

TEANECK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Teaneck, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Teaneck Board of Education
Teaneck, New Jersey
For The Fiscal Year Ended June 30, 2011**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



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November 23, 2011

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

Dear Board Members:

I am pleased to submit The Comprehensive Annual Financial Report of the Teaneck Public School District (hereafter the "District") for the fiscal year ending June 30, 2011. 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.

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

The comprehensive annual financial report is presented in four sections: 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's 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 supplementary information section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The Teaneck Public School 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 Board of Education and all of its 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 2010-2011 fiscal year, the District's official enrollment was 4,308 resident students, which is 116 students more 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 (October 15 annual count date)

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
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%
2001-2002	4,740	-0.8%

These figures exclude enrollments for in-district preschool students and nonpublic school students residing in the township for which funds are appropriated and expended in the school district budget.

2) ECONOMIC CONDITION AND OUTLOOK

The macro-economic environment for the past fiscal year has been characterized by many as the worst economic downturn since the Great Depression of the 1930's. While the economy today is showing signs of positive economic growth, there are still many uncertainties for the future. The unemployment rate in Teaneck increased from 4.2% to 7.4% from 2008 to 2011, according to the Bureau of Labor Statistics. Per capita income for Bergen County decreased to \$64,388 for 2009, compared to the revised New Jersey Department of Labor and Workforce Development income data of \$68,541 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 2010-2011, there were three schools serving students' kindergarten through 8th grade to which Teaneck students attended, Teaneck Community Charter School, Englewood Charter School on the Palisades and Bergen Arts & Science Charter School. The 2010-2011 budget included \$4,461,232 expended for tuition and transportation to these charter schools.

The major funding source for the operating budget continues to be local property taxes. The local tax levy funded 91.5% of the 2010-2011 budget. The reliance on the local taxpayers to fund the majority of the District's budget will likely continue under the new School Funding Reform Act of 2008. According to the State's 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 determine total state aid.

3) MAJOR INITIATIVES

As the stewards of our children's educational future, the Teaneck Public School 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 towards obtaining the knowledge and experiences offered to them.

The 2010-2011 budget defeat created a situation requiring the District to make swift and difficult decisions about staff and programs. Close scrutiny of operations and personnel, during the summer of 2010, resulted in the ultimate salvaging of priority programs and personnel that did not seem probable when the process began. The Superintendent's goals for 2010-2011 were intended to forward the mission of the Teaneck Public School District. The goals focused on improving student achievement through curriculum modification, data collection/analysis, student support, professional development and ever improving communication with parents/guardians. These goals were intended to be realistic and attainable to ensure that we continue on our road to developing a culture of ongoing improvement. Our overarching goal remains: to foster a commitment from the Teaneck Public School community and the community at large to provide a quality education for all students.

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

Facilities Improvements

The District is currently in the process of renovating the Culinary Lab at the Teaneck High School and it is anticipated to be complete in November 2011. The District received a Grant from Bergen

Community College in the amount of \$50,000, which will be used to purchase the new equipment and appliances.

Over the past few years the District had started the implementation a five year plan for roof replacements on all of its eight (8) Buildings. To date the roofs have been replaced on Lowell School, Whittier School, Thomas Jefferson Middle School, and just recently completed in June 2011 the Eugene Field Administration Building. The first phase of the Roof Replacement at Teaneck High School was started in August 2011 and is anticipated to be complete on or about November 30, 2011. The District has received grant approval from the NJSDA for both the Eugene Field Administration Building and the first phase of the Roof Replacement at Teaneck High School. The balance of the roof replacement projects including the second phase of the Teaneck High School, Benjamin Franklin Middle School, Bryant and Hawthorne Schools are scheduled to take place over the next three years provided that the District can secure funding.

The District received an Energy Audit Grant in 2010 through the NJ Clean Energy Program and subsequently performed an Energy Audit throughout the District 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 have been developing an Energy Improvement Savings Program (ESIP) as a model to implement these projects throughout the District, which will include Lighting Retrofits, Boiler Replacements, Installation of Digital Temperature Controls, Replacement of Roof Top HVAC Units, and Replacement of Hot Water Heaters & Chiller at the Teaneck High School. The focus is on reducing energy usage and ultimately reducing the utility expenses in order to pay for the implementation costs of the retrofits over a 15 year period. Once the program is approved by the Board, then a Third Party review will be required to confirm the proposed plan. It is anticipated that some of these projects will be able to begin during the Summer of 2012.

The District has awarded a Power Purchase Agreement for the installation of Ground Mounted Canopies for Solar Panels to be installed at six (6) of the district's buildings. The Contractor will install the canopies and solar panels 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 panels are anticipated to be installed during the Summer of 2012.

The District is also planning to send out a Request for Proposal for another Power Purchase Agreement for the installation of Roof Mounted Solar Panels on those buildings whose roofs have already been replaced. The Agreement would work the same as above for a fifteen (15) year period. It is anticipated that the installation could begin as early as the Summer of 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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. 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 the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for 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, 2011. 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, 2011, the district has 4 outstanding general obligation bond issues. The first issuance was 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 \$1,465,000. The second issuance was February 2002 and also matures in July 2014. This was a refinancing of a previous bond issuance and the outstanding principal balance is \$1,625,000. The third 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 \$4,255,000. Finally, the last issuance is the refinancing of the callable bonds issued in April 2001. The bonds were issued in July 2006 and mature in July 2030. The principal balance outstanding is \$9,220,000. 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.

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 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 Board 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, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents and fidelity bonds.

10) INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins, CPA's 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 and the Board of Education's business policies and regulations make the efficient operation of the district possible. The Business Office staff thanks the school district auditors for technical expertise and patience in providing guidance in accounting in general, and this report in particular.

Respectfully Submitted,

Barbara Pinsak

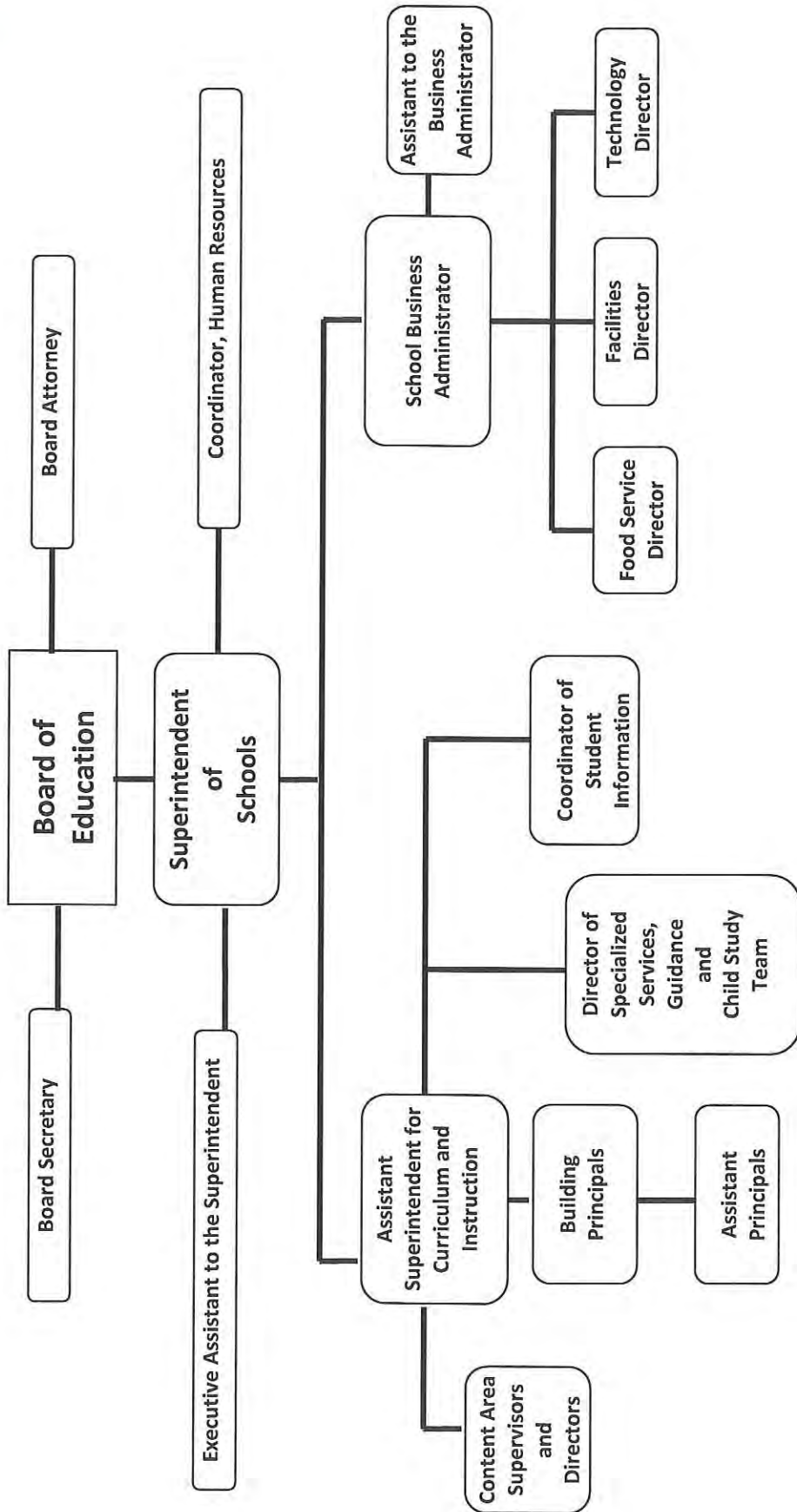
Barbara Pinsak
Superintendent of Schools

Robert S. Finger

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



Teaneck Public Schools Administrative Organizational Chart 2010-2011



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

**ROSTER OF OFFICIALS
JUNE 30, 2011**

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	2013
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

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Florham Park, NJ 07932

Auditor

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Fair Lawn, NJ 07410

Architect

DiCara/Rubino
30 Galesi Drive
Wayne, NJ 07470

Insurance Broker

Brown & Brown Benefit Advisors
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Lambertville, NJ 08530

Official Depository

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FINANCIAL SECTION

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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, 2011, 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 Division of Finance and Regulatory Compliance, 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2011, and the respective changes in financial position and cash flows, where applicable, 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 November 23, 2011 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. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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

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, 2011. 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 2010-2011 fiscal year include the following:

- The assets of the Teaneck Board of Education exceeded its liabilities at the close of the fiscal year by \$26,847,135 (net assets).
- Overall revenues were \$95,707,142. General revenues accounted for \$79,318,368 or 83% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16,388,774 or 17% of total revenues.
- The school district had \$93,979,851 in expenses; only \$16,388,774 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 \$8,181,144.
- The General Fund fund balance at June 30, 2011 was \$6,873,375 an increase of \$2,490,936 when compared with the beginning balance at July 1, 2010.

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

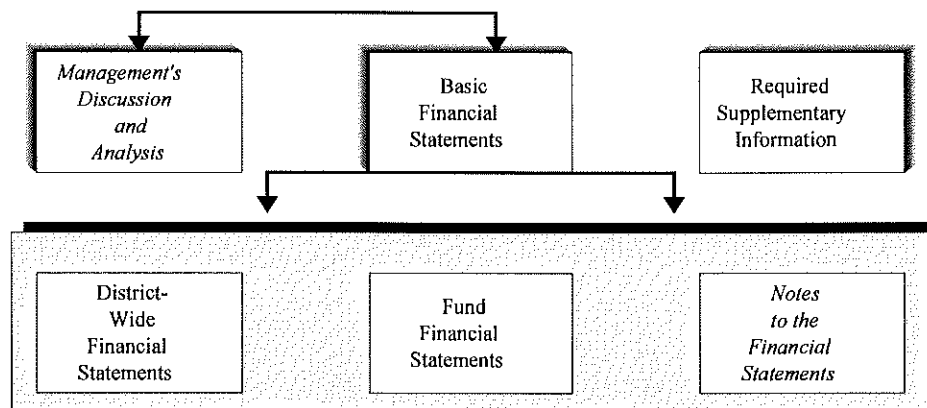
OVERVIEW OF THE FINANCIAL STATEMENTS

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 \$26,847,135 as of June 30, 2011. 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, 2011 and 2010

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$ 9,793,058	\$ 11,536,025	\$ 499,379	\$ 528,187	\$ 10,292,437	\$ 12,064,212
Capital Assets	<u>39,872,601</u>	<u>40,530,224</u>	<u>101,233</u>	<u>132,953</u>	<u>39,973,834</u>	<u>40,663,177</u>
Total Assets	<u>49,665,659</u>	<u>52,066,249</u>	<u>600,612</u>	<u>661,140</u>	<u>50,266,271</u>	<u>52,727,389</u>
Other Liabilities	1,682,253	6,392,219	423,085	405,087	2,105,338	6,797,306
Long-Term Liabilities	<u>21,313,798</u>	<u>20,694,624</u>	<u>-</u>	<u>-</u>	<u>21,313,798</u>	<u>20,694,624</u>
Total Liabilities	<u>22,996,051</u>	<u>27,086,843</u>	<u>423,085</u>	<u>405,087</u>	<u>23,419,136</u>	<u>27,491,930</u>
Net Assets:						
Invested in Capital Assets, Net						
of Related Debt	27,808,537	27,900,242	101,233	132,953	27,909,770	28,033,195
Restricted	643,243	899,886			643,243	899,886
Unrestricted	<u>(1,782,172)</u>	<u>(3,820,722)</u>	<u>76,294</u>	<u>123,100</u>	<u>(1,705,878)</u>	<u>(3,697,622)</u>
Total Net Assets	<u>\$ 26,669,608</u>	<u>\$ 24,979,406</u>	<u>\$ 177,527</u>	<u>\$ 256,053</u>	<u>\$ 26,847,135</u>	<u>\$ 25,235,459</u>

TEANECK BOARD OF EDUCATION

Management's Discussion and Analysis

Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues						
Charges for Services	\$ 183,867	\$ 189,164	\$ 1,465,212	\$ 1,449,404	\$ 1,649,079	\$ 1,638,568
Operating Grants and Contributions	13,896,066	13,382,713	641,420	628,975	14,537,486	14,011,688
Capital Grants and Contributions	202,209	417,097			202,209	417,097
General Revenues						
Property Taxes	78,894,065	79,142,790			78,894,065	79,142,790
State and Federal Aid	180,939	1,684,442			180,939	1,684,442
Other	243,364	123,141	-	-	243,364	123,141
Total Revenues	<u>93,600,510</u>	<u>94,939,347</u>	<u>2,106,632</u>	<u>2,078,379</u>	<u>95,707,142</u>	<u>97,017,726</u>
Expenses						
Instruction						
Regular	30,421,657	34,139,305			30,421,657	34,139,305
Special Education	17,263,704	16,598,057			17,263,704	16,598,057
Other Instruction	3,382,495	4,861,567			3,382,495	4,861,567
Support Services						
Student and Instruction Related Serv.	13,183,619	14,235,446			13,183,619	14,235,446
School Administrative Services	4,416,827	4,200,508			4,416,827	4,200,508
General Administrative Services	1,122,333	1,410,162			1,122,333	1,410,162
Plant Operations and Maintenance	10,012,275	9,631,766			10,012,275	9,631,766
Pupil Transportation	4,853,999	5,134,633			4,853,999	5,134,633
Business and Other Support Services	1,982,452	1,790,946			1,982,452	1,790,946
Charter Schools	4,322,115	4,274,546			4,322,115	4,274,546
Interest on Long-Term Debt	833,217	847,364			833,217	847,364
Food Services			1,325,864	1,350,203	1,325,864	1,350,203
Community School	-	-	859,294	884,402	859,294	884,402
Total Expenses	<u>91,794,693</u>	<u>97,124,300</u>	<u>2,185,158</u>	<u>2,234,605</u>	<u>93,979,851</u>	<u>99,358,905</u>
Change in Net Assets	1,805,817	(2,184,953)	(78,526)	(156,226)	1,727,291	(2,341,179)
Net Assets, Beginning of Year	24,979,406	27,164,359	256,053	412,279	25,235,459	27,576,638
Prior Period Adjustment - Capital Assets	(115,615)	-	-	-	(115,615)	-
Net Assets, End of Year	<u>\$ 26,669,608</u>	<u>\$ 24,979,406</u>	<u>\$ 177,527</u>	<u>\$ 256,053</u>	<u>\$ 26,847,135</u>	<u>\$ 25,235,459</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 \$93,600,510 for the year ended June 30, 2011, a 1 percent decrease from the previous year. Property taxes of \$78,894,065 represented 84% of revenues. Another significant portion of revenues is intergovernmental aid; total State, Federal and formula aid was \$14,279,214. 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 \$91,794,693. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$51,067,856 or 56% of total expenditures. Student support services, exclusive of administration, total \$13,183,619 or 14% of total expenditures (See Table A-4).

Total governmental activities revenues surpassed expenses, increasing net assets \$1,805,817 from the previous year. This increase is predominantly due to a reduction in expenditures by the District.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2011

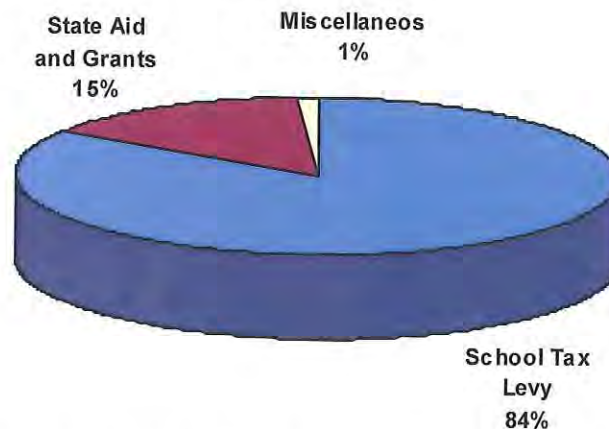
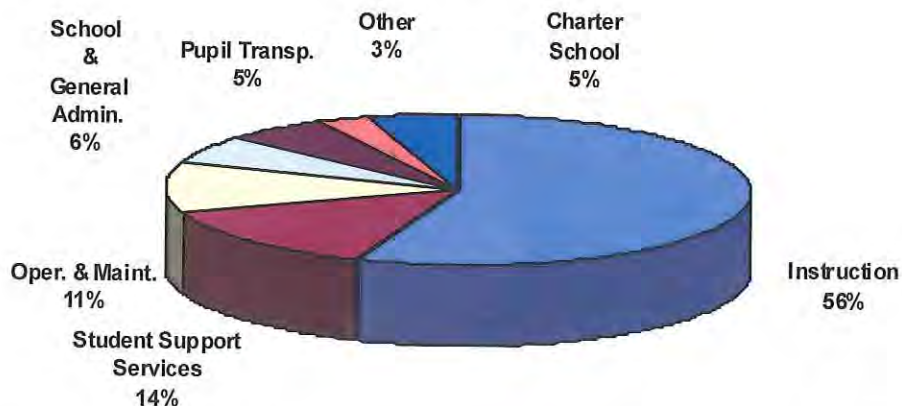


Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2011



Net Cost of Governmental Activities. The District's total cost of services was \$91,794,693 for the fiscal year ended June 30, 2011. After applying program revenues, derived from charges for services of \$183,867, operating grants and contributions of \$13,896,066 and capital grants and contributions of \$202,209 the net cost of services of the District was \$77,512,551 for the fiscal year ended June 30, 2011. 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, 2011 and 2010

	<u>Total Cost of</u> <u>Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Instruction				
Regular	\$ 30,421,657	\$ 34,139,305	\$ 26,545,063	\$ 30,030,516
Special Education	17,263,704	16,598,057	10,670,429	11,468,667
Other Instruction	3,382,495	4,861,567	2,946,528	4,357,000
Support Services				
Student and Instruction Related Svcs.	13,183,619	14,235,446	11,320,784	12,455,841
School Administrative Services	4,416,827	4,200,508	4,139,081	3,954,577
General Administrative Services	1,122,333	1,410,162	1,122,333	1,410,162
Plant Operations and Maintenance	10,012,275	9,631,766	9,144,163	8,858,727
Pupil Transportation	4,853,999	5,134,633	4,509,345	3,702,413
Business and Other Support Services	1,982,452	1,790,946	1,959,493	1,775,513
Charter Schools	4,322,115	4,274,546	4,322,115	4,274,546
Interest on Long-Term Debt	833,217	847,364	833,217	847,364
Total	<u>\$ 91,794,693</u>	<u>\$ 97,124,300</u>	<u>\$ 77,512,551</u>	<u>\$ 83,135,326</u>

Business-Type Activities – The District's total business-type activities revenues were \$2,106,632 or the fiscal year ended June 30, 2011. Charges for services accounted for \$1,465,212, or 70% of total revenues. Operating grants and contributions accounted for \$641,420, or 30% of total revenue for the year.

The total cost of all business-type activities programs and services was \$2,185,158 for the fiscal year ended June 30, 2011. 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 \$78,526 reducing net assets from \$256,053 to \$177,527 at June 30, 2011.

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 \$8,181,144. As of June 30, 2010, the fund balance was \$5,212,658. This increase is predominately attributable to the district reducing expenses during 2010-2011.

Revenues for the District's governmental funds were \$93,600,510, while total expenses were \$92,312,414. The net change in the fund balance for the year was an increase of \$2,968,486.

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, 2011 and 2010

	<u>Year Ended June 30, 2011</u>	<u>Year Ended June 30, 2010</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local Sources				
Property Tax Levy	\$ 77,452,263	\$ 77,384,174	\$ 68,089	0%
Tuition	183,867	187,773	(3,906)	2%
Interest	51,095	34,349	16,746	49%
State and Federal Sources	10,399,520	11,527,618	(1,128,098)	-10%
Miscellaneous	<u>192,205</u>	<u>90,183</u>	<u>102,022</u>	113%
Total General Fund Revenues	<u>\$ 88,278,950</u>	<u>\$ 89,224,097</u>	<u>\$ (945,147)</u>	-1%

Total General Fund Revenues decreased by \$945,147 or 1% over the previous year.

Local property taxes remained level, increasing less than 1% over the previous year. State aid revenues decreased \$1,128,098 or 10%. The decrease in State aid revenues is predominantly attributable to reductions in State formula aid. Tuition decreased slightly and interest income and miscellaneous revenues increased from the previous year.

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, 2011 and 2010.

	<u>Year Ended June 30, 2011</u>	<u>Year Ended June 30, 2010</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction	\$ 30,820,018	\$ 34,398,290	\$ (3,578,272)	-10%
Support Services	50,577,036	53,000,431	(2,423,395)	-5%
Capital Outlay	531,474	366,620	164,854	45%
Charter School	<u>4,322,115</u>	<u>4,274,546</u>	<u>47,569</u>	1%
Total Expenditures	<u>\$ 86,250,643</u>	<u>\$ 92,039,887</u>	<u>\$ (5,789,244)</u>	-6%

Total General Fund expenditures decreased \$5,789,244 or 6% from the previous year. The District experienced significant declines in expenditures for both instruction and support services. The increase in capital outlay is due to the new capital lease for copiers acquired during the 2010/2011 year.

In 2010-2011 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2,490,936. As a result, total fund balance increased to \$6,873,375 at June 30, 2011. After deducting statutory transfers and reserves, the unassigned fund balance on a budgetary basis increased from \$2,774,603 at June 30, 2010 to \$3,047,576 at June 30, 2011. This increase is predominantly due to the increase in unbudgeted revenues for extraordinary aid.

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 \$3,677,485, for the year ended June 30, 2011. Federal sources accounted for 78% of the total Special Revenue Fund revenue for the year. Total Special Revenue Fund revenues increased \$137,948 from the previous year. State sources increased \$12,249, while Federal sources increased \$101,558 and local sources increased \$24,141.

Expenditures of the Special Revenue Fund were \$3,677,485 instructional expenditures were \$1,903,732 and expenditures for the support services were \$1,767,963 for the year ended June 30, 2011. Capital outlay expenditures totaled \$5,790.

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$806,398 resulting in a fund balance of \$1,307,768 at June 30, 2011. This increase is a result of the unexpended proceeds of the lease purchase of the high school roof project.

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, 2011 amounts to \$39,973,834 (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 2010-11 amounted to \$1,270,353 for governmental activities and \$23,973 for business-type activities.

Capital Assets at June 30, 2011 and 2010 (Net of Accumulated Depreciation)

	Governmental		Business-Type		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 1,601,471	\$ 1,601,471			\$ 1,601,471	\$ 1,601,471
Improvements Other than Buildings	741,112	2,246,914			741,112	2,246,914
Building and Building Improvements	36,125,481	35,043,022			36,125,481	35,043,022
Machinery and Equipment	987,142	1,468,740	\$ 101,233	\$ 132,953	1,088,375	1,601,693
Construction in Progress	<u>417,395</u>	<u>170,077</u>	<u>-</u>	<u>-</u>	<u>417,395</u>	<u>170,077</u>
Total Capital Assets, Net	<u>\$ 39,872,601</u>	<u>\$ 40,530,224</u>	<u>\$ 101,233</u>	<u>\$ 132,953</u>	<u>\$ 39,973,834</u>	<u>\$ 40,663,177</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 \$3,334,535, bonds payable of \$16,565,000, claims and judgments of \$8,500 and lease purchases/capital leases of \$1,645,213.

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 2011-2012 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 2011-2012. Budgeted expenditures in the General Fund increased \$2,455,133 or 3% percent in fiscal year 2011-2012.

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, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,137,357	\$ 454,446	\$ 2,591,803
Receivables, net	6,060,491	47,833	6,108,324
Inventory		17,458	17,458
Internal Balance	21,298	(21,298)	
Prepaid Items		940	940
Deferred Charge	307,546		307,546
Restricted Assets			
Cash and Cash Equivalents	1,266,366		1,266,366
Capital Assets			
Not Being Depreciated	2,018,866		2,018,866
Being Depreciated, Net	<u>37,853,735</u>	<u>101,233</u>	<u>37,954,968</u>
Total Assets	<u>49,665,659</u>	<u>600,612</u>	<u>50,266,271</u>
LIABILITIES			
Accounts Payable	1,127,283	115,013	1,242,296
Accrued Interest Payable	377,885		377,885
Intergovernmental Payables	42,754		42,754
Unearned Revenue	134,331	308,072	442,403
Noncurrent Liabilities			
Due Within One Year	1,550,245		1,550,245
Due Beyond One Year	<u>19,763,553</u>	<u>-</u>	<u>19,763,553</u>
Total Liabilities	<u>22,996,051</u>	<u>423,085</u>	<u>23,419,136</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	27,808,537	101,233	27,909,770
Restricted for			
Debt Service	1		1
Capital Projects	643,242		643,242
Unrestricted	<u>(1,782,172)</u>	<u>76,294</u>	<u>(1,705,878)</u>
Total Net Assets	<u>\$ 26,669,608</u>	<u>\$ 177,527</u>	<u>\$ 26,847,135</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, 2011**

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	\$ 30,421,657		\$ 3,876,594		\$ (26,545,063)	\$	(26,545,063)
Special Education	17,263,704	\$ 183,867	6,409,408		(10,670,429)		(10,670,429)
Other Instruction	3,382,495		435,967		(2,946,528)		(2,946,528)
Support Services							
Student and Instruction Related Services	13,183,619		1,862,835		(11,320,784)		(11,320,784)
School Administrative Services	4,416,827		277,746		(4,139,081)		(4,139,081)
General Administrative Services	1,122,333				(1,122,333)		(1,122,333)
Plant Operations and Maintenance	10,012,275		665,903	\$ 202,209	(9,144,163)		(9,144,163)
Pupil Transportation	4,853,999		344,654		(4,509,345)		(4,509,345)
Business and Other Support Services	1,982,452		22,959		(1,959,493)		(1,959,493)
Charter Schools	4,322,115				(4,322,115)		(4,322,115)
Interest on Long-Term Debt	833,217				(833,217)		(833,217)
Total Governmental Activities	91,794,693	183,867	13,896,066	202,209	(77,512,551)	-	(77,512,551)
Business-Type Activities							
Food Service	1,325,864	714,849	593,770			\$ (17,245)	(17,245)
Community School	859,294	750,363	47,650			(61,281)	(61,281)
Total Business-Type Activities	2,185,158	1,465,212	641,420	-	-	(78,526)	(78,526)
Total Primary Government	\$ 93,979,851	\$ 1,649,079	\$ 14,537,486	\$ 202,209	(77,512,551)	(78,526)	(77,591,077)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					77,452,263		77,452,263
Taxes Levied for Debt Service					1,441,802		1,441,802
Federal and State Aid -Unrestricted					180,939		180,939
Investment Earnings					51,159		51,159
Miscellaneous Income					192,205		192,205
Total General Revenues					79,318,368	-	79,318,368
Change in Net Assets					1,805,817	(78,526)	1,727,291
Net Assets, Beginning of Year					24,979,406	256,053	25,235,459
Prior Period Adjustment - Capital Assets					(115,615)	-	(115,615)
Net Assets, End of Year					\$ 26,669,608	\$ 177,527	\$ 26,847,135

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

FUND FINANCIAL STATEMENTS

**TEANECK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011**

	<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	\$ 2,137,356			\$ 1	\$ 2,137,357
Receivables (Net)					
Receivables From Other Governments	439,902	\$ 1,125,079	\$ 4,276,438		5,841,419
Other Receivables	72,443	146,629			219,072
Due from Other Funds	5,061,250				5,061,250
Restricted Assets					
Cash With Fiscal Agents	-	-	1,266,366	-	1,266,366
Total Assets	\$ 7,710,951	\$ 1,271,708	\$ 5,542,804	\$ 1	\$ 14,525,464
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 837,576	\$ 258,540	\$ 31,167		\$ 1,127,283
Due to Other Funds		899,617	4,140,335		5,039,952
Intergovernmental Payable					
State		36,245			36,245
Federal		944			944
Other		5,565			5,565
Deferred Revenue	-	70,797	63,534	-	134,331
Total Liabilities	837,576	1,271,708	4,235,036	-	6,344,320
Fund Balances					
Restricted					
Capital Reserve	523,242				523,242
Capital Reserve - Designated for Subsequent Year's Expenditures	120,000				120,000
Excess Surplus - Designated for for Subsequent Year's Expenditures	177,435				177,435
Excess Surplus	1,901,172				1,901,172
Capital Projects			1,307,768		1,307,768
Debt Service				\$ 1	1
Committed					
Year End Encumbrances	120,305				120,305
Assigned					
Designated for Subsequent Year's Expenditures	2,665,104				2,665,104
Year End Encumbrances	278,404				278,404
Unassigned	1,087,713	-	-	-	1,087,713
Total Fund Balances	6,873,375	-	1,307,768	1	8,181,144
Total Liabilities and Fund Balances	\$ 7,710,951	\$ 1,271,708	\$ 5,542,804	\$ 1	

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 \$59,167,690 and the accumulated depreciation is \$19,295,089

39,872,601

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

(377,885)

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)

(21,006,252)

Net Assets of Governmental Activities

\$ 26,669,608

**TEANECK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<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			\$ 1,441,802	\$ 78,894,065
Tuition	183,867				183,867
Interest	51,095		\$ 64		51,159
Miscellaneous	192,205	\$ 264,630	-	-	456,835
Total - Local Sources	77,879,430	264,630	64	1,441,802	79,585,926
State Sources	10,346,621	533,100	202,209		11,081,930
Federal Sources	52,899	2,879,755	-	-	2,932,654
Total Revenues	88,278,950	3,677,485	202,273	1,441,802	93,600,510
EXPENDITURES					
Current					
Regular Instruction	29,868,876	484,517			30,353,393
Special Education Instruction	15,845,723	1,419,215			17,264,938
Other Instruction	3,383,004				3,383,004
Support Services					
Student and Instruction Related Services	11,350,442	1,729,898			13,080,340
General Administrative Services	1,172,764				1,172,764
School Administrative Services	4,397,523				4,397,523
Plant Operations and Maintenance	8,937,828				8,937,828
Pupil Transportation	4,815,951	38,065			4,854,016
Business and Other Support Services	1,982,676				1,982,676
Transfer to Charter Schools	4,322,115				4,322,115
Debt Service					
Principal	35,177			980,000	1,015,177
Interest and Other Charges	9,947			790,650	800,597
Costs of Issuance			19,698		19,698
Capital Outlay	128,617	5,790	593,938	-	728,345
Total Expenditures	86,250,643	3,677,485	613,636	1,770,650	92,312,414
Excess (Deficiency) of Revenues Over Expenditures	2,028,307	-	(411,363)	(328,848)	1,288,096
OTHER FINANCING SOURCES (USES)					
Proceeds from Lease Purchase/Capital Leases	394,390		1,286,000		1,680,390
Transfers In	312,247		244,008		556,255
Transfers Out	(244,008)	-	(312,247)	-	(556,255)
Total Other Financing Sources and Uses	462,629	-	1,217,761	-	1,680,390
Net Change in Fund Balances	2,490,936	-	806,398	(328,848)	2,968,486
Fund Balance, Beginning of Year	4,382,439	-	501,370	328,849	5,212,658
Fund Balance, End of Year	\$ 6,873,375	\$ -	\$ 1,307,768	\$ 1	\$ 8,181,144

**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, 2011**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 2,968,486**

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

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

Depreciation Expense	\$ (1,270,353)	
Capital Outlays	<u>728,345</u>	
		(542,008)

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	980,000	
Accrued Insurance Liability (net)	8,657	
Capital Lease Principal	<u>35,177</u>	
		1,023,834

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

7,175

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

Lease Purchase Obligations	(1,286,000)	
Capital Leases	<u>(394,390)</u>	
		(1,680,390)

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-Lease Purchase	19,698	
Amortization of Bond Issuance Costs	(24,420)	
Amortization of Original Issuance Premium	2,099	
Amortization - Lease Purchase Issuance Costs	(3,940)	
Amortization - Deferred Amount on Refunding	<u>(13,534)</u>	
		(20,097)

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.

48,817

Change in Net Assets of Governmental Activities (Exhibit A-2) **\$ 1,805,817**

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 156,267	\$ 298,179	\$ 454,446
Intergovernmental Accounts Receivable	38,958		38,958
Other Receivables	8,875		8,875
Inventories	17,458		17,458
Prepaid Items	-	940	940
Total Current Assets	221,558	299,119	520,677
Noncurrent Assets			
Machinery and Equipment	386,892	9,607	396,499
Less: Accumulated Depreciation	(285,659)	(9,607)	(295,266)
Total Noncurrent Assets	101,233	-	101,233
Total Assets	322,791	299,119	621,910
LIABILITIES			
Current Liabilities			
Accounts Payable	97,649	17,364	115,013
Unearned Revenue	8,341	299,731	308,072
Due to Other Funds	21,298	-	21,298
Total Current Liabilities	127,288	317,095	444,383
NET ASSETS			
Invested in Capital Assets	101,233	-	101,233
Unrestricted	94,270	(17,976)	76,294
Total Net Assets	\$ 195,503	\$ (17,976)	\$ 177,527

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, 2011**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
OPERATING REVENUES			
Charges for Services			
Daily Sales-Reimbursable Programs	\$ 661,940		\$ 661,940
Special Functions	42,553		42,553
Vending Sales	10,356		10,356
Program Fees	-	\$ 750,363	750,363
Total Operating Revenues	714,849	750,363	1,465,212
OPERATING EXPENSES			
Salaries and Employee Benefits	591,371	568,343	1,159,714
Purchased Professional and Technical Services		129,200	129,200
Contracted Services- Transportation		23,211	23,211
Communications/ Telephone	510	1,254	1,764
Postage		4,400	4,400
Travel	269	233	502
Other Purchased Services	56,765	51,547	108,312
Supplies and Materials	82,936	7,478	90,414
Depreciation	23,973		23,973
Cost of Sales	562,293		562,293
Miscellaneous	-	73,628	73,628
Total Operating Expenses	1,318,117	859,294	2,177,411
Operating Income/(Loss)	(603,268)	(108,931)	(712,199)
NONOPERATING REVENUES/(EXPENSES)			
State Sources			
School Lunch Program	14,557		14,557
Federal Sources			
School Breakfast Program	71,530		71,530
National School Lunch Program	507,683		507,683
Local Sources		47,650	47,650
Loss on Disposal of Capital Assets	(7,747)	-	(7,747)
Total Nonoperating Revenues/ (Expenses)	586,023	47,650	633,673
Change in Net Assets	(17,245)	(61,281)	(78,526)
Total Net Assets, Beginning of Year	212,748	43,305	256,053
Total Net Assets, End of Year	\$ 195,503	\$ (17,976)	\$ 177,527

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, 2011**

	Business-Type Activities- Enterprise Funds		
	Food Services	Community School	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 719,392	\$ 765,405	\$ 1,484,797
Payments to Employees' Salaries and Benefits	(591,371)	(568,343)	(1,159,714)
Payments to Suppliers for Goods and Services	(627,071)	(284,385)	(911,456)
Net Cash Provided (Used) by Operating Activities	(499,050)	(87,323)	(586,373)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State, Federal, and Local Sources	527,028	47,650	574,678
Net Cash Provided by Noncapital Financing Activities	527,028	47,650	574,678
Net Increase/(Decrease) in Cash and Cash Equivalents	27,978	(39,673)	(11,695)
Cash and Cash Equivalents, Beginning of Year	128,289	337,852	466,141
Cash and Cash Equivalents, End of Year	\$ 156,267	\$ 298,179	\$ 454,446
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income/ (Loss)	\$ (603,268)	\$ (108,931)	\$ (712,199)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Used by Operating Activities			
Depreciation	23,973		23,973
USDA Commodities	72,263		72,263
Change in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable(net)	4,543		4,543
(Increase)/Decrease in Prepaid Items		1,956	1,956
Increase/(Decrease) in Accounts Payable	2,919	4,610	7,529
Increase/(Decrease) in Unearned Revenue	(4,573)	15,042	10,469
(Increase)/Decrease in Inventory	5,093	-	5,093
Total Adjustments	104,218	21,608	125,826
Net Cash Provided (Used) by Operating Activities	\$ (499,050)	\$ (87,323)	\$ (586,373)
Noncash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 72,263		

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, 2011**

	Private Purpose <u>Scholarships Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 142,553	\$ 157,432
Total Assets	<u>142,553</u>	<u>\$ 157,432</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 27,643
Due to Student Groups	<u>-</u>	<u>129,789</u>
Total Liabilities	<u>-</u>	<u>\$ 157,432</u>
NET ASSETS		
Held in Trust for Other Purposes	<u>\$ 142,553</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, 2011**

	Private Purpose Scholarships <u>Fund</u>
ADDITIONS	
Contributions	
Donations	\$ 1,500
Investment Earnings	
Interest	<u>1,469</u>
Total Additions	<u>2,969</u>
DEDUCTIONS	
Scholarships Awarded	<u>11,460</u>
Total Deductions	<u>11,460</u>
Change in Net Assets	(8,491)
Net Assets, Beginning of Year	<u>151,044</u>
Net Assets, End of Year	<u>\$ 142,553</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, 2011**

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.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. 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, 2011**

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 financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. 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 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. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

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.

TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 major capital facilities and other capital assets.

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.

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.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2009-2010 and 2010-2011 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.

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.

TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Property, plant, and equipment 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

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.

TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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*

Beginning with fiscal year 2011, the District implemented GASB Statement 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.

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 2011/2012 original budget certified for taxes.

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, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

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

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

TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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)

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 Trustees 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 2011/2012 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 assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

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, 2011**

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 \$21,006,252 difference are as follows:

Bonds Payable	\$ 16,565,000
Add: Issuance Premium (to be amortized over life of debt)	43,955
Less: Deferred Charge on Refunding (to be amortized over life of debt)	(283,405)
Less: Deferred Charge for Issuance Costs (to be amortized over life of debt)	(307,546)
Obligations Under Lease Purchase Agreement	1,286,000
Capital Leases Payable	359,213
Claims and Judgements	8,500
Compensated Absences	<u>3,334,535</u>
Net Adjustment to Reduce Fund Balance -	
Total Governmental Funds to Arrive at	
Net Assets - Governmental Activities	<u>\$ 21,006,252</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 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 2010/2011. During 2010/2011 the Board increased the original budget by \$2,483,880. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Deficit Fund Equity

The Community School Enterprise Fund has a cumulative net assets deficit of \$17,976 as of June 30, 2011. The District plans to eliminate this deficit through the operations of the Community School in 2011-12.

C. Capital Reserve

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

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2011 is as follows:

Balance, July 1, 2010		\$	571,037
Deposits			
Interest Earnings	\$	4,029	
Project Balances Cancelled		<u>312,184</u>	
			<u>316,213</u>
			887,250
Withdrawals			
Approved by Voters in District Budget			<u>244,008</u>
Balance, June 30, 2011		\$	<u>643,242</u>

The June 30, 2011 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. 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, 2011 is \$2,078,607. Of this amount, \$177,435 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$1,901,172 will be appropriated in the 2012/2013 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 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

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, 2011, the book value of the Board's deposits was \$4,158,154 and bank balances of the Board's cash and deposits amounted to \$5,394,169. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 4,127,803
Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department in the Board's name	<u>1,266,366</u>
	<u>\$ 5,394,169</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, 2011 the Board's bank balance was not exposed to custodial credit risk.

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, 2011, the Board had no outstanding investments.

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

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2011 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	\$ 72,443	\$ 146,629		\$ 8,875	\$ 227,947
Intergovernmental	<u>439,902</u>	<u>1,125,079</u>	<u>\$ 4,276,438</u>	<u>38,958</u>	<u>5,880,377</u>
Gross Receivables	512,345	1,271,708	4,276,438	47,833	6,108,324
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 512,345</u>	<u>\$ 1,271,708</u>	<u>\$ 4,276,438</u>	<u>\$ 47,833</u>	<u>\$ 6,108,324</u>

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	\$65,422
Grant Drawdowns Reserved for Encumbrances	5,375
Capital Projects Fund	
Unrealized School Facility Grants	<u>63,534</u>
Total Deferred Revenue for Governmental Funds	<u>\$134,331</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Prior Period Adjustment	Increases	Decreases	Balance, June 30, 2011
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,601,471				\$ 1,601,471
Construction in Progress	170,077	-	\$ 593,938	\$ (346,620)	417,395
Total Capital Assets, Not Being Depreciated	<u>1,771,548</u>	<u>-</u>	<u>593,938</u>	<u>(346,620)</u>	<u>2,018,866</u>
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	48,195,479	\$ 1,798,525	346,620		50,340,624
Improvements Other Than Buildings	5,082,679	(1,507,077)			3,575,602
Machinery and Equipment	6,302,820	(3,204,629)	134,407	-	3,232,598
Total Capital Assets Being Depreciated	<u>59,580,978</u>	<u>(2,913,181)</u>	<u>481,027</u>	<u>-</u>	<u>57,148,824</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(13,152,457)	(85,621)	(977,065)		(14,215,143)
Improvements Other Than Buildings	(2,835,765)	66,094	(64,819)		(2,834,490)
Machinery and Equipment	(4,834,080)	2,817,093	(228,469)	-	(2,245,456)
Total Accumulated Depreciation	<u>(20,822,302)</u>	<u>2,797,566</u>	<u>(1,270,353)</u>	<u>-</u>	<u>(19,295,089)</u>
Total Capital Assets, Being Depreciated, Net	<u>38,758,676</u>	<u>(115,615)</u>	<u>(789,326)</u>	<u>-</u>	<u>37,853,735</u>
Governmental Activities Capital Assets, Net	<u>\$ 40,530,224</u>	<u>\$ (115,615)</u>	<u>\$ (195,388)</u>	<u>\$ (346,620)</u>	<u>\$39,872,601</u>
	Balance, July 1, 2010	Increases	Decreases	Balance, June 30, 2011	
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 430,749	-	\$ (34,250)	\$ 396,499	
Total Capital Assets Being Depreciated	<u>430,749</u>	<u>-</u>	<u>(34,250)</u>	<u>396,499</u>	
Less Accumulated Depreciation for:					
Machinery and Equipment	(297,796)	\$ (23,973)	26,503	(295,266)	
Total Accumulated Depreciation	<u>(297,796)</u>	<u>(23,973)</u>	<u>26,503</u>	<u>(295,266)</u>	
Total Capital Assets, Being Depreciated, Net	<u>132,953</u>	<u>(23,973)</u>	<u>(7,747)</u>	<u>101,233</u>	
Business-Type Activities Capital Assets, Net	<u>\$ 132,953</u>	<u>\$ (23,973)</u>	<u>\$ (7,747)</u>	<u>\$ 101,233</u>	

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 55,393
Total Instruction	55,393
Support Services	
Student and Instruction Related Services	104,652
Operations and Maintenance of Plant	1,110,308
Total Support Services	1,214,960
Total Depreciation Expense - Governmental Activities	\$ 1,270,353

Business-Type Activities:

Food Service Fund	\$ 23,973
Total Depreciation Expense-Business-Type Activities	\$ 23,973

Construction Commitments

The District has the following active construction projects as of June 30, 2011:

<u>Project</u>	<u>Estimated Commitment</u>
Eugene Field Roof	\$ 53,970
Teaneck High School Roof	940,075
	\$ 994,045

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 899,617
General Fund	Capital Projects Fund	4,140,335
General Fund	Food Service - Enterprise Fund	21,298
		<u>\$ 5,061,250</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 except for the interfunds with the capital projects. The interfunds with the capital projects will remain until funds are received from NJSDA for facilities projects and/or these costs are permanently financed.

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 244,008	\$ 244,008
Capital Projects Fund	<u>\$ 312,247</u>	<u>-</u>	<u>312,247</u>
	<u>\$ 312,247</u>	<u>\$ 244,008</u>	<u>\$ 556,255</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, 2011**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases (Continued)

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 future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

<u>Year Ending June 30</u>	<u>Capital Lease</u>
2012	\$ 89,268
2013	89,268
2014	89,268
2015	89,268
2016	<u>44,634</u>
Total Minimum Lease Payments	401,706
Less: Amount Representing Interest	<u>(42,493)</u>
Present Value of Minimum Lease Payments	<u>\$ 359,213</u>

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

<u>Year Ended June 30,</u>	<u>Lease Purchase</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 242,213	\$ 36,532	\$ 278,745
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>\$ 1,286,000</u>	<u>\$ 107,725</u>	<u>\$ 1,393,725</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Capital Leases (Continued)

The capital assets acquired through lease purchase are as follows:

	<u>Governmental Activities</u>
Construction in Progress	\$ <u>68,600</u>

The unexpended proceeds from the facilities capital lease totaling \$1,266,366 at June 30, 2011 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. 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, 2011 are comprised of the following issues:

\$11,816,000, 2001 Bonds, due in annual installments of \$265,000 to \$550,000 through July 15, 2014, interest at 4.875%	\$1,465,000
\$4,270,000, 2003 Refunding Bonds, due in annual installments of \$390,000 to \$420,000 through July 1, 2014, interest at 3.70% to 4.00%	1,625,000
\$6,450,000 2003 Pension Refunding Bonds, due in annual installments of \$325,000 to \$545,000 through July 1, 2020, interest at 4.625% to 5.625%	4,255,000
\$9,305,000, 2006 Refunding Bonds, due in annual installments of \$25,000 to \$580,000 through July 15, 2030, interest at 3.75% to 4.50%	<u>9,220,000</u>
	<u>\$16,565,000</u>

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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:

Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 1,035,000	\$ 747,863	\$ 1,782,863
2013	1,085,000	700,784	1,785,784
2014	1,140,000	649,891	1,789,891
2015	1,355,000	592,325	1,947,325
2016	985,000	537,647	1,522,647
2017-2021	5,305,000	1,931,213	7,236,213
2022-2026	2,850,000	952,389	3,802,389
2027-2031	<u>2,810,000</u>	<u>314,551</u>	<u>3,124,551</u>
	<u>\$ 16,565,000</u>	<u>\$ 6,426,663</u>	<u>\$ 22,991,663</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 243,822,451
Less: Net Debt	<u>16,565,000</u>
Remaining Borrowing Power	<u>\$ 227,257,451</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, 2011**

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, 2011, was as follows:

	Balance, <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2011</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 17,545,000		\$ 980,000	\$ 16,565,000	\$ 1,035,000
Add: Unamortized Premium	46,054		2,099	43,955	
Less: Unamortized Amount on Refunding	<u>(296,939)</u>	<u>-</u>	<u>(13,534)</u>	<u>(283,405)</u>	<u>-</u>
	17,294,115	-	968,565	16,325,550	1,035,000
Capital Leases		\$ 394,390	35,177	359,213	73,032
Obligations Under Lease Purchase		1,286,000		1,286,000	242,213
Claims and Judgments	17,157	1,193	9,850	8,500	
Compensated Absences	<u>3,383,352</u>	<u>-</u>	<u>48,817</u>	<u>3,334,535</u>	<u>200,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 20,694,624</u>	<u>\$ 1,681,583</u>	<u>\$ 1,062,409</u>	<u>\$ 21,313,798</u>	<u>\$ 1,550,245</u>

For the governmental activities, 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, 2011**

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.

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2011, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$8,500 reported at June 30, 2011 is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the workmen's compensation plan for the fiscal years ended June 30, 2011 and 2010 are as follows:

Governmental Activities:	<u>Fiscal Year Ended</u>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 17,157	\$ 16,563
Incurred Claims (Including IBNR's)	1,193	9,052
Claim Payments	<u>(9,850)</u>	<u>(8,458)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 8,500</u>	<u>\$ 17,157</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, 2011**

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, 2011, 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, 2011, 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, 2011**

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 8 to 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, 2011**

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. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

**TEANECK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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 June 30, 2009 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 5.74 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 5.5% for PERS, 5.5% 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, 2011 for TPAF, which is a cost sharing plan with special funding situations, 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, 2011**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the years ended June 30, 2011, 2010 and 2009 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:

Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2011	\$ 1,101,298	\$ 114,219	\$ 1,381
2010	877,810	122,336	
2009	736,321	113,677	

During the last three fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$114,219, \$122,336 and \$113,677 during 2010/2011, 2009/2010 and 2008/2009, 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 \$2,587,250 during the year ended June 30, 2011 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 514 state and local participating employers and contributing entities for Fiscal Year 2010.

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, 2011**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Health Benefits Program Fund (HBP) – 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. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

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 June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB 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, 2011**

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 June 30, 2009, 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, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 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 \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

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, 2011, 2010 and 2009 were \$2,426,020, \$2,297,645 and \$2,168,674, 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.

F. Prior Period Adjustment

The District conducted an update and appraisal of its capital assets during the 2010/2011 school year. The update and appraisal was conducted by an independent appraisal company hired by the Board. The capital asset report valued all capital assets and their estimated historical cost through back trending and other acceptable methods. The District recorded a prior period adjustment to its July 1, 2010 capital assets values, including accumulated depreciation amounts, to reflect the amounts reported in the capital asset appraisal report.

BUDGETARY COMPARISON SCHEDULES

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 77,452,263		\$ 77,452,263	\$ 77,452,263	
Tuition - Intergovernmental	122,666		122,666	183,867	\$ 61,201
Interest on Capital Reserve	6,500		6,500	4,029	(2,471)
Interest	25,100		25,100	47,066	21,966
Rentals	22,200		22,200	35,651	13,451
Miscellaneous	332,352	-	332,352	156,554	(175,798)
Total Local Sources	77,961,081	-	77,961,081	77,879,430	(81,651)
State Sources					
Special Education Categorical Aid	2,438,809		2,438,809	2,438,809	
Security Aid	665,517		665,517	665,517	
Extraordinary Aid	550,000		550,000	1,793,858	1,243,858
Nonpublic Transportation Aid				184,262	184,262
TPAF Pension - Non Contributory Insurance (Non-Budget)				114,219	114,219
TPAF Pension - Post Retirement Contributions (Non-Budget)				2,426,020	2,426,020
TPAF Social Security Contributions (Non-Budget)	-	-	-	2,587,250	2,587,250
Total State Sources	3,654,326	-	3,654,326	10,209,935	6,555,609
Federal Sources					
Medicaid Reimbursement Program	60,337	-	60,337	52,899	(7,438)
Total Revenues	81,675,744	-	81,675,744	88,142,264	6,466,520
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,484,963	\$ (15,385)	1,469,578	1,362,422	107,156
Grades 1-5	6,477,268	(116,208)	6,361,060	6,194,844	166,216
Grades 6-8	5,948,342	(148,721)	5,799,621	5,533,406	266,215
Grades 9-12	7,832,171	(173,470)	7,658,701	7,535,790	122,911
Regular Programs - Home Instruction					
Salaries of Teachers	3,000		3,000		3,000
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	63,701	-	63,701	61,969	1,732
Purchased Professional-Educational Svcs.	3,000	1,825	4,825	3,160	1,665
Purchased Technical Services	20,000	(2,666)	17,334	12,477	4,857
Other Purchased Services	171,255	65,804	237,059	190,483	46,576
General Supplies	780,889	(111,231)	669,658	493,740	175,918
Textbooks	49,013	4,669	53,682	24,081	29,601
Other Objects	8,875	90	8,965	428	8,537
Total Regular Programs	22,842,477	(495,293)	22,347,184	21,412,800	934,384
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	856,596	30,864	887,460	871,897	15,563
Other Salaries for Instruction	379,528	36,585	416,113	414,500	1,613
General Supplies	1,500	(1,500)	-	-	-
Total Learning / Language Disabilities	1,237,624	65,949	1,303,573	1,286,397	17,176

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 49,860	\$ 5,500	\$ 55,360	\$ 55,360	
Other Salaries for Instruction	73,584	(36,792)	36,792	36,792	-
Total Behavioral Disabilities	123,444	(31,292)	92,152	92,152	-
Multiple Disabilities					
Salaries of Teachers	201,285	(40,691)	160,594	160,594	
Other Salaries for Instruction	180,760	(44,078)	136,682	134,217	\$ 2,465
General Supplies	12,000	(10,000)	2,000	293	1,707
Total Multiple Disabilities	394,045	(94,769)	299,276	295,104	4,172
Resource Room / Resource Center					
Salaries of Teachers	3,454,896	117,364	3,572,260	3,557,761	14,499
Other Salaries for Instruction	73,584	14,717	88,301	88,301	
General Supplies	16,500	(14,000)	2,500	1,338	1,162
Total Resource Room / Resource Center	3,544,980	118,081	3,663,061	3,647,400	15,661
Autism					
Salaries of Teachers	320,852	(74,267)	246,585	246,585	
Other Salaries for Instruction	221,528	(1,336)	220,192	215,409	4,783
General Supplies	2,000	-	2,000	483	1,517
Total Autism	544,380	(75,603)	468,777	462,477	6,300
Preschool Disabilities - Part - Time					
Salaries of Teachers	117,180		117,180	117,180	
Other Salaries for Instruction	91,980	129,594	221,574	221,574	-
Total Preschool Disabilities - Part - Time	209,160	129,594	338,754	338,754	-
Preschool Disabilities - Full - Time					
Salaries of Teachers	135,900		135,900	135,900	
Other Salaries for Instruction	165,564	(91,980)	73,584	73,584	
General Supplies	1,000	-	1,000	963	37
Total Preschool Disabilities - Full - Time	302,464	(91,980)	210,484	210,447	37
Home Instruction					
Salaries of Teachers	168,000	1,481	169,481	169,481	
Purchased Professional-Educational Svcs.	50,000	(25,421)	24,579	13,785	10,794
Total Home Instruction	218,000	(23,940)	194,060	183,266	10,794
Total Special Education	6,574,097	(3,960)	6,570,137	6,515,997	54,140

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>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	\$ 1,893,039	\$ (169,787)	\$ 1,723,252	\$ 1,688,638	\$ 34,614
Other Salaries for Instruction	39,946	(39,946)	-	-	-
Total Basic Skills/Remedial	1,932,985	(209,733)	1,723,252	1,688,638	34,614
Bilingual Education					
Salaries of Teachers	370,449	20,947	391,396	391,396	
General Supplies	-	1,794	1,794	1,793	1
Total Bilingual Education	370,449	22,741	393,190	393,189	1
School Sponsored Co-Curricular Activities					
Salaries	77,072	76,694	153,766	153,153	613
Purchased Services	4,500	(3,000)	1,500	1,414	86
Supplies and Materials	12,000	(825)	11,175	8,540	2,635
Other Objects	9,000	425	9,425	6,838	2,587
Total School Sponsored Co-Curricular Activities	102,572	73,294	175,866	169,945	5,921
School Sponsored Athletics - Instruction					
Salaries	425,482	20,968	446,450	425,243	21,207
Purchased Services	65,075	6,198	71,273	38,437	32,836
Supplies and Materials	71,390		71,390	66,414	4,976
Other Objects	25,000		25,000	14,037	10,963
Transfers to Cover Deficit	70,000	-	70,000	69,999	1
Total School Sponsored Athletics - Instruction	656,947	27,166	684,113	614,130	69,983
Before and After School Programs - Instruction					
Salaries					
Supplies	-	13,532	13,532	13,532	-
Total Before and After School Programs - Instruction	-	13,532	13,532	13,532	-
Before and After School Programs - Support					
Salaries		13,852	13,852	8,787	5,065
Supplies and Materials		3,055	3,055	3,000	55
Other Employee Benefits	-	1,148	1,148	-	1,148
Total Before and After School Programs - Support	-	18,055	18,055	11,787	6,268
Total - Instruction	32,479,527	(554,198)	31,925,329	30,820,018	1,105,311
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular		23,159	23,159	23,159	
Tuition - Other LEA's Within State - Special	1,515,129	(226,403)	1,288,726	1,242,442	46,284
Tuition to County Voc. School Dist.-Regular	581,160	(5,247)	575,913	573,902	2,011
Tuition to County Voc. School Dist.-Special	333,500	(62,058)	271,442	271,442	
Tuition to CSSD & Reg. Day Schools	2,036,400	10,675	2,047,075	1,939,275	107,800
Tuition to Private Schools - Disabled Within State	2,295,187	322,733	2,617,920	2,573,331	44,589
Tuition to Private Schools - Disabled Outside State	321,545	(133,193)	188,352	188,351	1
Tuition - State Facilities	79,470	(38,000)	41,470	35,398	6,072
Tuition - Other	78,000	(39,000)	39,000	13,296	25,704
Total Undistributed Expenditures - Instruction	7,240,391	(147,334)	7,093,057	6,860,596	232,461

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>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	\$ 150,208	\$ (3,499)	\$ 146,709	\$ 145,368	\$ 1,341
Purchased Professional and Technical Svcs.	136,000	7,477	143,477	131,394	12,083
Other Purchased Services	1,740	-	1,740	1,740	-
Total Attendance and Social Work Services	287,948	3,978	291,926	278,502	13,424
Health Services					
Salaries	679,232	4,720	683,952	683,952	
Purchased Professional and Technical Svcs.	130,000	15,900	145,900	141,628	4,272
Other Purchased Services	1,000	(238)	762	612	150
Supplies and Materials	9,150	(4,121)	5,029	5,029	-
Total Health Services	819,382	16,261	835,643	831,221	4,422
Other Support Services - Students - Speech, OT, PT and Related Services					
Salaries	598,997	64,379	663,376	663,376	
Purchased Professional-Educational Services	933,000	221,653	1,154,653	1,085,858	68,795
Supplies and Materials	2,000	(1,581)	419	419	-
Total Other Support Services - Students - Speech, OT, PT and Related Services	1,533,997	284,451	1,818,448	1,749,653	68,795
Other Support Services-Students-Extra Serv.					
Salaries	476,696	105,287	581,983	577,450	4,533
Purchased Professional-Educational Services	265,000	(4,640)	260,360	182,714	77,646
Total Other Support Services-Extra Serv.	741,696	100,647	842,343	760,164	82,179
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	1,618,702	2,843	1,621,545	1,581,870	39,675
Salaries of Secretarial and Clerical Assistants	297,700	(51,617)	246,083	246,083	
Other Salaries	75,116		75,116	73,164	1,952
Purchased Professional-Educational Services	1,000		1,000		1,000
Other Purchased Prof. and Tech. Services	4,000		4,000	2,023	1,977
Other Purchased Services	4,205	2,665	6,870	877	5,993
Supplies and Materials	34,205	(5,227)	28,978	11,619	17,359
Total Other Support Services-Students-Guidance	2,034,928	(51,336)	1,983,592	1,915,636	67,956
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	1,744,134	(115,053)	1,629,081	1,485,187	143,894
Salaries of Secretarial and Clerical Assistants	118,020		118,020	112,231	5,789
Purchased Professional-Educational Services	120,600	93,487	214,087	125,039	89,048
Other Purchased Prof. and Tech. Services	16,000	(10,335)	5,665	4,795	870
Other Purchased Services	24,325	(10,681)	13,644	10,648	2,996
Residential Costs	205,551	(17,285)	188,266	188,266	
Supplies and Materials	12,000	(1,000)	11,000	9,524	1,476
Total Other Support Services - Students - Child Study Team	2,240,630	(60,867)	2,179,763	1,935,690	244,073

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>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	\$ 437,679	\$ (16,031)	\$ 421,648	\$ 393,357	\$ 28,291
Salaries of Other Professional Staff	37,000	(14,224)	22,776	16,790	5,986
Salaries of Secretarial and Clerical Assistants	218,631	2,064	220,695	220,695	
Other Salaries	1,600	16,361	17,961	17,428	533
Purchased Professional-Educational Services	62,300		62,300	13,275	49,025
Other Purchased Services	11,800		11,800	10,650	1,150
Supplies and Materials	14,500	-	14,500	5,186	9,314
Total Improvement of Instruction Services	<u>783,510</u>	<u>(11,830)</u>	<u>771,680</u>	<u>677,381</u>	<u>94,299</u>
Educational Media Services/School Library					
Salaries	389,381	12,664	402,045	402,045	-
Purchased Professional and Technical Services	50,000	27,649	77,649	71,086	6,563
Supplies and Materials	38,270	(23,812)	14,458	8,511	5,947
Total Educational Media Services/School Library	<u>477,651</u>	<u>16,501</u>	<u>494,152</u>	<u>481,642</u>	<u>12,510</u>
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	432,314	(7,427)	424,887	417,261	7,626
Salaries of Other Professional Staff	106,366		106,366	33,565	72,801
Salaries of Secretarial and Clerical Assistants	129,025	1	129,026	129,026	
Other Salaries	8,000	5,692	13,692	13,692	
Purchased Professional-Educational Svcs.	27,700	(15,000)	12,700	232	12,468
Other Purchased Services	31,300	(17,500)	13,800	1,845	11,955
Supplies and Materials	16,500		16,500	84	16,416
Other Objects	4,449	18,616	23,065	19,130	3,935
Total Instructional Staff Training Services	<u>755,654</u>	<u>(15,618)</u>	<u>740,036</u>	<u>614,835</u>	<u>125,201</u>
Support Services General Administration					
Salaries	359,765	(108,472)	251,293	251,293	
Legal Services	260,000	72,373	332,373	332,181	192
Audit Fees	45,000	11,179	56,179	56,144	35
Architectural/Engineering Services		76,782	76,782	14,934	61,848
Purchased Technical Services	16,675	(517)	16,158	16,158	
Communications/Telephone	120,000	(55,912)	64,088	64,088	
BOE Other Purchased Services	9,500	(9,253)	247	247	
Other Purchased Services	197,782	(29,783)	167,999	167,733	266
General Supplies	10,500	(4,764)	5,736	5,736	
BOE In-House Training/Meeting Supplies	6,000	(3,483)	2,517	2,517	
Judgments Against the School District	75,000	84,090	159,090	159,090	
Miscellaneous Expenditures	18,000	(8,877)	9,123	9,033	90
BOE Membership Dues and Fees	36,000	(3,062)	32,938	32,938	-
Total Support Services General Administration	<u>1,154,222</u>	<u>20,301</u>	<u>1,174,523</u>	<u>1,112,092</u>	<u>62,431</u>

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>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	\$ 1,460,737	\$ 234,462	\$ 1,695,199	\$ 1,693,627	\$ 1,572
Salaries of Other Professional Staff	200,838	(10,934)	189,904	189,904	
Salaries of Secretarial and Clerical Assistants	1,123,094	64,782	1,187,876	1,163,201	24,675
Other Purchased Service	37,269	(375)	36,894	33,667	3,227
Supplies and Materials	75,524	(3,393)	72,131	53,601	18,530
Other Objects	900	1,069	1,969	1,904	65
Total Support Services School Administration	<u>2,898,362</u>	<u>285,611</u>	<u>3,183,973</u>	<u>3,135,904</u>	<u>48,069</u>
Central Services					
Salaries	674,745	24,598	699,343	698,911	432
Purchased Professional Services		2,180	2,180	2,180	
Purchased Technical Services	39,000	21,642	60,642	53,642	7,000
Misc. Purchased Services	70,500	(9,013)	61,487	38,825	22,662
Supplies and Materials	27,000	(7,236)	19,764	9,116	10,648
Other Objects	2,000	-	2,000	1,920	80
Total Central Services	<u>813,245</u>	<u>32,171</u>	<u>845,416</u>	<u>804,594</u>	<u>40,822</u>
Admin. Info. Tech					
Salaries	381,206	99,567	480,773	480,773	
Purchased Technical Services	85,700	10,842	96,542	94,399	2,143
Other Purchased Services	10,490	15,951	26,441	26,441	
Supplies and Materials	70,000	(21,555)	48,445	48,320	125
Total Admin. Info. Tech.	<u>547,396</u>	<u>104,805</u>	<u>652,201</u>	<u>649,933</u>	<u>2,268</u>
Required Maintenance for School Facilities					
Salaries	611,302		611,302	603,829	7,473
Cleaning, Repair & Maintenance Services	295,500	63,230	358,730	320,508	38,222
Miscellaneous Purchased Services		6,920	6,920	3,609	3,311
General Supplies	232,000	(41,809)	190,191	170,567	19,624
Total Required Maintenance for School Facilities	<u>1,138,802</u>	<u>28,341</u>	<u>1,167,143</u>	<u>1,098,513</u>	<u>68,630</u>
Custodial Services					
Salaries	3,178,503	(589,044)	2,589,459	2,535,932	53,527
Salaries of Non-Instructional Aides		411,131	411,131	410,212	919
Purchased Professional and Technical Services	56,000	118,507	174,507	150,097	24,410
Cleaning, Repair & Maintenance Services	295,800	9,386	305,186	268,039	37,147
Other Purchased Property Services	56,000	15,000	71,000	69,315	1,685
Insurance	360,000		360,000	341,095	18,905
Miscellaneous Purchased Services	7,100		7,100	4,900	2,200
General Supplies	266,000	(300)	265,700	244,157	21,543
Energy (Natural Gas)	310,000	(30,000)	280,000	206,314	73,686
Energy (Electricity)	900,000	(15,000)	885,000	798,421	86,579
Energy (Oil)	412,500	30,000	442,500	411,097	31,403
Other Objects	7,150	(30)	7,120	6,233	887
Total Custodial Services	<u>5,849,053</u>	<u>(50,350)</u>	<u>5,798,703</u>	<u>5,445,812</u>	<u>352,891</u>
Care and Upkeep of Grounds					
Salaries	389,229	-	389,229	359,816	29,413
Total Care and Upkeep of Grounds	<u>389,229</u>	<u>-</u>	<u>389,229</u>	<u>359,816</u>	<u>29,413</u>

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Salaries		\$ 21,378	\$ 21,378	\$ 21,378	
Purchased Professional and Technical Services	\$ 205,000	-	205,000	176,331	\$ 28,669
Total Security	205,000	21,378	226,378	197,709	28,669
Student Transportation Services					
Salaries of Non-Instructional Aides		1,800	1,800	1,260	540
Salaries for Pupil Transportation (Between Home and School) - Regular	45,616	72,450	118,066	24,927	93,139
Salaries for Pupil Transportation (Between Home and School) - Special	4,054	18,740	22,794	22,770	24
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	39,864	1	39,865	39,570	295
Other Purchased Prof. and Technical Serv.	10,500	5,017	15,517	15,416	101
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	443,800	(131,977)	311,823	301,161	10,662
Contracted Services (Between Home and School) - Vendors	1,612,300	280,400	1,892,700	1,830,028	62,672
Contracted Services (Other Than Between Home and School) - Vendors	227,206	976	228,182	139,576	88,606
Contracted Services (Spec Ed) - Vendors	644,300	(30,223)	614,077	591,427	22,650
Contracted Services (Reg. Students) - ESCs & CTSAs	953,000	(12,800)	940,200	875,718	64,482
Contracted Services (Spl. Ed. Students)-ESCs & CTSAs	1,307,400	(191,990)	1,115,410	918,810	196,600
General Supplies	1,500	-	1,500	956	544
Total Student Transportation Services	5,289,540	12,394	5,301,934	4,761,619	540,315
Allocated Benefits					
Regular Programs - Instruction - Employee Benefits					
Group Insurance	157,388		157,388	122,504	34,884
Social Security Contributions	40,286		40,286		40,286
Other Retirement Contributions - Regular	39,318	5,000	44,318		44,318
Unemployment Compensation	55,224	15,000	70,224	65,769	4,455
Workmen's Compensation	241,605		241,605	184,401	57,204
Health Benefits	3,904,681	(181,126)	3,723,555	3,518,282	205,273
Tuition Reimbursements	167,404	318	167,722	164,816	2,906
Other Employee Benefits	138,980	42,269	181,249	181,249	-
Total Regular Programs - Instruction - Employee Benefits	4,744,886	(118,539)	4,626,347	4,237,021	389,326
Special Programs - Instruction - Employee Benefits					
Group Insurance	67,682		67,682	67,682	
Social Security Contributions	133,230		133,230	97,676	35,554
Other Retirement Contributions - Regular	130,026		130,026	128,213	1,813
Unemployment Compensation	23,748		23,748	22,637	1,111
Workmen's Compensation	103,897		103,897	103,897	
Health Benefits	1,758,778		1,758,778	1,703,611	55,167
Tuition Reimbursement	56,530		56,530	56,530	
Other Employee Benefits	59,766	-	59,766	59,766	-
Total Special Programs - Instruction - Employee Benefits	2,333,657	-	2,333,657	2,240,012	93,645
Other Instructional Programs - Instruction - Employee Benefits					
Group Insurance	684	-	684	684	
Social Security Contributions	6,882	-	6,882	6,882	
Other Retirement Contributions - Regular	6,717	-	6,717	1,917	4,800
Unemployment Compensation	240	-	240	240	
Workmen's Compensation	1,050	-	1,050	1,050	
Health Benefits	19,720	-	19,720	19,720	
Other Employee Benefits	604	-	604	604	-
Total Other Instructional Programs - Instruction - Employee Bene	35,897	-	35,897	31,097	4,800

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>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 - Employee Benefits					
Group Insurance	\$ 1,744		\$ 1,744	\$ 1,744	
Social Security Contributions	8,243		8,243	8,243	
Other Retirement Contributions - Regular	8,044		8,044	8,044	
Unemployment Compensation	612		612	612	
Workmen's Compensation	2,678		2,678	2,678	
Health Benefits	29,353		29,353	29,353	
Tuition Reimbursement	714		714		\$ 714
Other Employee Benefits	1,540	-	1,540	1,540	-
Total Attendance and Social Work Services - Employee Benefits	52,928	-	52,928	52,214	714
Health Services - Employee Benefits					
Group Insurance	5,164		5,164	5,164	
Social Security Contributions	4,133		4,133	4,133	
Other Retirement Contributions - Regular	4,034		4,034	4,034	
Unemployment Compensation	1,812		1,812	1,812	
Workmen's Compensation	7,928		7,928	7,928	
Health Benefits	148,886		148,886	148,886	
Tuition Reimbursement	4,526		4,526	4,526	
Other Employee Benefits	4,560	-	4,560	4,560	-
Total Health Services - Employee Benefits	181,043	-	181,043	181,043	-
Other Support Serv.-Speech, OT, PT and Rel. Svc. - Employee Benefits					
Group Insurance	3,830		3,830	3,830	
Unemployment Compensation	1,344		1,344	1,344	
Workmen's Compensation	5,880		5,880	5,880	
Health Benefits	110,432		110,432	110,432	
Tuition Reimbursement	3,901		3,901	3,901	
Other Employee Benefits	3,382	-	3,382	3,382	-
Total Other Support Serv.-Speech, OT, PT and Rel. Svc. - Employee Benefits	128,769	-	128,769	128,769	-
Other Support Serv. - Students - Extraordinary Serv. - Employee Benefits					
Group Insurance	6,053		6,053	6,053	
Social Security Contributions	52,311		52,311	52,311	
Other Retirement Contributions - Regular	51,053		51,053	51,053	
Unemployment Compensation	2,124		2,124	2,124	
Workmen's Compensation	9,293		9,293	9,293	
Health Benefits	174,522		174,522	174,522	
Other Employee Benefits	5,345	-	5,345	5,345	-
Total Other Support Serv. - Students - Extraordinary Serv. - Employee Benefits	300,701	-	300,701	300,701	-
Other Support Services - Guidance - Employee Benefits					
Group Insurance	12,244		12,244	12,244	
Social Security Contributions	40,719		40,719	40,719	
Other Retirement Contributions - Regular	39,740		39,740	39,740	
Unemployment Compensation	4,296		4,296	4,296	
Workmen's Compensation	18,795		18,795	18,795	
Health Benefits	350,795		350,795	350,795	
Tuition Reimbursement	12,249		12,249	12,249	
Other Employee Benefits	10,812	-	10,812	10,812	-
Total Other Support Services - Guidance - Employee Benefits	489,650	-	489,650	489,650	-

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Child Study Teams - Employee Benefits					
Group Insurance	\$ 10,397		\$ 10,397	\$ 10,397	
Social Security Contributions	20,256		20,256	20,256	
Other Retirement Contributions - Regular	19,769		19,769	19,769	
Unemployment Compensation	3,648		3,648	3,648	
Workmen's Compensation	15,960		15,960	15,960	
Health Benefits	280,999		280,999	280,999	
Tuition Reimbursement	11,936		11,936	11,936	
Other Employee Benefits	9,180	-	9,180	9,180	-
Total Other Support Serv. - Child Study Teams Employee Benefits	372,145	-	372,145	372,145	-
Improvement of Instruction Services - Employee Benefits					
Group Insurance	4,036		4,036	4,036	
Social Security Contributions	23,453		23,453	23,453	
Other Retirement Contributions - Regular	22,888		22,888	22,888	
Unemployment Compensation	1,416		1,416	1,416	
Workmen's Compensation	6,195		6,195	6,195	
Health Benefits	93,663		93,663	93,663	
Tuition Reimbursement	4,372		4,372	4,372	
Other Employee Benefits	3,563	-	3,563	3,563	-
Total Improvement of Instruction Services - Employee Benefits	159,586	-	159,586	159,586	-
Educational Media Services - School Library - Employee Benefits					
Group Insurance	4,309		4,309	4,309	
Social Security Contributions	16,150		16,150	16,150	
Other Retirement Contributions - Regular	15,761		15,761	15,761	
Unemployment Compensation	1,512		1,512	1,512	
Workmen's Compensation	6,615		6,615	6,615	
Health Benefits	95,527		95,527	95,527	
Tuition Reimbursement	2,941		2,941	2,941	
Other Employee Benefits	3,805	-	3,805	3,805	-
Total Educational Media Services - School Library - Employee Benefits	146,620	-	146,620	146,620	-
Instructional Staff Training Services - Employee Benefits					
Group Insurance	3,078	-	3,078	3,078	
Social Security Contributions	13,879	-	13,879	13,879	
Other Retirement Contributions - Regular	13,545	-	13,545	13,545	
Unemployment Compensation	1,080	-	1,080	1,080	
Workmen's Compensation	4,725	-	4,725	4,725	
Health Benefits	66,559	-	66,559	66,559	
Tuition Reimbursement	4,120	-	4,120	4,120	
Other Employee Benefits	2,718	-	2,718	2,718	-
Total Instructional Staff Training Services-Employee Benefits	109,704	-	109,704	109,704	-

**TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services - General Administration - Employee Benefits					
Group Insurance	\$ 1,813		\$ 1,813	\$ 1,813	
Social Security Contributions	17,276		17,276	17,276	
Other Retirement Contributions - Regular	16,861	\$ (5,000)	11,861	11,861	
Unemployment Compensation	636		636	636	
Workmen's Compensation	2,782		2,782	2,782	
Health Benefits	21,198	(2)	21,196	21,196	
Tuition Reimbursement	1,683	(389)	1,294		\$ 1,294
Other Employee Benefits	1,601	-	1,601	1,601	-
Total Support Services - General Administration Employee Benefits	63,850	(5,391)	58,459	57,165	1,294
Support Services - School Administration - Employee Benefits					
Group Insurance	20,383		20,383	20,383	
Social Security Contributions	138,584	1	138,585	138,585	
Other Retirement Contributions - Regular	135,251		135,251	135,251	
Unemployment Compensation	7,152		7,152	7,152	
Workmen's Compensation	31,290		31,290	31,290	
Health Benefits	506,907		506,907	506,907	
Tuition Reimbursement	13,181		13,181	2,421	10,760
Other Employee Benefits	17,999	-	17,999	17,999	-
Total Support Services - School Administration	870,747	1	870,748	859,988	10,760
Support Services - Central Services - Employee Benefits					
Group Insurance	5,267		5,267	5,267	
Social Security Contributions	62,317		62,317	62,317	
Other Retirement Contributions - Regular	60,819		60,819	60,819	
Unemployment Compensation	1,848		1,848	1,848	
Workmen's Compensation	8,085		8,085	8,085	
Health Benefits	143,448		143,448	143,448	
Tuition Reimbursement	1,063		1,063		1,063
Other Employee Benefits	4,651	-	4,651	4,651	-
Total Support Services - Central Services - Employee Benefits	287,498	-	287,498	286,435	1,063
Support Services - Admin. Info. Tech. - Employee Benefits					
Group Insurance	3,899		3,899	3,899	
Social Security Contributions	50,722		50,722	50,722	
Other Retirement Contributions - Regular	49,502		49,502	49,502	
Unemployment Compensation	1,368		1,368	1,368	
Workmen's Compensation	5,985		5,985	5,985	
Health Benefits	99,860		99,860	99,860	
Other Employee Benefits	3,443	-	3,443	3,443	-
Total Support Services - Admin. Info. Tech. - Employee Benefits	214,779	-	214,779	214,779	-
Operation and Maintenance of Plant Services - Employee Benefits					
Group Insurance	33,345		33,345	33,345	
Social Security Contributions	436,368		436,368	381,894	54,474
Other Retirement Contributions - Regular	425,872	51,298	477,170	477,170	
Unemployment Compensation	11,700		11,700	11,700	
Workmen's Compensation	51,188		51,188	51,188	
Health Benefits	875,752		875,752	875,752	
Other Employee Benefits	29,445	-	29,445	2,944	26,501
Total Operation and Maintenance of Plant Services - Employee Benefits	1,863,670	51,298	1,914,968	1,833,993	80,975

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services - Employee Benefits					
Group Insurance	\$ 684		\$ 684	\$ 684	
Social Security Contributions	16,190		16,190	16,190	
Other Retirement Contributions - Regular	15,800		15,800	15,800	
Unemployment Compensation	240		240	240	
Workmen's Compensation	1,050	\$ (1)	1,049	1,049	
Health Benefits	19,720		19,720	19,720	
Other Employee Benefits	604	-	604	604	-
Total Student Transportation Services	54,288	(1)	54,287	54,287	-
Total Allocated Benefits - Employee Benefits	12,410,418	(72,632)	12,337,786	11,755,209	\$ 582,577
Unallocated Benefits					
Social Security Contributions		13,298	13,298	-	13,298
Other Employee Benefits	-	53,997	53,997	23,026	30,971
Total Unallocated Benefits	-	67,295	67,295	23,026	44,269
TPAF Pension - Normal Contributions (Non-Budget)				114,219	(114,219)
TPAF Pension - Pnst Retirement Contributions (Non-Budget)				2,426,020	(2,426,020)
TPAF Social Security Contributions (Non-Budget)	-	-	-	2,587,250	(2,587,250)
Total On-Behalf Contributions	-	-	-	5,127,489	(5,127,489)
Total Undistributed Expenditures	47,611,054	584,167	48,195,221	50,577,036	(2,381,815)
Total Current Expenditures	80,090,581	29,969	80,120,550	81,397,054	(1,276,504)
CAPITAL OUTLAY EXPENDITURES					
Increase in Capital Reserve	6,500		6,500		6,500
Interest Deposit to Capital Reserve	6,500		6,500		6,500
Equipment					
Grades 9-12		5,170	5,170	5,170	
Undistributed Expenditures					
Instruction		5,007	5,007	5,007	
Support Serv. - Students - Spl.		14,810	14,810	14,536	274
Support Serv. - Inst. Staff					
General Administration					
School Administration		2,100	2,100		2,100
Admin. Info. Tech	115,000	4,593	119,593	111,881	7,712
Required Maintenance for School Facilities		20,250	20,250		20,250
Assets Acquired Under Capital Leases - Non-Budgeted	-	-	-	394,390	(394,390)
Total Equipment	128,000	51,930	179,930	530,984	(351,054)
Facilities Acquisition and Construction Serv.					
Other Objects	490	-	490	490	-
Total Facilities Acquisition and Construction Serv.	490	-	490	490	-
Total Capital Outlay	128,490	51,930	180,420	531,474	(351,054)
Transfer of Funds to Charter Schools	4,180,175	150,512	4,330,687	4,322,115	8,572
Total Expenditures	84,399,246	232,411	84,631,657	86,250,643	(1,618,986)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,723,502)	(232,411)	(2,955,913)	1,891,621	4,847,534

TEANECK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Other Financing Sources (Uses)					
Capital Lease Proceeds				\$ 394,390	\$ 394,390
Transfer In - Capital Projects				312,247	312,247
Transfer Out - Capital Reserve to Capital Projects	\$ (280,323)	-	\$ (280,323)	(244,008)	36,315
Total Other Financing Sources (Uses)	(280,323)	-	(280,323)	462,629	348,562
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,003,825)	\$ (232,411)	(3,236,236)	2,354,250	5,590,486
Fund Balances, Beginning of Year	6,478,988	-	6,478,988	6,478,988	-
Fund Balances, End of Year	\$ 3,475,163	\$ (232,411)	\$ 3,242,752	\$ 8,833,238	\$ 5,590,486
Recapitulation					
Restricted					
Capital Reserve				523,242	
Capital Reserve - Designated for Subsequent Year's Expenditures				120,000	
Excess Surplus				1,901,172	
Excess Surplus - Designated for Subsequent Year's Expenditures				177,435	
Committed					
Year End Encumbrances				120,305	
Assigned					
Designated for Subsequent Year's Expenditures				2,665,104	
Year End Encumbrances				278,404	
Unassigned				3,047,576	
				8,833,238	
Reconciliation to Governmental Funds Statements (GAAP)					
2010/2011 State Aid Payments Not Recognized on GAAP Basis				(166,005)	
2010/2011 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(1,793,858)	
Fund Balance Per Governmental Funds (GAAP)				\$ 6,873,375	

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 248,256	\$ 295,659	\$ 543,915	\$ 525,886	\$ (18,029)
Federal	2,133,596	1,510,753	3,644,349	2,846,380	(797,969)
Local Sources					
Miscellaneous	-	445,057	445,057	269,403	(175,654)
Total Revenues	<u>2,381,852</u>	<u>2,251,469</u>	<u>4,633,321</u>	<u>3,641,669</u>	<u>(991,652)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	179,960	479,135	659,095	413,518	245,577
Other Salaries for Instruction		73,584	73,584	73,584	
Salaries of Family Support Teams		98,383	98,383	98,383	
Purchased Professional/Educational Services		55,109	55,109	49,002	6,107
Purchased Technical Services		17,883	17,883	6,535	11,348
Tuition	920,442	22,988	943,430	941,603	1,827
General Supplies	50,000	250,297	300,297	207,554	92,743
Textbooks	52,770	(13,339)	39,431	37,254	2,177
Other Objects	-	2,395	2,395	138	2,257
Total Instruction	<u>1,203,172</u>	<u>986,435</u>	<u>2,189,607</u>	<u>1,827,571</u>	<u>362,036</u>
Support Services					
Salaries	283,104	443,589	726,693	539,391	187,302
Salaries of Other Professional Staff		207,880	207,880	198,807	9,073
Salaries of Secretaries and Clerical Assistants		18,059	18,059	15,202	2,857
Salaries of Social Services Coordinator		68,214	68,214	66,625	1,589
Personal Services-Employee Benefits		341,506	341,506	294,159	47,347
Purchased Professional/Educational Services	232,055	104,719	336,774	269,301	67,473
Purchased Prof. and Technical Services		217,711	217,711	185,712	31,999
Contracted Services-Transportation		73,141	73,141	38,457	34,684
Purchased Property Services		5,500	5,500	5,500	
Rentals		11,000	11,000	5,442	5,558
Travel		96,697	96,697	12,142	84,555
Other Purchased Services		102,891	102,891	61,938	40,953
Supplies and Materials		178,845	178,845	70,933	107,912
Miscellaneous Expenditures	-	2,984	2,984	2,100	884
Total Support Services	<u>515,159</u>	<u>1,872,736</u>	<u>2,387,895</u>	<u>1,765,709</u>	<u>622,186</u>
Facilities Acquisition and Construction					
Buildings	663,521	(663,521)			-
Instructional Equipment	-	55,819	55,819	48,389	7,430
Total Facilities Acq. & Construction	<u>663,521</u>	<u>(607,702)</u>	<u>55,819</u>	<u>48,389</u>	<u>7,430</u>
Total Expenditures	<u>2,381,852</u>	<u>2,251,469</u>	<u>4,633,321</u>	<u>3,641,669</u>	<u>991,652</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, 2011**

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	\$ 88,142,264	\$ 3,641,669
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, 2010 (net of cancellations)		80,302
Encumbrances, June 30, 2011		(44,486)
 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 (2009/2010 State Aid)	2,096,549	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements (2010/2011 State Aid)	(1,959,863)	-
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 88,278,950</u>	<u>\$ 3,677,485</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 86,250,643	\$ 3,641,669
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, 2010 (net of cancellations)		80,302
Encumbrances, June 30, 2011	-	(44,486)
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 86,250,643</u>	<u>\$ 3,677,485</u>

SCHOOL LEVEL SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

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TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA - Part B- Basic		IDEA - Part B- Basic		IDEA - Part B- Preschool		IDEA - Part B- Preschool		NCLB Title III		NCLB Title III		Readiness and Emergency Mgmt		Tech Prep		Total Exhibit E-1a	
	IDEA - Part B- Basic	Prior	IDEA - Part B- Basic	ARRA	IDEA - Part B- Preschool	ARRA	IDEA - Part B- Preschool	ARRA	NCLB Title III	Prior	NCLB Title III	Prior	Readiness and Emergency Mgmt	Prior	Tech Prep	Prior	Total Exhibit E-1a	Prior
REVENUES																		
Intergovernmental																		
State																		
Federal	\$ 1,011,119	\$ 9,155	\$ 653,272	\$ 28,458	\$ 32,291	\$ 17,260	\$ 5,805	\$ 50,315	\$ 31,339	\$ 1,839,014								
Total Revenues	\$ 1,011,119	\$ 9,155	\$ 653,272	\$ 28,458	\$ 32,291	\$ 17,260	\$ 5,805	\$ 50,315	\$ 31,339	\$ 1,839,014								
EXPENDITURES																		
Instruction																		
Salaries of Teachers			\$ 146,925						\$ 3,304								\$ 150,229	
Other Salaries for Instruction			73,584														73,584	
Salaries of Family Support Teams			98,383														98,383	
Purchased Prof and Tech Svcs																	-	
Tuition	\$ 903,990	\$ 9,155		\$ 28,458													941,603	
Other Purchased Services																	-	
General Supplies			81,784		\$ 11,875	\$ 15,426			1,404						\$ 13,595		124,084	
Textbooks																	-	
Other Objects																	-	
Total Instruction	903,990	9,155	400,676	28,458	11,875	15,426			4,708						13,595		1,387,883	
Support Services																		
Salaries			42,176						784						8,332	13,695	64,987	
Salaries of Other Prof Staff																	-	
Salaries of Secretaries and Cler.															9,405		9,405	
Personal Svcs -Emp. Benefits			147,771						313						1,358	1,069	150,511	
Indirect Costs																	-	
Purchased Prof & Educ Svcs			17,195												2,627		19,822	
Purchased Prof and Tech Svcs	107,129							20,416									127,545	
Rentals																	-	
Contracted Svcs. -Transportation																	-	
Travel			2,237													2,980	5,217	
Other Purchased Services			618														2,926	
Supplies and Materials																	-	
Other Objects																	28,119	
Total Support Services	107,129	-	209,997	-	20,416	1,834			1,097						17,744		408,532	
Facilities Acquisition																		
Instructional Equipment			42,599														42,599	
Total Facilities Acquisition			42,599														42,599	
Total Expenditures	\$ 1,011,119	\$ 9,155	\$ 653,272	\$ 28,458	\$ 32,291	\$ 17,260	\$ 5,805	\$ 50,315	\$ 31,339	\$ 1,839,014								

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	NonPublic Chapter 193			NonPublic Chapter 192			School Based Youth Services	Total Exhibit E-1b
	Exam. & Class.	Speech	Supp. Instr.	Nonpublic Nursing	Nonpublic Textbook Aid	Home Instruction	Compensatory Education Services	
REVENUES								
Intergovernmental								
State	\$ 62,517	\$ 5,242	\$ 24,597	\$ 46,606	\$ 37,254	\$ 47	\$ 44,543	\$ 305,080
Federal								
Other								
Total Revenues	\$ 62,517	\$ 5,242	\$ 24,597	\$ 46,606	\$ 37,254	\$ 47	\$ 44,543	\$ 305,080
EXPENDITURES								
Instruction								
Salaries of Teachers								
General Supplies								
Other Objects								
Textbooks								
Total Instruction								
Support Services								
Salaries								
Salaries of Other Prof Staff								
Personal Svcs. -Emp. Benefits								
Purchased Prof & Educ Svcs.								
Travel								
Other Purchased Services								
Supplies and Materials								
Indirect Costs								
Total Support Services								
Total Expenditures								

TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

REVENUES	Other Local Grants	Juvenile Justice	Forum Two Funds	Forum Justice	TWT Incentive Funds	ING Grant	Optimum Liedtmoeth	Fitterman Library	Assist Disabled Students	Total Exhibit E-1c
Intergovernmental										
State										
Federal										
Other	378	27,580	48,797	20,898	158,961	1,322	9,510	207	1,750	269,403
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Revenues	378	27,580	48,797	20,898	158,961	1,322	9,510	207	1,750	269,403
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES										
Instruction										
Salaries of Teachers		\$	15,655	26,270	11,706					\$ 53,631
Salaries of Other Prof Staff										-
Purchased Prof and Educ Svcs										-
Purchased Prof and Tech Svcs			1,825	4,710						6,535
Tuition										-
Other Purchased Services										-
General Supplies	\$	3	11,687	1,370	\$	50	\$ 3,720	\$	1,750	18,580
Textbooks										-
Other Objects	-	-	138	-	-	-	-	-	-	138
Total Instruction	3	15,655	39,920	17,786	-	50	3,720	-	1,750	78,884
Support Services										
Salaries					\$	110,629				110,629
Salaries of Other Prof. Staff										-
Personal Svcs. -Emp. Benefits		1,334		1,027	29,453					31,814
Indirect Costs										-
Purchased Prof and Educ Svcs.										-
Purchased Prof and Tech Svcs		4,930								4,930
Rentals										5,442
Travel			75		308					383
Contracted Svcs. -Transportation		3,099	1,581	2,085						6,765
Purchased Property Services					5,500					5,500
Other Purchased Services			7,221		4,455					11,676
Supplies and Materials	375	2,562			3,174	452	\$	207		6,770
Energy										-
Other Objects	-	-	-	-	-	820	-	-	-	820
Total Support Services	375	11,925	8,877	3,112	158,961	1,272	-	207	-	184,729
Facilities Acquisition										
Instructional Equipment	-	-	-	-	-	-	5,790	-	-	5,790
Total Facilities Acquisition	-	-	-	-	-	-	5,790	-	-	5,790
Total Expenditures	378	27,580	48,797	20,898	158,961	1,322	9,510	207	1,750	269,403
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**TEANECK BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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, 2011**

<u>Project Title/Description</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancellations</u>		<u>Balance June 30, 2011</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
Thomas Jefferson Middle School Roof - II	1,015,238	764,872			\$ 250,366	
Lowell Elementary School Roof Renovation	425,868	283,723			142,145	
Benjamin Franklin Elevator	300,000	60,347	\$ 193,254			46,399
Eugene Field Generator	93,586	10,890	82,129			567
Teaneck High School Track	100,000	100,000				
Eugene Field Roof	461,229	30,240	318,555			112,434
Teaneck High School Roof	<u>1,266,302</u>	<u>68,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,197,702</u>
	<u>\$ 4,712,723</u>	<u>\$ 2,304,139</u>	<u>\$ 593,938</u>	<u>\$ 54,543</u>	<u>\$ 392,511</u>	<u>\$ 1,367,592</u>

Reconciliation of Fund Balance, June 30, 2011

Project Balances Available	\$ 1,367,592
Deferred Revenue - SDA Grants	(63,534)
Interest to be Utilized for Payment of Lease Purchase Principal and Interest	<u>3,710</u>
Fund Balance, June 30, 2011 - GAAP Basis	<u>\$ 1,307,768</u>
Analysis of Restricted Fund Balance (GAAP)	
Year End Encumbrances	\$ 994,045
Restricted for Capital Projects	<u>313,723</u>
Total Restricted Fund	<u>\$ 1,307,768</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, 2011**

Revenues and Other Financing Sources

Revenues	
State Sources - SDA Grant	\$ 27,487
Interest	64
Other Financing Sources	
Proceeds from Lease Purchase	1,286,000
Transfer from Capital Reserve	<u>244,008</u>
 Total Revenues and Other Financing Sources	 <u>1,557,559</u>

Expenditures and Other Financing Uses

Expenditures	
Capital Outlay	
Purchased Professional and Technical Services	27,167
Construction Services	566,771
Other Financing Uses	
Costs of Issuance on Lease Purchase	19,698
Transfer to General Fund	312,183
Transfer to General Fund - Return Funds to Capital Reserve	<u>64</u>
 Total Expenditures and Other Financing Uses	 <u>925,883</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	631,676
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Fund Balance - Beginning of Year	<u>739,626</u>
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Fund Balance - End of Year	1,371,302
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Reconciliation of Governmental Fund Statements (GAAP):	
Deferred SDA Grant Revenue Not Recognized on GAAP Basis	<u>(63,534)</u>

Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 1,307,768</u></u>
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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, 2011

	<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	-	\$ 595,496	\$ 595,496
Total Revenues	595,496	-	595,496	595,496
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	81,802		81,802	
Construction Services	504,644	-	504,644	-
Total Expenditures and Other Financing Uses	586,446	-	586,446	595,496
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	(42,154)
Revised Authorized Cost	595,496
Percentage Increase over Original Authorized Cost	-7%
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, 2011**

	<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	-	\$ 400,461	\$ 400,461
Total Revenues	400,461	-	400,461	400,461
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	59,206		59,206	
Construction Services	339,815	-	339,815	-
Total Expenditures and Other Financing Uses	399,021	-	399,021	400,463
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,440	\$ -	\$ 1,440	\$ (2)
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	(12,389)			
Revised Authorized Cost	400,461			
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 -
THOMAS JEFFERSON MIDDLE SCHOOL ROOF - PHASE II
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<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	\$ 406,095	\$ (100,147)	\$ 305,948	\$ 406,095
Transfer from Capital Reserve	609,143	(150,219)	458,924	609,143
Total Revenues	1,015,238	(250,366)	764,872	1,015,238
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	99,552		99,552	90,770
Construction Services	665,320	-	665,320	924,468
Total Expenditures and Other Financing Uses	764,872	-	764,872	1,015,238
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 250,366	\$ (250,366)	\$ -	\$ -

Additional Project Information:

Project Number	5150-070-09-1001
Grant Date	2/26/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,015,238
Additional Authorized Cost	-
Revised Authorized Cost	1,015,238

Percentage Increase over Original Authorized

Cost	0%
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 -
LOWELL ROOF PHASE II
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<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	\$ 170,347	\$ (56,858)	\$ 113,489	\$ 113,489
Transfer from Capital Reserve	255,521	(85,287)	170,234	170,234
Total Revenues	425,868	(142,145)	283,723	283,723
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	47,828		47,828	47,828
Construction Services	235,895	-	235,895	235,895
Total Expenditures and Other Financing Uses	283,723	-	283,723	283,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 142,145	\$ (142,145)	\$ -	\$ -
Additional Project Information:				
Project Number	5150-130-09-1002			
Grant Date	2/26/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	425,868			
Additional Authorized Cost	(142,145)			
Revised Authorized Cost	283,723			
Percentage Increase over Original Authorized				
Cost	-33%			
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 -
BENJAMIN FRANKLIN ELEVATOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<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		\$ 120,000	\$ 120,000
Transfer from Capital Reserve	180,000	-	180,000	180,000
Total Revenues	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	26,625	\$ 2,882	29,507	30,500
Construction Services	33,722	190,372	224,094	269,500
Total Expenditures and Other Financing Uses	<u>60,347</u>	<u>193,254</u>	<u>253,601</u>	<u>300,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 239,653</u>	<u>\$ (193,254)</u>	<u>\$ 46,399</u>	<u>\$ -</u>

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	-
Revised Authorized Cost	300,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	85%
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, 2011

	<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	54,000	\$ 3,586	57,586	63,000
 Total Revenues	 90,000	 3,586	 93,586	 99,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	10,890	1,110	12,000	12,000
Construction Services	-	81,019	81,019	87,000
 Total Expenditures and Other Financing Uses	 10,890	 82,129	 93,019	 99,000
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 79,110	 \$ (78,543)	 \$ 567	 \$ -

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	-
Revised Authorized Cost	90,000

Percentage Increase over Original Authorized
Cost

0%

Percentage Completion

103%

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 -
TEANECK HIGH SCHOOL TRACK
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<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	\$ 100,000	-	\$ 100,000	\$ 100,000
Total Revenues	100,000	-	100,000	100,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	18,500		18,500	18,500
Construction Services	81,500	-	81,500	81,500
Total Expenditures and Other Financing Uses	100,000	-	100,000	100,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

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	100,000
Additional Authorized Cost	-
Revised Authorized Cost	100,000
Percentage Increase over Original Authorized Cost	0%
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, 2011**

	<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	\$ 184,492	\$ 184,492
Transfer from Capital Reserve	\$ 39,315	237,422	276,737	276,737
Total Revenues	39,315	421,914	461,229	461,229
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	30,240	23,175	53,415	36,315
Construction Services	-	295,380	295,380	424,914
Total Expenditures and Other Financing Uses	30,240	318,555	348,795	461,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 9,075	\$ 103,359	\$ 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	-			
Revised Authorized Cost	461,229			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	76%			
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, 2011

	<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	\$ 506,521	\$ 506,521
Lease Purchase		759,781	759,781	759,781
Transfer from Capital Reserve	\$ 76,675	(76,675)	-	-
 Total Revenues	 76,675	 1,189,627	 1,266,302	 1,266,302
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	68,600		68,600	76,675
Construction Services	-	-	-	1,189,627
 Total Expenditures and Other Financing Uses	 68,600	 -	 68,600	 1,266,302
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ 8,075	 \$ 1,189,627	 \$ 1,197,702	 \$ -
 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	5%			
Original Target Completion Date	2011			
Revised Target Completion Date	2011			

PROPRIETARY FUNDS

EXHIBIT G-1

**TEANECK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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, 2011**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 129,789	\$ 27,643	\$ 157,432
Total Assets	<u>\$ 129,789</u>	<u>\$ 27,643</u>	<u>\$ 157,432</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 27,643	\$ 27,643
Due to Student Groups	\$ 129,789	-	129,789
Total Liabilities	<u>\$ 129,789</u>	<u>\$ 27,643</u>	<u>\$ 157,432</u>

**TEANECK BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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, 2011**

	Balance, July 1, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2011</u>
ELEMENTARY SCHOOLS				
Hawthorne	\$ 1,619	\$ 12,769	\$ 12,625	\$ 1,763
Lowell	<u>1,917</u>	<u>7,263</u>	<u>6,918</u>	<u>2,262</u>
Total Elementary Schools	<u>3,536</u>	<u>20,032</u>	<u>19,543</u>	<u>4,025</u>
MIDDLE SCHOOLS				
Thomas Jefferson	23,079	35,109	43,037	15,151
Benjamin Franklin	<u>7,752</u>	<u>37,549</u>	<u>35,035</u>	<u>10,266</u>
Total Middle Schools	<u>30,831</u>	<u>72,658</u>	<u>78,072</u>	<u>25,417</u>
HIGH SCHOOL				
Teaneck High School	<u>74,242</u>	<u>134,634</u>	<u>125,225</u>	<u>83,651</u>
OTHER				
Athletic	3,550	88,521	79,864	12,207
Music	<u>3,289</u>	<u>3,500</u>	<u>2,300</u>	<u>4,489</u>
Total Other	<u>6,839</u>	<u>92,021</u>	<u>82,164</u>	<u>16,696</u>
Total All Schools	<u>\$ 115,448</u>	<u>\$ 319,345</u>	<u>\$ 305,004</u>	<u>\$ 129,789</u>

**TEANECK BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance, July 1, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2011</u>
ASSETS				
Cash	\$ 39,661	\$ 53,124,563	\$ 53,136,581	\$ 27,643
Total Assets	<u>\$ 39,661</u>	<u>\$ 53,124,563</u>	<u>\$ 53,136,581</u>	<u>\$ 27,643</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 39,661	\$ 22,117,350	\$ 22,129,368	\$ 27,643
Accrued Salaries and Wages	<u>-</u>	<u>31,007,213</u>	<u>31,007,213</u>	<u>-</u>
Total Liabilities	<u>\$ 39,661</u>	<u>\$ 53,124,563</u>	<u>\$ 53,136,581</u>	<u>\$ 27,643</u>

LONG-TERM DEBT

**TEANECK BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Paid</u>	<u>Balance, June 30, 2011</u>
Various Capital Improvements-District-wide	4/1/01	\$ 11,816,000	7/15/11	\$ 265,000	4.875	%		
			7/15/12	305,000	4.875			
			7/15/13	345,000	4.875			
			7/15/14	550,000	4.875	\$ 1,695,000	\$ 230,000	\$ 1,465,000
School Refunding Bonds	2/15/2003	4,270,000	7/1/11	420,000	3.70	%		
			7/1/12	410,000	4.00			
			7/1/13	405,000	4.00			
			7/1/14	390,000	4.00	2,040,000	415,000	1,625,000
School Refunding Bonds (Pension Series 2003)	2/15/2003	6,450,000	7/1/11	325,000	4.625	%		
			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	4,565,000	310,000	4,255,000
			7/1/20	545,000	5.625			
School Refunding Bonds	7/15/2006	9,305,000	7/15/11-13	25,000	var	%		
			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	9,245,000	25,000	9,220,000
Totals						\$ 17,545,000	\$ 980,000	\$ 16,565,000

TEANECK BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance, June 30, 2011</u>
Savin Copiers	11/29/10	\$ 394,390			\$ 394,390	\$ 35,177	\$ 359,213
Teaneck High School Roof Improvements	3/1/11	1,286,000	2.98%	-	1,286,000	-	1,286,000
				\$ -	\$ 1,680,390	\$ 35,177	\$ 1,645,213

**TEANECK BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<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	\$ 1,441,802	-	\$ 1,441,802	\$ 1,441,802	-
Total Revenues	1,441,802	-	1,441,802	1,441,802	-
EXPENDITURES					
Regular Debt Service					
Principal	980,000	-	980,000	980,000	
Interest	790,650	-	790,650	790,650	-
Total Expenditures	1,770,650	-	1,770,650	1,770,650	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(328,848)	-	(328,848)	(328,848)	-
OTHER FINANCING SOURCES					
Transfer In	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	(328,848)	-	(328,848)	(328,848)	-
Fund Balance, Beginning of Year	328,849	-	328,849	328,849	-
Fund Balance, End of Year	\$ 1	\$ -	\$ 1	\$ 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 NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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
Restricted	3,760,786	2,272,936	2,142,023	536,883	324,375	229,174	1,975,666	899,886	643,243
Unrestricted	525,173	(4,101,443)	(11,933,350)	(953,246)	1,297,242	1,007,645	(1,778,289)	(3,820,722)	(1,782,172)
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
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
Restricted	253,400								
Unrestricted	208,567	256,930	250,417	317,915	343,334	312,806	275,705	123,100	76,294
Total Business-Type Activities Net Assets	\$ 682,725	\$ 415,523	\$ 387,023	\$ 439,799	\$ 462,069	\$ 473,834	\$ 412,279	\$ 256,053	\$ 177,527
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
Restricted	4,014,186	2,272,936	2,142,023	536,883	324,375	229,174	1,975,666	899,886	643,243
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)
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

Source: District Records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities									
Instruction									
Regular	\$ 28,694,913	\$ 29,719,687	\$ 31,160,121	\$ 30,526,336	\$ 33,233,572	\$ 35,044,622	\$ 32,850,320	\$ 34,139,305	\$ 30,421,657
Special Education	11,018,460	11,544,949	12,373,083	13,615,374	13,872,251	14,932,504	15,424,664	16,598,057	17,263,704
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
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
School Administrative Services	3,580,648	3,249,220	3,386,010	3,528,222	3,834,824	4,088,866	4,088,235	4,200,508	4,416,827
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
Plant Operations and Maintenance	8,432,852	8,477,970	8,698,453	9,376,412	9,540,485	10,801,577	10,340,866	9,631,766	10,012,275
Pupil Transportation	4,109,634	4,205,799	4,778,426	4,718,265	4,967,222	5,174,060	5,101,656	5,134,633	4,853,999
Business and Other Support Services	1,081,754	937,802	1,066,593	1,425,850	1,494,306	1,368,503	1,376,200	1,790,946	1,982,452
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
Interest on Long-Term Debt	895,805	1,045,821	1,014,275	1,023,267	969,897	921,055	887,725	847,364	833,217
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	93,366,702	93,472,314	97,124,300	91,794,693
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
Loss on Disposal of Capital Assets	625,722	95,299	7,640	-	-	-	-	-	-
Community School	-	635,442	718,397	777,445	799,129	855,417	747,254	884,402	859,294
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
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
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
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	93,231	29,050	6,913	1,391	-
Pupil Transportation	-	-	40,533	31,816	30,231	16,684,940	14,893,154	13,382,713	13,896,066
Operating Grants and Contributions	11,007,727	12,049,664	12,298,920	13,371,086	15,462,501	74,259	77,089	417,097	202,209
Capital Grants and Contributions	56,532	-	4,525	8,946,805	13,594	-	-	-	-
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
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
Community School	660,693	700,932	749,440	726,803	719,255	769,935	672,503	697,946	750,363
Operating Grants and Contributions	313,785	341,503	338,088	433,394	486,507	504,607	535,659	628,975	641,420
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
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

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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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)
Business-Type Activities	70,907	(270,032)	(28,500)	2,776	14,343	11,765	(61,555)	(156,226)	(78,526)
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)
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
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
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
Investment Earnings	195,301	61,847	106,635	183,490	344,263	231,044	68,258	34,349	51,159
Miscellaneous Income	288,180	403,611	252,146	253,923	161,599	107,639	172,932	88,792	192,205
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
Business-Type Activities:									
Miscellaneous Income		2,830							
Loss on Disposal of Capital Assets									
Transfers				50,000					
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
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
Business-Type Activities	70,907	(267,202)	(28,500)	52,776	14,343	11,765	(61,555)	(156,226)	(78,526)
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

Source: District Records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	
Restricted									\$ 2,721,849
Committed									120,305
Assigned									2,943,508
Unassigned									1,087,713
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
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	
Restricted									\$ 1,307,769
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

Source: District Records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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 NINE FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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
Tuition Charges	126,659	110,907	137,802	160,620	204,637	123,683	122,388	187,773	183,867
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
Miscellaneous	545,616	653,560	633,559	448,061	386,422	331,950	402,246	329,281	456,835
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
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
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
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
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
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
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
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
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
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
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
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
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
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
Debt Service:									
Principal	400,000	790,000	760,000	1,238,499	1,275,891	870,000	900,000	945,000	1,015,177
Interest and Other Charges	859,114	990,597	1,013,403	1,015,578	945,040	899,884	868,016	831,259	800,597
Cost of Issuance									19,698
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
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

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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)									
Bond Sale Premium to Debt Service Fund	\$ (6,123)	\$ 304,137							\$ 1,680,390
Capital Leases (non-budgeted)	10,855,248								
Proceeds from Refunding	(10,849,125)								
Payments to Escrow Agent	406,314	1,633,416	\$ 250,316	\$ 2,007,362	\$ 450,000	\$ 339,713	\$ 2,426,254	\$ 1,640,502	556,255
Transfers In	(400,191)	(1,633,416)	(250,316)	(2,057,362)	(450,000)	(339,713)	(2,426,254)	(1,640,502)	(556,255)
Transfers Out	6,123	304,137	-	(50,000)	-	-	-	-	1,680,390
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
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%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

Fiscal Year Ended June 30,	Tuition	Interest Earned	Transportation	Prior Year Refunds	Township (Forum)	Rentals	Miscellaneous	Total
2002	\$ 73,114	\$ 236,679	\$	\$ 3,577	\$ 48,000		\$ 150,707	\$ 512,077
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

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
2002	\$ 14,208,000	\$ 2,171,575,000	\$ 274,770,200	\$ 24,652,300	\$ 89,276,800	\$ 2,574,482,300	\$ 340,179,300	\$ 4,065,120	\$ 2,578,547,420	\$ 3,563,040,044	\$ 2.265
2003	13,178,500	2,182,768,500	274,118,500	24,616,200	89,651,800	2,584,333,500	338,750,900	3,284,239	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	338,337,700	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	339,326,100	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

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	
2002	\$ 2.265	\$ 1.258	\$ 0.307	\$ 3.830
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

Source: County Abstract of Ratables

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

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Glenpointe Associates	\$ 56,210,100	0.92 %	\$ 45,633,400	1.77 %
Heritage Pointe of Teaneck, LLC				
Glenpointe Associates II, LLC	40,714,500	0.67	23,253,400	0.90
Glenpointe Associates III	43,186,500	0.71	19,500,000	0.76
Glenpointe Associates	31,324,200	0.51		
Teaneck Limited Partnership	38,000,000	0.62	27,000,000	1.05
Teaneck Garden Owners Corp.	16,500,000	0.27	7,600,000	0.30
Verizon New Jersey				
Bell Atlantic			6,000,000	0.23
Givaudan-Roure Fragrance Corp			9,558,100	0.37
Holy Name Real Estate Corp				
Care One at Teaneck, LLC	14,568,000	0.24		
Glenpointe Associates, II	13,469,200	0.22		
Individual Taxpayer	10,750,000	0.18	5,350,000	0.21
Cedar Holding Assoc			7,312,200	0.28
F.W. Teaneck			5,080,000	0.20
Teaneck Windsor LLC	7,500,000	0.12		
	<u>\$ 272,222,500</u>	<u>\$ 4.47 %</u>	<u>\$ 156,287,100</u>	<u>6.07</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	
2002	\$ 57,136,644	\$ 57,136,644	100%	N/A
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

N/A - Not Applicable

Source: District records

**TEANECK BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST NINE 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	38,633 *	454
2011	16,565,000	1,645,213	18,210,213	38,633 *	471

Source: District records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented GASB 44 in fiscal year 2006, only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is presented.

* Estimated

TEANECK BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST NINE 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	454
2011	16,565,000		16,565,000	0.27	429

Source: District records

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented GASB 44 in fiscal year 2006, only nine 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
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	\$ 16,565,000	\$ 16,565,000	
Township of Teaneck (1)	<u>29,086,357</u>	<u>-</u>	<u>\$ 29,086,357</u>
	<u>\$ 45,651,357</u>	<u>\$ 16,565,000</u>	<u>29,086,357</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County:			
County of Bergen (A)			22,536,070
Bergen County Utilities Authority - Water Pollution (B)			<u>18,377,781</u>
			<u>40,913,851</u>
Total Direct and Overlapping Debt			<u>\$ 70,000,208</u>

Source:

(1) Township of Teaneck's 2010 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Teaneck by dividing the municipality's 2010 equalized value by the total 2010 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,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 119,189,578	\$ 125,686,118	\$ 143,839,794	\$ 160,202,419	\$ 179,884,210	\$ 202,472,510	\$ 224,704,147	\$ 242,359,877	\$ 247,887,546	\$ 243,822,451
Total Net Debt Applicable to Limit	24,617,363	30,929,363	30,139,363	29,379,363	20,751,590	19,946,000	19,390,390	13,630,000	12,980,000	16,565,000
Legal Debt Margin	\$ 94,572,215	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.65%	23.85%	20.95%	18.34%	11.54%	9.85%	8.63%	5.62%	5.24%	6.79%

Source: Annual Debt Statements

Legal Debt Margin Calculation June 30, 2011

	Equalized Valuation Basis			
	2010	\$ 5,831,966,363		
	2009	6,102,413,434		
	2008	6,352,304,017		
		<u>\$ 18,286,683,814</u>		
Average Equalized Valuation of Taxable Property		\$ 6,095,561,271		
Debt Limit (4 % of average equalization value)		243,822,451		
Less: Total Net Debt Applicable to Limit		16,565,000		
Legal Debt Margin		<u>\$ 227,257,451</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>
2001	39,069	\$ 52,102	3.90%
2002	38,910	51,931	5.30%
2003	39,445	51,291	5.20%
2004	39,331	54,669	4.30%
2005	39,018	56,963	3.50%
2006	38,820	63,021	3.70%
2007	38,652	67,113	3.20%
2008	38,541	68,541	4.10%
2009	38,633	64,388	7.50%
2010	38,633	N/A	7.40%

Source: New Jersey State Department of Education

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

<u>Employer</u>	<u>2011</u>		<u>2004</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Holy Name Hospital	2,529			
Fairleigh Dickinson University	1,146			
Teaneck Board of Education	566			NOT AVAILABLE
Teaneck Township	375			
The Community School of Bergen County	150			
US Postal Service	61			
Torah Academy	55			
Teaneck Charter School	44			
Aramark Corporation	41			
Chase Bank	9			

** Estimated

TEANECK BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SIX 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>
Instruction						
Regular	286.9	292.5	283.0	296.5	296.9	236.6
Special Education	107.0	97.5	106.0	127.5	132.6	123.4
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:						
Student & Instruction Related Services	94.1	91.0	91.0	101.8	96.8	95.0
General Administration	5.0	5.5	5.0	3.3	4.3	3.0
School Administrative Services	32.5	31.0	35.0	36.0	36.0	35.0
Plant Operations and Maintenance	116.5	112.5	115.0	110.5	108.5	96.5
Pupil Transportation	9.0	10.0	10.0	9.0	11.0	1.0
Business and Other Support Services	13.0	11.0	10.0	13.0	16.0	15.0
Community School	5.0	5.0	5.0	4.5	6.0	6.0
Total	<u>670</u>	<u>657</u>	<u>661</u>	<u>703</u>	<u>709</u>	<u>613</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 six 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	Teacher/Pupil Ratio					Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School					
2002	4,367	\$ 65,953,639	\$ 15,103	2.29%	448.36	12.8	14.6	13.1	4,367	4,167	0.99%	95.42%	
2003	4,465	71,213,304	15,949	5.60%	436.04	13.7	11.1	11.5	4,465	4,250	2.24%	95.18%	
2004	4,387	73,469,230	16,747	5.00%	436.00	13.7	11.1	11.5	4,387	4,172	-1.75%	95.10%	
2005	4,256	77,578,173	18,228	8.84%	400.30	11.3	9.8	10.9	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	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	4,147	3,935	-2.59%	94.89%	
2008	4,245	90,838,394	21,404	13.92%	428.30	9.7	8.5	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	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	4,020	3,786	2.03%	94.18%	
2011	4,229	89,748,597	21,222	-4.09%	395.00	11.4	9.1	10.4	3,955	3,769	-1.62%	95.30%	

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 SIX FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011
<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
Capacity (students)	475	475	475	475	475	475
Enrollment	345	345	288	292	367	366
Whittier (1921)						
Square Feet	55,118	55,118	55,118	55,118	55,118	55,118
Capacity (students)	656	656	656	656	656	656
Enrollment	411	411	373	385	406	380
Hawthorne (1925)						
Square Feet	49,373	49,373	49,373	49,373	49,373	49,373
Capacity (students)	648	648	648	648	648	648
Enrollment	374	374	371	354	347	319
Lowell (1934)						
Square Feet	47,106	47,106	47,106	47,106	47,106	47,106
Capacity (students)	536	536	536	536	536	536
Enrollment	375	375	327	305	321	352
<u>Middle School</u>						
Thomas Jefferson M.S. (1958)						
Square Feet	105,216	105,216	105,216	105,216	105,216	105,216
Capacity (students)	894	894	894	894	894	894
Enrollment	690	690	669	626	624	614
Ben Franklin M.S. (1957)						
Square Feet	100,202	100,202	100,202	100,202	100,202	100,202
Capacity (students)	727	727	727	727	727	727
Enrollment	611	611	558	555	576	560
Teaneck High School (1926)						
Square Feet	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
Enrollment	1,459	1,459	1,396	1,398	1,369	1,336
Eugene Field School (1955)						
Square Feet	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 six 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>2002</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>
Teaneck Sr. High (#050)	\$ 546,108	\$ 865,247	\$ 646,694	\$ 535,018	\$ 570,400	\$ 490,756	\$ 618,357	\$ 526,983	\$ 477,898	\$ 392,018
Benjamin Franklin Middle School (#060)	264,780	162,554	400,951	210,450	192,554	226,142	294,547	238,789	185,205	161,360
Thomas Jefferson Middle School (#070)	264,780	144,260	237,793	257,414	188,874	251,812	319,761	267,972	199,156	179,666
Bryant (#080)	115,841	88,128	91,315	103,093	94,815	119,133	140,552	108,934	94,760	73,689
Hawthorne (#110)	132,390	112,417	137,997	168,560	194,952	116,255	133,688	115,099	96,526	92,565
Lowell (#130)	115,841	102,186	55,326	51,205	93,269	95,672	132,144	124,384	89,683	73,332
Whittier (#150)	148,939	97,886	131,603	188,417	167,690	146,222	196,666	120,333	102,949	85,635
Eugene Field (#999)	66,195	74,397	90,778	141,906	126,913	48,802	63,721	65,148	50,985	40,248
District-Wide Total	<u>\$ 1,654,874</u>	<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>

Source: District Records

Note:

Beginning in fiscal year 2002, the New Jersey State Department of Education required District's to report maintenance expenditures by location, therefore, ten years of data is not available.

**TEANECK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2011
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Co.		
Property-Blanket Building/Contents	\$ 175,921,357	\$ 5,000
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	175,921,357	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

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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, 2011, which collectively comprise the Teaneck Board of Education's basic financial statements and have issued our report thereon dated November 23, 2011. 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 Division of Finance and Regulatory Compliance, 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 above.

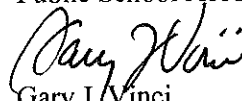
Compliance and Other Matters

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 Division of Finance and Regulatory Compliance, 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, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 23, 2011.

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
 November 23, 2011

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
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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, 2011. 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 Division of Finance and Regulatory Compliance, 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which are 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 2011-1.

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
November 23, 2011

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment Carryover Receivables	Adjustment Prior Year Orders	Balance, June 30, 2011		MEMO GAAP Receivable
											(Accounts Receivable)	Deferred Revenue	
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
84.010	NCLB Title I	NCLB515011	9/1/10-8/31/11	\$ 246,291	\$ (147,477)	\$ 220,350	\$ 50,810	\$ 103,203	\$ (220,350)	\$ 142	\$ (415,831)	\$ 363,438	\$ (52,393)
84.010	NCLB Title I	NCLB515010	9/1/09-8/31/10	454,787	51,663	(220,350)	298,771	151,436	220,350				
84.010	NCLB Title I	NCLB515009	9/1/08-8/31/09	598,454	(73,386)		113,821	127,969		1,143	(187,954)	101,563	(86,391)
84.389	NCLB Title I ARRA	NCLB515010	9/1/09-8/31/10	320,385	(73,386)		4,106	17,260	(9,912)		(31,612)	18,458	(13,154)
84.010	NCLB Title III	NCLB515011	9/1/10-8/31/11	25,806	(9,278)	(9,912)	15,083	5,805	9,912				
84.010	NCLB Title III	NCLB515010	9/1/09-8/31/10	23,360	(11,172)	(9,912)	11,172						
84.010	NCLB Title III	NCLB515009	9/1/08-8/31/09	22,274	(19,678)		19,678						
84.010	NCLB Title III, Immigrant	NCLB515009	9/1/08-8/31/09	25,164	(19,678)								
84.186	NCLB Title V	NCLB515008	9/1/07-8/31/08	5,512	794							\$ 794	
84.027	IDEA Part B Basic	IDEA515010	9/1/09-8/31/10	1,012,967	(294,247)	(7,833)	303,402	9,155	7,833				
84.027	IDEA Part B Basic	IDEA515011	9/1/10-8/31/11	1,011,089	7,833		420,864	1,011,119	(7,833)		(598,058)	7,803	(590,255)
84.391	IDEA Part B Basic ARRA	IDEA515010	9/1/09-8/31/11	1,119,578	(93,105)		582,082	653,272			(260,083)	95,788	(164,122)
84.173	IDEA Part B Preschool	IDEA515011	9/1/10-8/31/11	28,458			28,458						
84.392	IDEA Part B Preschool ARRA	IDEA515011	9/1/09-8/31/11	40,416			23,890	32,291			(16,526)	8,125	(7,296)
84.367	NCLB Title II- Part A	NCLB515011	9/1/10-8/31/11	143,395	(62,956)	(43,372)	41,169	115,267	(53,737)	93	(155,963)	81,865	(69,802)
84.367	NCLB Title II- Part A	NCLB515010	9/1/09-8/31/10	151,630	8,365	(3,807)	86,315	31,817	3,807		(3,807)	3,807	(220)
84.318	NCLB Title II- Part D	NCLB515011	9/1/10-8/31/11	152,532	8,365	3,807			3,807		(220)		(1,102)
84.318	NCLB Title II- Part D	NCLB515010	9/1/09-8/31/10	4,962	(183)	(3,807)	1,338	1,375	(3,807)		(6,070)	4,834	
84.318	NCLB Title II- Part D	NCLB515009	9/1/08-8/31/09	4,660	(1,019)		1,019	1,236	(6,070)				
84.184	NCLB Title IV	NCLB515011	9/1/10-8/31/11	11,887	(8,630)	(6,070)	8,630		6,070				
84.184	NCLB Title IV	NCLB515010	9/1/09-8/31/10	14,112	(10,392)		10,392						
84.184	NCLB Title IV	NCLB515009	9/1/08-8/31/09	14,112	(10,392)		10,392						
84.243A	Teach-Prep Grant	09-BV12-C006	9/1/09-8/31/10	240,000	(4,771)		35,675	31,339		585	(38,619)	6,825	(14,464)
84.184E	Readiness and Emergency Management	Q184E090240	8/1/09-1/31/11	90,679	(4,482)		22,221	50,315		782	(140,613)	64,595	(60,636)
84.215M	Grants to Improve the Mental Health of Children	Q215M090036	6/1/09-5/31/11	345,938	(30,505)		143,960	189,473			(81,807)	19,195	(62,612)
84.215E	Counselling Demonstration Program	Q215E090021-10	4/1/11-3/31/12	304,785			222,978	285,590					
84.215E	Counselling Demonstration Program	Q215E090021	4/1/09-3/31/10	298,630	(79,304)		79,304						
Total Special Revenue Fund					(893,089)	-	2,576,801	2,846,380	-	2,745	(1,937,163)	776,296	(1,122,447)
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			72,263	63,922				8,341	
10.555	NSLP - Non Cash Assistance	N/A	7/1/09-6/30/10	58,682	12,914			12,914					
10.553	School Breakfast Program	N/A	7/1/10-6/30/11	71,530			65,027	71,530			(6,503)		(6,503)
10.553	School Breakfast Program	N/A	7/1/09-6/30/10	65,057	(6,876)		6,876						
10.555	NSLP - Cash Assistance	N/A	7/1/10-6/30/11	435,420			404,717	435,420			(30,703)		(30,703)
10.555	NSLP - Cash Assistance	N/A	7/1/09-6/30/10	433,169	(35,387)		35,387						
Total Enterprise Fund					(29,349)	-	584,270	583,786	-		(37,206)	8,341	(37,206)
U.S. Department of Health and Human Services													
Passed-through State Department of Education													
General Fund:													
93.778	Medicaid Reimbursement Program (SEMI)	N/A	7/1/10-6/30/11	46,150	(12,334)	-	51,116	52,899	-	-	(14,117)	-	(14,117)
Total Federal Financial Awards					(934,772)	-	3,212,187	3,483,065	-	2,745	(1,988,486)	784,637	(1,173,770)

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, 2011

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Adjustment	Balance, June 30, 2011			MEMO	
										(Accounts Receivable)	Deferred Revenue/ Interfund	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	\$ 1,222,214	\$ (122,327)		\$ 122,327								
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	2,438,809			2,308,393	\$ 2,438,809		\$ (130,416)			\$		2,438,809
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	2,202,158	(220,405)		220,405								-
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	665,517			629,928	665,517		(35,589)					665,517
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	359,442	(35,975)		35,975								-
Adjustment Aid	10-495-034-5120-085	7/1/09-6/30/10	1,807,835	(180,939)		180,939								-
Extraordinary Aid	10-100-034-5062-032	7/1/09-6/30/10	1,536,903	(1,536,903)		1,536,903								-
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	1,793,858				1,793,858		(1,793,858)			\$	(184,262)	1,793,858
Nonpublic Transportation Aid	11-103190	7/1/10-6/30/11	184,262				184,262		(184,262)					184,262
Nonpublic Transportation Aid	10-103190	7/1/09-6/30/10	175,300	(175,300)		175,300								-
On Behalf TPAF Pension System Contribution	11-495-034-5095-007	7/1/10-6/30/11	114,219			114,219								114,219
On Behalf TPAF Pension System Contribution	11-495-034-5095-006	7/1/10-6/30/11	2,426,020			2,426,020								2,426,020
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/10-6/30/11	2,587,250			2,458,604	2,587,250		(128,646)				(128,646)	2,587,250
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	7/1/09-6/30/10	2,811,537	(146,776)		146,776								-
Total General Fund				(2,418,625)	-	10,355,789	10,209,935	-	-	(2,272,771)	-		(312,908)	10,209,935
Special Revenue Funds:														
New Jersey Nonpublic Aid														
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	50,257	3,587				\$ 3,587	\$ 98		\$ 98			-
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	39,332			39,332	37,254				2,078			37,254
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	46,606			46,606	46,606							46,606
Auxiliary Services														
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	34,741	503			44,543	503						-
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	44,543			44,543	44,543							44,543
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	7,046	3,392				3,392						-
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	4,269			4,269			(47)		4,269			47
Home Instruction	11-100-034-5120-067	7/1/10-6/30/11	47				47							-
Handicapped Services														
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	53,569	527				527						-
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	63,796			63,796	62,517				1,279			62,517
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	8,967	4,875				4,875						-
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	8,919			8,919	5,242				3,677			5,242
Supplementary Instruction	10-100-034-5120-066	7/1/09-6/30/10	28,592	1,004				1,004						-
Supplementary Instruction	11-100-034-5120-066	7/1/10-6/30/11	28,696			28,696	24,597				4,099			24,597
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			302,495	305,080			(2,385)			(2,385)	305,080
Total Special Revenue Fund				34,633	-	538,656	525,886	13,888	98	(2,632)	-		(2,632)	525,886

TEANECK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Adjustment	Balance, June 30, 2011			MEMO	
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures
Capital Projects														
Economic Development Grant	SP200422		\$ 4,734,087	\$ (4,490,779)		\$ 4,490,779				\$ (1,293,633)			\$ (1,293,633)	\$ 4,734,087
Economic Development Grant	SP200422-C1		1,520,875	(1,513,271)		219,638				(1,614,676)			(1,614,676)	227,242
Economic Development Grant	SP200422-C2		1,622,799	(1,614,676)						(56,532)			(56,532)	8,114
Economic Development Grant	SP202877		56,532	(56,532)						(336,329)			(336,329)	75,375
NI School Construction- EFCFA	5150-050-03-0908		411,704	(336,329)						(98,006)			(98,006)	30,112
NI School Construction- EFCFA	5150-110-04-1000		128,118	(88,006)						(192,976)			(192,976)	1,824
NI School Construction- EFCFA	5150-050-03-1292		194,800	(192,976)						(152,676)			(152,676)	17,724
NI School Construction- EFCFA	5150-050-04-1000		170,400	(152,676)						(10,243)			(10,243)	280,133
NI School Construction- EFCFA	various		290,376	(280,043)		269,800				(33,468)			(33,468)	7,922
NI School Construction- EFCFA	5150-150-05-1000		41,390	(33,468)						(72,126)			(72,126)	16,828
NI School Construction- EFCFA	5150-130-04-1000		88,954	(72,126)						(212,721)			(212,721)	42,694
NI School Construction- EFCFA	5150-060-05-1000		255,415	(212,721)										134,727
NI School Development Authority	5150-130-09-1002		170,347	(129,109)										375,461
NI School Development Authority	5150-070-09-1001		406,095	(336,582)					\$ 15,620					101,440
NI School Development Authority	5150-060-09-1003		120,000	(24,139)			\$ 77,301		30,634	(18,560)	\$ 18,560		(18,560)	36,000
NI School Development Authority	5150-X01-09-1004		36,000	(4,356)		36,000	31,644		-	(184,492)	44,974		(184,492)	139,518
NI School Development Authority	5150-X01-10-1002		184,492	-		-	139,518		-					
Total Capital Projects				(9,547,789)		5,537,094	248,463		46,254	(4,276,438)	63,534		(4,276,438)	6,349,201
State Department of Agriculture														
Enterprise Fund:														
School Breakfast Program	10-100-010-3360-096	7/1/09-6/30/10	4,848	(498)		498								
National School Lunch Program	11-100-010-3360-067	7/1/10-6/30/11	14,557			12,805	14,557			(1,752)				14,557
National School Lunch Program	10-100-010-3360-367	7/1/09-6/30/10	21,575	(1,718)		1,718								
Total Enterprise Fund				(2,216)		15,021	14,557			(1,752)				14,557
Sub-Total State Financial Assistance			\$ (11,933,977)			\$ 16,446,560	10,998,841	\$ 13,888	\$ 46,352	\$ (6,553,593)	\$ 63,534	\$ 36,245	\$ (4,591,978)	\$ 16,999,579
Less: On-Behalf TPAF Pension Contributions Not Subject to Single Audit and Major Program Determination							(2,540,239)							
Total State Financial Assistance Subject to Single Audit and Major Program Determination							\$ 8,458,602							

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, 2011**

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.

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 \$136,686 for the general fund and \$35,816 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	\$ 52,899	\$ 10,346,621	\$ 10,399,520
Special Revenue Fund	2,879,755	533,100	3,412,855
Capital Projects Fund		202,209	202,209
Food Service Fund	<u>579,213</u>	<u>14,557</u>	<u>593,770</u>
Total Financial Assistance	<u>\$ 3,511,867</u>	<u>\$ 11,096,487</u>	<u>\$ 14,608,354</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, 2011**

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 \$2,587,250 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$114,219 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,426,020 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

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, 2011**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' 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>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch 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, 2011**

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	<u>Special Education Aid</u>
495-034-5120-084	<u>Security Aid</u>
100-034-5120-473	<u>Extraordinary Aid</u>
100-054-7500-068	<u>School Based Youth Services</u>
SP-5150	<u>NJ School Development Authority</u>
	<u>School Facilities Construction</u>

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

 \$ 300,000

Auditee qualified as low-risk auditee?

_____ yes X no

**TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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, 2011**

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, 2011**

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 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 the 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.

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 \$4.2 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, 2011**

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 2011-1 (Continued)

Cause

Required paperwork and other documentation has not been submitted to the SDA in a timely manner.

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, 2011**

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 2010-1

The NCLB carryover application for FY 09 and final report for FY 08 were not filed and approved by the Board in a timely manner.

Status

Corrective action has been taken.

Finding 2010-2

A current Political Contribution Disclosure (PCD) form or Business Entity Disclosure Certification (BED-C) form for vendors awarded contracts in excess of \$17,500 were not available for audit.

Status

Corrective action has been taken.

Finding 2010-3

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. However as of June 30, 2010 \$9,053,602 of the original allotments totaling \$9,515,441 remain uncollected. Confirmation received from the SDA indicated that the preliminary eligible costs of certain of these projects were less than the receivable accrued. In addition, since February 26, 2010, the District has added four new projects totaling \$732,442. These balances also remain uncollected as of June 30, 2010.

Status

See Finding 2011-1.