,050)	\$ -	\$ 85,305	\$ (2,959,587)	\$ 14,652,319
Less: On-Behalf TPAF Pension Contributions Not Subject to Single Audit and Major Program Determination							(3,568,413)							
Total State Financial Assistance Subject to Single Audit and Major Program Determination							\$ 10,134,980							

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are 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 bases of accounting are described in Notes 1(C) to the Board's basic financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$217,400 for the general fund and a decrease of \$27,877 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 330,135	\$ 12,909,318	\$ 13,239,453
Special Revenue Fund	2,151,946	541,395	2,693,341
Capital Projects Fund		455,281	455,281
Food Service Fund	<u>595,058</u>	<u>14,799</u>	<u>609,857</u>
Total Financial Assistance	<u>\$ 3,077,139</u>	<u>\$ 13,920,793</u>	<u>\$ 16,997,932</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, 2012**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$2,591,835 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, 2012. The amount reported as TPAF Pension System Contributions in the amount of \$1,185,416 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,382,997 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012.

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

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

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over compliance:

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I</u>
<u>84.389</u>	<u>Title I ARRA</u>
<u>84.027</u>	<u>IDEA Basic</u>
<u>84.391</u>	<u>IDEA Basic ARRA</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>84.392</u>	<u>IDEA Preschool ARRA</u>
<u>84.410</u>	<u>Education Jobs Fund</u>
<u>84.215</u>	<u>Counseling Expansion Program</u>

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

Auditee qualified as low-risk auditee? yes X no

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

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

Type of auditor's report on compliance for
major programs

Unqualified

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

 X yes _____ no

Identification of major state programs:

GMIS Number(s)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-014	Transportation Aid
SP-5150	NJ School Development Authority
	School Facilities Construction

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

\$ 304,049

Auditee qualified as low-risk auditee?

_____ yes X no

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

There are none.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS

Finding 2012-1

In prior years, the district expended significant Capital Funds on projects which appear to have subsequently been identified as eligible for State reimbursement under an SDA grant agreement. During fiscal year 2011-2012, the District was able to recover \$2,458,875 of the almost \$4.3 million outstanding at June 30, 2011. However as of June 30, 2012 \$1,768,625 remained uncollected. According to confirmation received from NJSDA, final payment has been made on several of these projects.

Information on State Program

SP-5150 NJ School Development Authority – School Facilities Construction

Criteria or Specific Requirement

Submissions for reimbursements should be made in accordance with schedules stipulated by grant contract agreements.

Condition

There is in excess of \$1.75 million dollars due from the School Development Authority which has not been collected by the district.

Questioned Costs

Unknown.

Context

The district has expended funds for numerous projects and has not received reimbursement from the Schools Development Authority.

Effect

The district may/will not collect the full amount of receivables and may need to fund expended amounts in its general fund budget.

The district has borrowed monies from other governmental funds to pay expenditures which has severely impacted the cash flow of the district's operating accounts.

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR STATE AWARDS

Finding 2012-1 (Continued)

Cause

Required paperwork and other documentation has not been submitted to the SDA in a timely manner. In addition, certain costs were not deemed eligible by SDA.

Recommendation

Continued efforts be made to collect the outstanding SDA grants receivable and the District develop a course of action to fund those amounts which will not be collected.

View of Responsible Officials and Planned Corrective Action

The district is working with the Schools Development Authority to expedite the collection of outstanding receivables.

**TEANECK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2011-1

In prior years, the district expended significant Capital Funds on projects which have been identified as eligible for State reimbursement under an SDA grant agreement. During fiscal year 2010-2011, the District was able to recover \$5.5 million of almost \$9.8 million outstanding at June 30, 2010. However as of June 30, 2011 \$4,276,437 remained uncollected. According to confirmation received from NJSDA, final payment has been made on several of these projects.

Status

See Finding 2012-1.