

**SCHOOL DISTRICT OF THE
TOWNSHIP OF TEANECK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**School District
of**

TEANECK

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2020**

Comprehensive Annual Financial Report

of the

TEANECK BOARD OF EDUCATION
Teaneck, New Jersey

Year Ended June 30, 2020

Prepared by

Melissa Simmons
Business Administrator/Board Secretary

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INTRODUCTORY SECTION

TEANECK BOARD OF EDUCATION
Business Office



Christopher C. Irving, Ed. D.
Superintendent

Melissa Simmons
Business Administrator/Board Secretary
msimmons@teaneckschools.org

January 21, 2021

Mr. Sebastian Rodriguez, President
Members of the Board of Education
Teaneck Public Schools
651 Teaneck Road
Teaneck, New Jersey 07666

Dear Board Members:

The Comprehensive Annual Financial Report of the Teaneck Public Schools (district) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial positions and results of operations of the various activities and funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

The Comprehensive Annual Financial Report is presented in four sections: 1) introductory; 2) financial; 3) statistical; and 4) single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the Independent Auditor's Report, the MD&A, and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements, and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to

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undergo an annual single audit in conformity with the provisions of the Single Audit Act and the related U.S. Uniform Guidance and the New Jersey OMB

Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Teaneck School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB), as established by GASB No. 14. All activities and funds of the district are included in this report. The Teaneck Board of Education and all its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels preschool through grade 12. These include advanced placement, regular and vocational, as well as special education for students with disabilities through the age of 21. The district completed the 2017/18 fiscal year with an enrollment of 3,971 students. The following details the changes in the student enrollment of the district over the last 10 years.

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

Fiscal Year	Student Enrollment	Percent Change
2019/20	4208	7.8%
2018/19	3900	-.02%
2017/18	3,971	+.5%
2016/17	3,953	-1.6%
2015/16	4,018	-1.3%
2014/15	4,071	-0.7%
2013/14	4,098	-0.8%
2012/13	4,131	-1.5%
2011/12	4,196	-2.6%
2010/11	4,308	+2.8%

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

2. **ECONOMIC CONDITION AND OUTLOOK:** The economic environment for the past fiscal year has been positive. Within the Township there has been positive growth that is evidenced by 4 new residential complexes being constructed. Even though enrollment has been decreasing over the past 10 years, there seems to have been a stabilization in this trend and the expectation is that the enrollment will stay steady over the next five years with a slight increase expected from the new residential construction and participation in the pre-k enrollment due to the Preschool Early Education Aid of \$4.2 million.

2. **ECONOMIC CONDITION AND OUTLOOK (Continued):**

In accordance with the mandates by the State of New Jersey, the district's budget continues to include line-items for charter school expenditures. In fiscal year 2019/20, Teaneck students attended three charter schools, kindergarten through grade 8 (Teaneck Community Charter School, Englewood on the Palisades Charter School, and Bergen Arts and Science Charter School). The 2019/20 budget included \$6,588,230 expended for tuition to these charter schools.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 82.78% of the 2019/20 budget. The reliance on the local taxpayers to fund the majority of the district's budget will continue under the provisions of the School Funding Reform Act of 2008. According to the New Jersey Department of Education, Office of School Funding, the district's tax levy exceeds the Local Fair Share and the district's total budget exceeds the "adequacy model" used to calculate State aid.

3. **MAJOR INITIATIVES:**

Social Studies

In social studies, the curriculum documents for grades K-12 have been aligned to the New Jersey Student Learning Standards. However, we are planning for curriculum updates to include state required mandates related to financial literacy for middle school students and the inclusion of the social, economic, and political contributions of the LGBTQ community and individuals with disabilities. This budget also funds revisions to the curriculum documents, textbook and

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instructional materials for Advanced Placement Psychology and College Prep Psychology at the high school level.

Science

In science, the curriculum documents for grades K-12 have been aligned to the New Jersey Student Learning Standards. However, we are preparing to make revisions and additional updates to match the newly released standards for the 2021 school year. This budget funds revisions or modifications to science curriculum documents to include: content-specific accommodations and modifications; timely assessments; clear delineation of instructional and supplemental materials; pacing guides; and targeted interdisciplinary connections. In addition, the budget will include funds for professional development for K-12 teachers on the instructional shifts required in the NGSS, as well as effective implementation of instructional resources.

English Language Arts/Literacy

English Language Arts curriculum documents are aligned to the New Jersey Student Learning Standards for English/Language Arts. The 2020-2021 budget includes funds to revise or update curricula and pacing guides for elementary, middle and high school. All documents will include grade-appropriate, content-specific accommodations and modifications; timely assessments; clear delineation of instructional and supplemental materials; detailed pacing guides; and targeted interdisciplinary connections. In addition, to ensure the continued student improvement as evidenced on the 2019 New Jersey Student Learning Assessments - ELA. The 2020-21 budget continues to support the continuation of the summer enrichment program, Summer Reading Club, for incoming 9th-grade students at Teaneck High School. Based on the results and trends from past New Jersey Student Learning Assessments, our students need their comprehension of content-based text, to strengthen students' morphological knowledge to decode words.

4. STRATEGIC PLAN INITIATIVES:

GOAL 1: Students attending the Teaneck Public Schools will acquire the skills, knowledge and understanding to be successful in the twenty first century. **GOAL 2:** Teachers and administrators in the Teaneck Public Schools will acquire the skills, knowledge and understanding necessary to support student achievement. **GOAL 3:** The environment in the Teaneck Public Schools will be safe and respectful, with students and adults appreciative of

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the unique contributions of members of the community. GOAL 4: The Teaneck Public Schools will communicate effectively with parents and with the community. GOAL 5: The Teaneck Public Schools will provide funding for Goals 1-4 and sustain school facilities while respecting community resources.

5. **FACILITIES INITIATIVES:** During the 2019/20 school year the district began the work of renovating the decommissioned Eugene Field building to become the new Theodora Smiley Lacey School that would house 179 kindergarten students. In addition the district began the construction of a new Administrative Building for 30+ administrative and supporting staff.

6. **Preschool Early Education Aid:** In October of 2018, the District was awarded \$1,200,000 in Preschool Early Education Aid with an enrollment of 141 three and four year old students. In the 2019/20 school year the state approved the 2020/21 budget for \$4.2 million dollars and 441 enrollment of three and four year old students. In addition, the board approved the development of an Energy Saving Improvement Plan in the amount of \$8.2 million dollars of projects that will be funded through energy conservation and efficiency improvements.

7. **INTERNAL ACCOUNTING CONTROLS:** Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgements by management.

7. **INTERNAL ACCOUNTING CONTROLS (Continued):**

As a recipient of Federal and State financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by district management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State

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financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

8. **BUDGETARY CONTROLS:** In addition to the internal controls, the district also maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Annual appropriated budgets are adopted by the Board for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020. These are re-appropriated automatically into the following fiscal year, and as a result, increase the approved budget.

9. **ACCOUNTING SYSTEM AND REPORTS:** The district's accounting records reflect New Jersey statutes (N.J.S.A. tBA:4-14) that requires a uniform system of double-entry bookkeeping consistent with the generally accepted accounting principles (GAAP), established by GASB for use in all school districts. The accounting system of the district is organized on the basis of funds in accordance with the Uniform Minimum Chart of Accounts (Handbook 2R2) for New Jersey Public Schools. These funds are explained in Notes to the Financial Statement. The district continues to maintain a budgetary /finance software package which provides decentralized access to requisitions, purchase order status, account records, and program reporting. Appropriate internal controls are established for both purchasing and line-item expenditures.

10. **DEBT ADMINISTRATION:** As of June 30, 2020, the district has two (2) outstanding general obligation bond issues, two (2) outstanding capital lease obligations for building improvements, and one (1) ESIP obligation bond issue.

10. **DEBT ADMINISTRATION (Continued):**

The first general obligation issue, financed in February of 2003, and refinanced in August of 2013, relates to the district's Early Retirement Pension Obligation. Previously, this obligation had been funded through the general current expenses budget. However, funding this

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obligation through debt service was made possible in fiscal year 2003 by an act of the New Jersey Legislature. This issue has an 18 year repayment schedule that matures in July of 2020. The outstanding principal balance is \$515,000.

The second general obligation issuance is the refinancing of callable bonds issued in April of 2001. The bonds were issued in July of 2006 and mature in January of 2031. These bonds were partially refunded in April of 2016 with the issuance of \$7,615,000 of refunding school bonds. The outstanding principal balance of the remaining 2020 refunding bonds is \$5,680,000.

The first capital lease obligation was issued on September 1, 2016 to finance technology upgrades and network wiring in District facilities. This outstanding principal is \$853,942.

The Energy Savings Improvement Program (ESIP) obligation bonds were issued in April of 2012 with a maturity date of June 2027 and the outstanding principal balance is \$5,275,000. The bonds financed the energy conservation measures throughout the district's schools. The reduction to utility costs accruing from these conservation measures will be used to repay the bonds, resulting in no cost to the taxpayers.

The district initiated a 1 to 1 Chromebook program at Teaneck High School and Benjamin Franklin and Thomas Jefferson Middle Schools. Accordingly, we issued a capital lease in the amount of \$901,300. At the end of the year the balance was \$300,171.

Lastly, in connection with the renovation of the Eugene Field building, an equipment lease was issued for the HVAC and other equipment installed during the renovation project of \$1,600,000.

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

12. **RISK MANAGEMENT:** The district is a member of the Northeast Bergen County School Boards Insurance Group (NESBIG), a joint insurance pool comprised of 45 school

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districts, for the entire insurance coverage, including, but not limited to Workers' Comp, general liability, fidelity bonds, automobile liability, and comprehensive collision, hazard and theft insurance for property and contents.

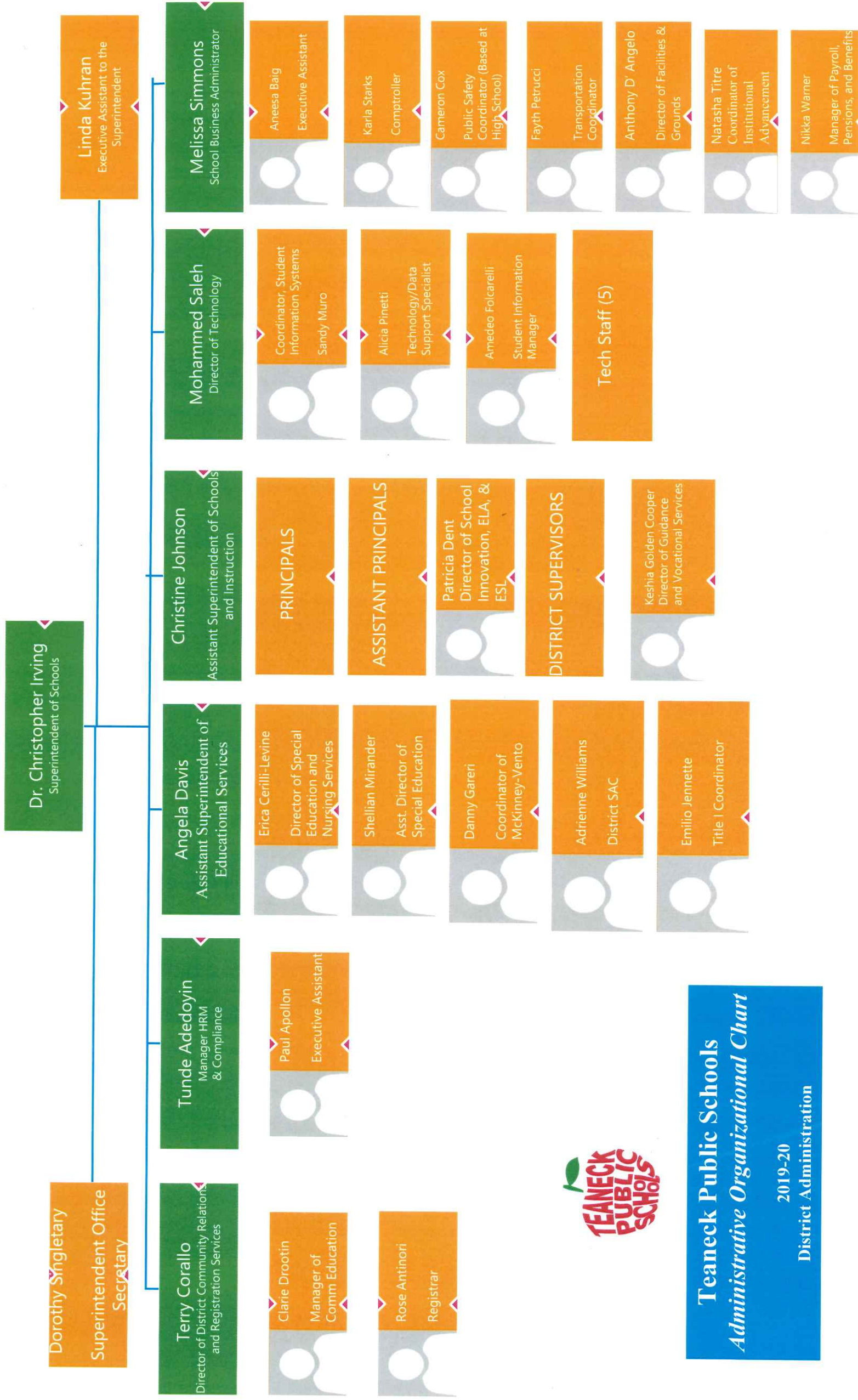
13. **INDEPENDENT AUDIT:** New Jersey State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and State Treasury Circular OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit Section of this report.

14. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Teaneck School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Melissa Simmons
Business Administrator /Board Secretary





Teaneck Public Schools
Administrative Organizational Chart
 2019-20
 District Administration

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

**ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Ardie Walser, President	2020
Clara Williams, Vice President	2020
Victoria Fisher	2021
Sarah Rappoport	2021
Gerald Reiner	2021
Sebastian Rodriguez	2022
Howard Rose	2020
Denise Sanders	2022
Linda Burns (1/1/20-6/30/20)	2022
Martin Ramirez (7/1/19-12/31/19)	2019

Other Officials

Dr. Christopher Irving, Superintendent of Schools

Melissa Simmons, School Business Administrator/Board Secretary

Karla Starks, Business Comptroller/Assistant Board Secretary

Anthony Bianchi, Treasurer of School Monies

TEANECK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

June 30, 2020

Attorney

INGLESINO, WEBSTER, WYCISKALA & TAYLOR, LLC
600 Parsippany Road, #204
Parsippany, NJ 07054

THE BUSCH LAW GROUP LLC
450 Main Street
Metuchen, NJ 08840

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depositories

TD BANK NORTH
540 River Street
Hackensack, NJ 07666

CAPITAL ONE BANK
499 Thornall Street
Edison, NJ 08837

TEANECK FEDERAL CREDIT UNION
100 Elizabeth Ave
PO Box 1016
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FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkotz, CPA, RMA, PSA
Matthew B. Wielkotz, CPA, PSA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of Teaneck School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Teaneck Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Honorable President and
Members of the Board of Education
Page 3.

Other Information

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

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

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable President and
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Page 4.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021 on our consideration of the Township of Teaneck Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Teaneck Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkocz

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

Wielkocz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 21, 2021

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**TEANECK BOARD OF EDUCATION
TEANECK, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As management of the Township of Teaneck School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Township of Teaneck School District for the fiscal year ended June 30, 2020.

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

FINANCIAL HIGHLIGHTS

In total, net position increased \$6,586,991. Net position of governmental activities increased \$6,719,684 while net assets of business-type activity decreased by \$(132,693).

General revenues accounted for \$119,918,484 in revenue or 94 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,685,545 or 6 percent of total revenues of \$127,604,029.

The School District had \$119,259,803 in expenses related to governmental activities; only \$5,861,003 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements, other financing services and property taxes) of \$120,118,484 were adequate to provide for these programs.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

USING THIS ANNUAL REPORT

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

District-Wide Financial Statements

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

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

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

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

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

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

Governmental Funds

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

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

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

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

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

The School District's net position was \$25,766,524 at June 30, 2020 and \$19,179,533 at June 30, 2019, respectively. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2020 compared to 2019 (Table 1) and change in net position (Table 2) of the School District.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other Assets	24,010,932	18,021,187	759,241	1,191,357	24,770,173	19,212,544
Capital Assets	<u>50,575,914</u>	<u>44,157,158</u>	<u>94,686</u>	<u>36,683</u>	<u>50,670,600</u>	<u>44,193,841</u>
Total Assets	<u>74,586,846</u>	<u>62,178,345</u>	<u>853,927</u>	<u>1,228,040</u>	<u>75,440,773</u>	<u>63,406,385</u>
Deferred Outflows:						
Unamortized Bond Issuance Costs	199,523	242,049			199,523	242,049
Deferred Outflows of Resources						
Related to PERS	<u>2,254,892</u>	<u>3,303,037</u>	_____	_____	<u>2,254,892</u>	<u>3,303,037</u>
Total Deferred Outflows	<u>2,454,415</u>	<u>3,545,086</u>	_____	_____	<u>2,454,415</u>	<u>3,545,086</u>
Liabilities						
Current Liabilities	5,039,158	4,591,467	63,047	304,467	5,102,205	4,895,934
Noncurrent Liabilities	<u>35,149,260</u>	<u>28,630,465</u>	_____	_____	<u>35,149,260</u>	<u>28,630,465</u>
Total Liabilities	<u>40,188,418</u>	<u>33,221,932</u>	<u>63,047</u>	<u>304,467</u>	<u>40,251,465</u>	<u>33,526,399</u>
Deferred Inflows:						
Unamortized Bond Issuance						
Premiums	802,743	889,029			802,743	889,029
Deferred Inflows of Resources						
Related to PERS	<u>11,074,456</u>	<u>13,356,510</u>	_____	_____	<u>11,074,456</u>	<u>13,356,510</u>
Total Deferred Inflows	<u>11,877,199</u>	<u>14,245,539</u>	_____	_____	<u>11,877,199</u>	<u>14,245,539</u>
Net Assets						
Net Investment in Capital Assets	30,554,759	28,805,759	94,686	36,683	30,649,445	28,842,442
Restricted	18,226,640	15,372,914			18,226,640	15,372,914
Unrestricted	<u>(23,805,755)</u>	<u>(25,922,713)</u>	<u>696,194</u>	<u>886,890</u>	<u>(23,109,561)</u>	<u>(25,035,823)</u>
Total Net Position	<u>24,975,644</u>	<u>18,255,960</u>	<u>790,880</u>	<u>923,573</u>	<u>25,766,524</u>	<u>19,179,533</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2020 compared to 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues:						
Charges for Services			1,169,058	1,440,622	1,169,058	1,440,622
Operating Grants and Contributions	5,861,003	4,111,079	655,484	810,413	6,516,487	4,921,492
General Revenues:						
Taxes:						
Property taxes	92,636,343	90,855,713			92,636,343	90,855,713
Federal and State Aid not Restricted	26,569,503	28,991,474			26,569,503	28,991,474
Federal and State Aid - Capital Outlay	131,511	56,916			131,511	56,916
Tuition Received	74,311	88,373			74,311	88,373
Transportation Received	4,571	45,832			4,571	45,832
Rents and Royalties	96,399	71,749			96,399	71,749
Miscellaneous	455,266	602,908			455,266	602,908
Other Financing Sources/(Uses)	<u>150,580</u>	<u>150,582</u>	<u>(200,000)</u>	<u>(201,464)</u>	<u>(49,420)</u>	<u>(50,882)</u>
Total Revenues and Transfers	<u>125,979,487</u>	<u>124,974,626</u>	<u>1,624,542</u>	<u>2,049,571</u>	<u>127,604,029</u>	<u>127,024,197</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

start

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Functions/Program Expenses						
Instruction:						
Regular	29,805,460	29,704,504			29,805,460	29,704,504
Special Education	10,791,784	11,726,104			10,791,784	11,726,104
Other Special Instruction	2,439,308	2,753,549			2,439,308	2,753,549
School Sponsored/Other						
Instructional	1,217,058	1,472,663			1,217,058	1,472,663
Support Services:						
Tuition	9,097,893	8,693,821			9,097,893	8,693,821
Attendance & Social Work	277,619	323,900			277,619	323,900
Health Services	902,988	1,070,725			902,988	1,070,725
Student & Instruction						
Related Services	14,869,343	13,156,856			14,869,343	13,156,856
General Administrative						
Services	1,881,224	1,511,085			1,881,224	1,511,085
School Administrative Services	3,859,803	3,902,038			3,859,803	3,902,038
Central Services & Adm.						
Information Technology	2,081,947	2,050,178			2,081,947	2,050,178
Plant Operations and						
Maintenance	8,073,700	7,808,758			8,073,700	7,808,758
Pupil Transportation	5,009,748	5,546,318			5,009,748	5,546,318
Allocated Benefits	5,753,774	5,413,152			5,753,774	5,413,152
Unallocated Benefits	12,001,638	11,489,829			12,001,638	11,489,829
Charter Schools	6,588,230	6,234,035			6,588,230	6,234,035
Capital Outlay - Non-Depreciable	2,520,371	1,735,427			2,520,371	1,735,427
Interest on Long-Term Debt	185,259	270,032			185,259	270,032
Unallocated Depreciation	1,946,416	1,971,687			1,946,416	1,971,687
Amortization	(43,760)	122,963			(43,760)	122,963
Food Service			1,206,430	1,404,842	1,206,430	1,404,842
Community School			<u>550,805</u>	<u>624,657</u>	<u>550,805</u>	<u>624,657</u>
Total Expenses	<u>119,259,803</u>	<u>116,957,624</u>	<u>1,757,235</u>	<u>2,029,499</u>	<u>121,017,038</u>	<u>118,987,123</u>
Increase or (Decrease) in						
Net Position	<u>6,719,684</u>	<u>8,017,002</u>	<u>(132,693)</u>	<u>20,072</u>	<u>6,586,991</u>	<u>8,037,074</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$121,017,038. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$92,636,343 because some of the cost was paid by those who benefitted from the programs \$1,169,058, by other governments and organizations who subsidized certain programs with grants and contributions \$6,516,487, unrestricted federal and state aid \$26,569,503, tuition received \$74,311, and by miscellaneous sources \$741,928.

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

- ✓ Business type activities expenses exceeded revenues by \$132,693.
- ✓ Charges for services provided totaled \$1,169,058 represents amounts paid by consumers for daily food services and community school programs.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$655,484.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2020, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$100,667,804	78.7%	\$8,956,713	9.77%	\$91,711,091
State Source	25,007,042	19.5%	2,513,839	11.18%	22,493,203
Federal Source	<u>2,260,483</u>	<u>1.8%</u>	<u>254,818</u>	12.70%	<u>2,005,665</u>
Total	<u>\$127,935,329</u>	<u>100.0%</u>	<u>\$11,725,370</u>	10.09%	<u>\$116,209,959</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$38,318,936	28.9%	\$649,438	1.72%	\$37,669,498
Undistributed	74,323,448	56.1%	3,035,101	4.26%	71,288,347
Debt Service	1,303,675	1.0%	(14,047)	(1.07)%	1,317,722
Capital Outlay	<u>18,478,444</u>	<u>14.0%</u>	<u>16,304,368</u>	749.94%	<u>2,174,076</u>
Total	<u>\$132,424,503</u>	<u>100.0%</u>	<u>\$19,974,860</u>	17.76%	<u>\$112,449,643</u>

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

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

During the fiscal year ended June 30, 2020, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state’s contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$4,093,673 for increases in federal and state grant awards.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

General Fund

The general fund actual revenue was \$113,471,044 including transfers. That amount is \$13,472,397 above the final amended budget of \$99,998,647. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$13,161,615 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state and federal aids of \$16,731, and an excess of \$294,051 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$123,077,857 including transfers which is \$11,759,754 above the final amended budget of \$111,318,103. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$13,161,615, and \$1,401,861 unexpended budgeted funds.

General fund had total revenues of \$113,471,044 including transfers and total expenditures and transfers of \$123,077,857 with an ending fund balance of \$15,095,805.

Special Revenue Fund

The special revenue fund actual revenue was \$6,663,884 including transfers. That amount is \$2,067,294 below the final amended budget of \$8,731,178. The variance between the actual revenue and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$6,663,884, which is \$2,067,294 below the final amended budget of \$8,731,178. The variance between actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020 the School District had \$87,469,247 invested in sites, buildings, equipment. Of this amount \$36,798,647 in depreciation has been taken over the years. We currently have a net book value of \$50,670,600.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Sites and Improvements	\$9,686,221	\$1,601,471	\$	\$	\$9,686,221	\$1,601,471
Buildings and Improvements	38,316,803	39,755,580			38,316,803	39,755,580
Furniture, Equipment and Vehicles	<u>2,572,890</u>	<u>2,800,107</u>	<u>94,686</u>	<u>36,683</u>	<u>2,667,576</u>	<u>2,836,790</u>
	<u>\$50,575,914</u>	<u>\$44,157,158</u>	<u>\$94,686</u>	<u>\$36,683</u>	<u>\$50,670,600</u>	<u>\$44,193,841</u>

Debt Administration

At June 30, 2020, the District had \$35,149,260 of long-term debt. Of this amount, \$3,184,570 is for compensated absences; \$10,925,000 is school improvement serial bonds; \$8,492,935 is for obligations under capital leases; and \$12,546,755 is for net pension liability.

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

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
School Energy Savings Obligation Refunding Bonds – April 15, 2012	\$4,730,000	\$5,275,000
Pension Refunding Bonds (ERIP) – August 7, 2013	515,000	1,015,000
School Refunding Bonds – April 27, 2016	<u>5,680,000</u>	<u>6,260,000</u>
	<u>\$10,925,000</u>	<u>\$12,550,000</u>

**TEANECK BOARD OF EDUCATION
TEANECK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2020-2021 school year that is greater than the level of the 2019-2020 school year.

These factors were considered in preparing the Township of Teaneck School District's budgets for the 2020-2021 fiscal year.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TEANECK BOARD OF EDUCATION
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	17,397,538	719,490	18,117,028
Receivables, Net	2,031,680	13,029	2,044,709
Inventory		26,722	26,722
Restricted Assets:			
Cash and Cash Equivalents	4,581,714		4,581,714
Capital Assets, Net:			
Land	9,686,221		9,686,221
Other Capital Assets, Net	40,889,693	94,686	40,984,379
Total Assets	<u>74,586,846</u>	<u>853,927</u>	<u>75,440,773</u>
Deferred Outflow of Resources:			
Unamortized Bond Issuance Costs	199,523		199,523
Deferred Outflows of Resources Related to PERS	2,254,892		2,254,892
Total Deferred Outflows	<u>2,454,415</u>		<u>2,454,415</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	4,627,858	1,720	4,629,578
Payable to State Government	113,892		113,892
Unearned Revenue	297,408	61,327	358,735
Noncurrent Liabilities:			
Due Within One Year	2,717,568		2,717,568
Due Beyond One Year	32,431,692		32,431,692
Total Liabilities	<u>40,188,418</u>	<u>63,047</u>	<u>40,251,465</u>
Deferred Inflow of Resources:			
Unamortized Bond Issuance Premiums	802,743		802,743
Deferred Inflows of Resources Related to PERS	11,074,456		11,074,456
Total Deferred Inflows	<u>11,877,199</u>		<u>11,877,199</u>
NET POSITION			
Net Investment in Capital Assets	30,554,759	94,686	30,649,445
Restricted for:			
Debt Service	1		1
Capital Projects	5,302,195		5,302,195
Other Purposes	12,924,444		12,924,444
Unrestricted (Deficit)	<u>(23,805,755)</u>	<u>696,194</u>	<u>(23,109,561)</u>
Total Net Position	<u>24,975,644</u>	<u>790,880</u>	<u>25,766,524</u>

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

TEANECK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities:						
Instruction:						
Regular	25,539,960	4,265,500			(29,805,460)	(29,805,460)
Special Education	8,999,603	1,792,181		2,923,293	(7,868,491)	(7,868,491)
Other Instruction	2,022,685	416,623			(2,439,308)	(2,439,308)
School Sponsored/Other Instructional	1,055,881	161,177			(1,217,058)	(1,217,058)
Support Services:						
Tuition	9,097,893				(9,097,893)	(9,097,893)
Attendance & Social Work	237,647	39,972			(277,619)	(277,619)
Health Services	799,722	103,266			(902,988)	(902,988)
Student & Instruction Related Services	13,516,230	1,353,113		2,937,710	(11,931,633)	(11,931,633)
General Administrative Services	1,759,484	121,740			(1,881,224)	(1,881,224)
School Administrative Services	3,218,696	641,107			(3,859,803)	(3,859,803)
Central Services & Administrative						
Information Technology	1,811,018	270,929			(2,081,947)	(2,081,947)
Plant Operations and Maintenance	7,609,711	463,989			(8,073,700)	(8,073,700)
Pupil Transportation	4,975,660	34,088			(5,009,748)	(5,009,748)
Allocated Benefits	5,753,774				(5,753,774)	(5,753,774)
Unallocated benefits	12,001,638				(12,001,638)	(12,001,638)
Charter School	6,588,230				(6,588,230)	(6,588,230)
Capital Outlay - Non-Depreciable	2,520,371				(2,520,371)	(2,520,371)
Interest on Long-Term Debt	185,259				(185,259)	(185,259)
Unallocated Depreciation	1,946,416				(1,946,416)	(1,946,416)
Amortization	(43,760)				43,760	43,760
Total Governmental Activities	109,596,118	9,663,685		5,861,003	(113,398,800)	(113,398,800)
Business-Type Activities:						
Food Service	1,206,430		509,998	655,484	(40,948)	(40,948)
Community School	550,805		659,060		108,255	108,255
Total Business-Type Activities	1,757,235		1,169,058	655,484	67,307	67,307
Total Primary Government	111,353,353		1,169,058	6,516,487	(113,398,800)	(113,331,493)
General Revenues:						
Taxes:						
Levied for General Purposes					91,332,668	91,332,668
Taxes Levied for Debt Service					1,303,675	1,303,675
Federal and State Aid Not Restricted					26,569,503	26,569,503
Federal and State Aid - Capital Outlay					131,511	131,511
Tuition from Other LEAs Within the State					74,311	74,311
Transportation Fees from Individuals					4,571	4,571
Rents and Royalties					96,399	96,399
Miscellaneous Income					455,266	455,266
Other Financing Sources/(Uses)					(200,000)	(49,420)
Total General Revenues, Special Items, Extraordinary Items and Transfers					120,118,484	119,918,484
Change in Net Position					6,719,684	6,586,991
Net Position—Beginning					923,573	19,179,533
Net Position—Ending					790,880	25,766,524

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

FUND FINANCIAL STATEMENTS

TEANECK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2020

	<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					
Checking	11,001,647		6,395,890	1	17,397,538
Accounts Receivable -					
Intergovernmental - State	1,049,950	93,930			1,143,880
Intergovernmental - Federal		797,979			797,979
Intergovernmental - Other	22,652	25,000			47,652
Interfund Receivables	100,699				100,699
Restricted Cash and Cash Equivalents:					
Capital Reserve	2,577,204				2,577,204
Maintenance Reserve	1,904,510				1,904,510
Tuition Reserve	100,000				100,000
Total Assets	<u>16,756,662</u>	<u>916,909</u>	<u>6,395,890</u>	<u>1</u>	<u>24,069,462</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	2,104,017	447,944	1,092,830		3,644,791
Intergovernmental Payable:					
State		113,892			113,892
Interfund Payable		57,665	865		58,530
Unearned Revenue		297,408			297,408
Total Liabilities	<u>2,104,017</u>	<u>916,909</u>	<u>1,093,695</u>	<u>-</u>	<u>4,114,621</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	1,746,897				1,746,897
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,558,493				1,558,493
Capital Reserve	2,577,204				2,577,204
Maintenance Reserve	1,904,510				1,904,510
Tuition Reserve	100,000				100,000
Assigned to:					
Year-End Encumbrances	5,037,340				5,037,340
Capital Projects Fund			5,302,195		5,302,195
Debt Service Fund				1	1
Unassigned:					
General Fund	1,728,201				1,728,201
Total Fund Balances	<u>14,652,645</u>	<u>-</u>	<u>5,302,195</u>	<u>1</u>	<u>19,954,841</u>
Total Liabilities and Fund Balances	<u>16,756,662</u>	<u>916,909</u>	<u>6,395,890</u>	<u>1</u>	

TEANECK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2020

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The Cost of the Assets is \$(86,998,678) and the Accumulated Depreciation, is \$(36,422,764)	50,575,914
Accrued Liability for Interest on Long-Term Debt is not Due and Payable in the Current Period and is not Reported as a Liability in the Funds	(206,213)
Accounts Payable for Subsequent Pension Payment is not a Payable in the Funds	(776,854)
Bond Issuance Premiums are Reported as Revenues in the Governmental Funds in the Year of the Receipt. The Original Premiums were \$1,340,159 and Accumulated Amortization is \$537,416.	(802,743)
Bond Issuance Costs are Reported as Expenditures in the Governmental Funds in the Year of the Expenditure. The Costs are \$257,407 and Accumulated Amortization is \$133,377	124,030
Loss From the Refunding of Debt are Reported as Deferred Outflows of Resources on the Statement of Net Position and Amortized Over the Life of the Debt. The Loss was \$552,783 and Accumulated Amortization is \$477,290	75,493
Deferred Outflows and Inflows of Resources are Applicable to Future Periods and Therefore are Not Reported in the Funds.	
Deferred Outflows of Resources Related to PERS Pension Liability	2,254,892
Deferred Inflows of Resources Related to PERS Pension Liability	(11,074,456)
Long-Term Liabilities are Not Due and Payable in the Current Period and Therefore are Not Reported as Liabilities in the Funds (see Note 7)	<u>(35,149,260)</u>
Net Position of Governmental Activities	<u><u>24,975,644</u></u>

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

TEANECK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2020

	<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 Tax Levy	91,332,668			1,303,675	92,636,343
Tuition from Other LEAs Within the State	74,311				74,311
Transportation Fees from Individuals	4,571				4,571
Rents and Royalties	96,399				96,399
Interest Earned on Capital Reserve Funds	6,500				6,500
Interest Earned on Maintenance Reserve	3,500				3,500
Proceeds from Capital Leases			7,338,822		7,338,822
Miscellaneous	444,401	62,092	865		507,358
Total - Local Sources	91,962,350	62,092	7,339,687	1,303,675	100,667,804
State Sources	21,237,217	3,769,825			25,007,042
Federal Sources	99,886	2,160,597			2,260,483
Total Revenues	113,299,453	5,992,514	7,339,687	1,303,675	127,935,329
EXPENDITURES					
Current:					
Regular Instruction	22,726,284	3,512,855			26,239,139
Special Education Instruction	9,001,231				9,001,231
Other Special Instruction	2,022,685				2,022,685
School Sponsored/Other Instructional	1,055,881				1,055,881
Support Services and Undistributed Costs:					
Tuition	9,097,893				9,097,893
Attendance & Social Work	237,647				237,647
Health Services	799,722				799,722
Student & Instruction Related Services	10,619,098	2,937,710			13,556,808
General Administrative Services	1,759,629				1,759,629
School Administrative Services	3,220,126				3,220,126
Central Services & Administrative					
Information Technology	1,811,549				1,811,549
Plant Operations and Maintenance	8,157,447				8,157,447
Pupil Transportation	4,975,660				4,975,660
Allocated Benefits	5,753,774				5,753,774
Unallocated Benefits	5,203,348				5,203,348
On-Behalf Contributions	13,161,615				13,161,615
Transfer to Charter Schools	6,588,230				6,588,230
Debt Service:					
Principal				1,080,000	1,080,000
Interest and Charges				223,675	223,675
Capital Outlay	10,367,056	131,511	7,979,877		18,478,444
Total Expenditures	116,558,875	6,582,076	7,979,877	1,303,675	132,424,503
Excess (Deficiency) of Revenues Over Expenditures	(3,259,422)	(589,562)	(640,190)	-	(4,489,174)
OTHER FINANCING SOURCES (USES)					
Transfers out - Special Revenue Fund	(589,562)				(589,562)
Transfers In - General Fund		589,562			589,562
Transfers Out - Agency Funds	(49,420)				(49,420)
Transfers In - Community School	200,000				200,000
Transfers in - Capital Projects	865				865
Transfers out - General Fund			(865)		(865)
Transfers out - Capital Reserves	(5,880,000)				(5,880,000)
Transfers in - Capital Reserves			5,880,000		5,880,000
Capital Leases (Non-Budgeted)	7,338,822				7,338,822
Total Other Financing Sources and Uses	1,020,705	589,562	5,879,135	-	7,489,402
Net Change in Fund Balances	(2,238,717)	-	5,238,945	-	3,000,228
Fund Balance—July 1	16,891,362	-	63,250	1	16,954,613
Fund Balance—June 30	14,652,645	-	5,302,195	1	19,954,841

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

TEANECK BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2)		3,000,228
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are Reported in Governmental Funds as Expenditures. However, in the Statement of Activities, the Cost of Those Assets is Allocated Over Their Estimated Useful Lives as Depreciation Expense. This is the Amount by Which Capital Outlays Exceeded Depreciation in the Period.		
	Depreciation Expense	(1,946,416)
	Non-Depreciable Capital Outlay - Construction in Progress	8,084,750
	Depreciable Outlays	<u>280,422</u>
		6,418,756
Repayment of Long-Term Debt is Reported as an Expenditure in the Governmental Funds, but the Repayment Reduces Long-Term Liabilities in the Statement of Net Position and is not Reported in the Statement of Activities. In the Current Year, These Amounts Consist of:		
	General Bond Obligations	1,625,000
	Capital Lease Obligations	<u>1,000,306</u>
		2,625,306
Proceeds from Debt Issues are a Financing Source in the Governmental Funds. They are not Revenue in the Statement of Activities; Issuing Debt Increases Long-Term Liabilities in the Statement of Net Position. Capital Lease Proceeds		
		(7,338,822)
In the Statement of Activities, Interest on Long-Term Debt in the Statement of Activities is Accrued, Regardless of When Due. In the Governmental Funds, Interest is Reported When Due. The Change in Interest is an Adjustment in the Reconciliation.		
	Prior Year	244,629
	Current Year	<u>(206,213)</u>
		38,416
In the Statement of Activities, Certain Operating Expenses, e.g., Compensated Absences (Vacations) are Measured by the Amounts Earned During the Year. In the Governmental Funds, However, Expenditures for These Items are Reported in the Amount of Financial Resources Used (Paid). When the Earned Amount Exceeds the Paid Amount, the Difference is Reduction in the Reconciliation (-); When the Paid Amount Exceeds the Earned Amount the Difference is an Addition to the Reconciliation (+).		
	Increase in Compensated Absences Payable	(937,128)
District Pension Contributions are Reported as Expenditures in the Governmental Funds When Made. However, per GASB No. 68 They are Reported as Deferred Outflows of Resources in the Statement of Net Position Because the Reported Net Pension Liability is Measured a Year before the District's Report Date. Pension Expense, Which is the Change in the Net Pension Liability Adjusted for Changed in Deferred Outflows and Inflows of Resources Related to Pensions, is Reported in the Statement of Activities.		
	District Pension Contributions	677,321
	Add: Pension Expense Reduction	<u>2,191,847</u>
	(Increase)/Decrease in Pension Expense	2,869,168
Per GASB No. 68, Non-Employer Contributing Entities are Required to Record any Increases in Revenue and Expense for On-behalf TPAF Pension Payments Paid by the State of New Jersey on the Statement of Activities That are in Excess of Those Amounts Reported in the Fund Financial Statements.		
	Increase in On-behalf State Aid TPAF Pension	4,460,337
	Increase in On-behalf TPAF Pension Expense	(4,460,337)
The Governmental Funds Report the Effect of Bond Premiums When Debt is First Issued. Whereas These Amounts are Deferred and Amortized in the Statement of Activities (+)		
		86,286
The Governmental Funds Report the Effect of Issuance Costs When Debt is First Issued. Whereas These Amounts are Deferred and Amortized in the Statement of Activities (-)		
		(42,526)
Per GASB No. 75 Non-Employer Contributing Entities are Required to Record an Increases in Revenue and Expense for On-behalf TPAF Post Employment Medical Payments Paid by the State of New Jersey on the Statement of Activities That are in Excess of Those Amounts Reported in the Fund Financial Statements		
	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	(772,063)
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>772,063</u>
Change in Net Position of Governmental Activities		<u><u>6,719,684</u></u>

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

TEANECK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2020

	Food Service Program	Community School	Totals
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	238,853	480,637	719,490
Accounts Receivable:			
State	4,249	-	4,249
Federal	8,780	-	8,780
Inventories	26,722	-	26,722
Total Current Assets	<u>278,604</u>	<u>480,637</u>	<u>759,241</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	470,569	-	470,569
Less Accumulated Depreciation	<u>(375,883)</u>	<u>-</u>	<u>(375,883)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>94,686</u>	<u>-</u>	<u>94,686</u>
Total Assets	<u><u>373,290</u></u>	<u><u>480,637</u></u>	<u><u>853,927</u></u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	48	1,672	1,720
Unearned Revenue	47,627	13,700	61,327
Total Current Liabilities	<u>47,675</u>	<u>15,372</u>	<u>63,047</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	94,686	-	94,686
Unrestricted	230,929	465,265	696,194
Total Net Position	<u><u>325,615</u></u>	<u><u>465,265</u></u>	<u><u>790,880</u></u>

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

TEANECK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service Program	Community School	Totals
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	409,690	-	409,690
Daily Sales - Non-Reimbursable Programs	60,349	-	60,349
Special Functions	30,920		30,920
Vending Sales	9,039		9,039
Program Fees	-	659,060	659,060
Total Operating Revenues	<u>509,998</u>	<u>659,060</u>	<u>1,169,058</u>
Operating Expenses:			
Cost of Sales - Reimbursable	431,987	-	431,987
Cost of Sales - Non-Reimbursable	89,705	-	89,705
Salaries	498,217	373,704	871,921
Benefits	52,025	83,014	135,039
Purchased Professional and Technical Services	63,600	-	63,600
Other Purchased Services	29,819	52,662	82,481
Contracted Services-Transportation	-	8,407	8,407
Communications/Telephone	-	1,864	1,864
Supplies and Materials	32,656	15,463	48,119
Other Objects	-	15,213	15,213
Miscellaneous Expenditures	-	478	478
Depreciation	8,421	-	8,421
Total Operating Expenses	<u>1,206,430</u>	<u>550,805</u>	<u>1,757,235</u>
Operating Income (Loss)	<u>(696,432)</u>	<u>108,255</u>	<u>(588,177)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	15,751	-	15,751
Federal Sources:			
National School Lunch Program	88,201		88,201
National School Breakfast Program	453,808	-	453,808
Food Distribution Program	97,724	-	97,724
Total Nonoperating Revenues (Expenses)	<u>655,484</u>	<u>-</u>	<u>655,484</u>
Income (Loss) before Contributions & Transfers	<u>(40,948)</u>	<u>108,255</u>	<u>67,307</u>
Other Financing Sources/(Uses)			
Transfer to General Fund		(200,000)	(200,000)
Change in Net Position	(40,948)	(91,745)	(132,693)
Total Net Position—Beginning	<u>366,563</u>	<u>557,010</u>	<u>923,573</u>
Total Net Position—Ending	<u><u>325,615</u></u>	<u><u>465,265</u></u>	<u><u>790,880</u></u>

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

TEANECK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2020

	<u>Food Service Program</u>	<u>Community School</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	551,428	400,157	951,585
Payments to Employees for Salaries and Benefits		(456,718)	(456,718)
Payments to Suppliers	(1,132,629)	(93,622)	(1,226,251)
Net Cash Provided by (Used for) Operating Activities	<u>(581,201)</u>	<u>(150,183)</u>	<u>(731,384)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	12,281		12,281
Federal Sources	570,929		570,929
Payments to General Fund		(200,000)	(200,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>583,210</u>	<u>(200,000)</u>	<u>383,210</u>
FINANCING ACTIVITIES			
Purchases of capital assets	(66,424)	-	(66,424)
Net cash provided by (used for) capital and related financing activities	<u>(66,424)</u>	<u>-</u>	<u>(66,424)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(64,415)	(350,183)	(414,598)
Balances—Beginning of Year	303,268	830,820	1,134,088
Balances—End of Year	<u>238,853</u>	<u>480,637</u>	<u>719,490</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(696,432)	108,255	(588,177)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation and Net Amortization	8,421	-	8,421
Food Distribution Program	97,724	-	97,724
(Increase) Decrease in Inventories	(7,932)	-	(7,932)
Increase (Decrease) in Accounts Payable	(450)	465	15
Increase (Decrease) in Unearned Revenue	17,468	(258,903)	(241,435)
Total Adjustments	<u>115,231</u>	<u>(258,438)</u>	<u>(143,207)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(581,201)</u>	<u>(150,183)</u>	<u>(731,384)</u>

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

TEANECK BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Private Purpose Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and Cash Equivalents	110,860	2,177,073
Total Assets	<u>110,860</u>	<u>2,177,073</u>
LIABILITIES		
Payable to Student Groups		186,268
Payroll Deductions and Withholdings		751,140
Summer Savings Plan		1,080,267
Net Payroll		2,886
Flexible Spending Program		114,343
Interfund Payable		42,169
Total Liabilities	<u> </u>	<u>2,177,073</u>
NET POSITION		
Reserved for Scholarships	<u>110,860</u>	

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

TEANECK BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2020

	<u>Private Purpose Scholarship Funds</u>
ADDITIONS	
Contributions:	
Donations	1,012
Total Contributions	<u>1,012</u>
Investment Earnings:	
Interest	962
Net Investment Earnings	<u>962</u>
Total Additions	<u>1,974</u>
DEDUCTIONS	
Scholarships Awarded	5,526
Total Deductions	<u>5,526</u>
Change in Net Position	(3,552)
Net Position—Beginning of the Year	114,412
Net Position—End of the Year	<u><u>110,860</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Township of Teaneck School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Township of Teaneck School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

B. Basis of Presentation

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

District-wide Financial Statements

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

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

Fund Financial Statements

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

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

C. Measurement Focus

District-wide Financial Statements

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

C. Measurement Focus, (continued)

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

D. Basis of Accounting, (continued)

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

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

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

Expenses/Expenditures

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

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

E. Budgets/Budgetary Control

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

E. Budgets/Budgetary Control, (continued)

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

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

F. Encumbrances

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

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

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

G. Cash, Cash Equivalents and Investments

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

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

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

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

H. Tuition Revenues/Receivable

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

I. Inventories

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

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

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

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

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

M. Compensated Absences

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

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

N. Unearned Revenue

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

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

O. Accrued Liabilities and Long-term Obligations

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

P. Accounting and Financial Reporting for Pensions

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

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

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

P. Accounting and Financial Reporting for Pensions (continued)

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

Q. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to pension and deferred amounts relating to unamortized bond premiums.

R. Fund Balances

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

R. Fund Balances, (continued)

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

S. Net Position

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

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

T. Operating Revenues and Expenses

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

U. Extraordinary and Special Items

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

V. Allocation of Indirect Expenses

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

W. Use of Estimates

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

X. New Accounting Standards:

During fiscal year 2020, the District did not adopt any new GASB Statements.

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

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. This Statement was effective for reporting periods beginning after December 15, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

X. New Accounting Standards, (continued)

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

X. New Accounting Standards: (continued)

GASB Statement No. 92, Omnibus. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, Replacement of Interbank Offering Rates. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2020, \$56,504 of the District's bank balance of \$28,511,019 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. RECEIVABLES

Receivables at June 30, 2020, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$1,143,880	\$4,249	\$1,148,129
Federal Aid	797,979	8,780	806,759
Other	47,652		47,652
Interfunds	<u>100,699</u>		<u>42,169</u>
Gross Receivables	2,090,210	13,029	2,044,709
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,090,210</u>	<u>\$13,029</u>	<u>\$2,044,709</u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2020, consist of the following:

\$57,665	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
42,169	Due to the General Fund from the FSA Account for cash advanced.
<u>865</u>	Due to the General Fund from the Capital Projects Fund for interest earnings.
<u>\$100,699</u>	

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 4. INTERFUND BALANCES AND ACTIVITY, (continued)

Interfund transfers for the year ended June 30, 2020 consisted of the following:

\$49,420	Due from the General Fund to the Agency Fund for expenses paid.
200,000	Due from the Community School Fund to the General Fund for budgeted revenue.
5,611,000	Due from the General Fund to the Capital Projects Fund for Capital Reserve portion of projects.
589,562	Due from the General Fund to the Special Revenue Fund for Preschool Education Aid - Inclusion budget.
<u>865</u>	Due from the Capital Projects Fund to the General Fund for interest earnings.
<u>\$6,450,847</u>	

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Restated Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital Assets That Are Not Being Depreciated:				
Land	\$1,601,471	\$	\$	\$1,601,471
Construction in process	<u> </u>	8,084,750	<u> </u>	8,084,750
Total Capital Assets, Not Being Depreciated	<u>1,601,471</u>	<u>8,084,750</u>	<u> </u>	<u>9,686,221</u>
Building and building improvements	61,332,696			61,332,696
Improvements Other than Buildings	5,311,060			5,311,060
Machinery and equipment	<u>10,388,279</u>	<u>280,422</u>	<u> </u>	<u>10,668,701</u>
Totals at Historical Cost	<u>77,032,035</u>	<u>280,422</u>	<u> </u>	<u>77,312,457</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(22,823,723)	(1,301,167)		(24,124,890)
Improvements Other than Buildings	(4,064,453)	(137,610)		(4,202,063)
Machinery and Equipment	<u>(7,588,172)</u>	<u>(507,639)</u>	<u> </u>	<u>(8,095,811)</u>
Total Accumulated Depreciation	<u>(34,476,348)</u>	<u>(1,946,416)</u>	<u> </u>	<u>(36,422,764)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>42,555,687</u>	<u>(1,665,994)</u>	<u> </u>	<u>40,889,693</u>
Governmental Activities Capital Assets, Net	<u>\$44,157,158</u>	<u>\$6,418,756</u>	<u>\$</u>	<u>\$50,575,914</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 5. CAPITAL ASSETS, (continued)

	Restated Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Business-Type Activities				
Machinery and Equipment	\$404,145	\$66,424	\$	\$470,569
Less Accumulated Depreciation For:				
Machinery and Equipment	<u>(367,462)</u>	<u>(8,421)</u>	<u> </u>	<u>(375,883)</u>
Business-Type Activities Capital Assets, Net	<u>\$36,683</u>	<u>\$58,003</u>	<u>\$ </u>	<u>\$94,686</u>

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

NOTE 6. LONG-TERM OBLIGATIONS

Advance and Current Refundings of Debt

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

On April 27, 2016, the District issued \$7,615,000 in School District Refunding Bonds having an interest rate of 1.00% to 4.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2006 School District Refunding Bonds of the District. The total bond principal defeased was \$7,960,000 and the total interest payments defeased was \$759,500. The net proceeds of \$8,132,354 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of the refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

Changes in long-term obligations for the fiscal year ended June 30, 2020 are as follows:

	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds payable:						
General obligation debt	\$12,550,000	\$	\$(1,625,000)	\$10,925,000	\$1,685,000	\$9,240,000
Total Bonds Payable	<u>12,550,000</u>	<u> </u>	<u>(1,625,000)</u>	<u>10,925,000</u>	<u>1,685,000</u>	<u>9,240,000</u>
Other Liabilities:						
Obligations under capital lease	2,154,419	7,338,822	(1,000,306)	8,492,935	1,032,568	7,460,367
Compensated absences payable	2,247,442	1,139,268	(202,140)	3,184,570		3,184,570
Net Pension Liability PERS	<u>14,281,544</u>	<u> </u>	<u>(1,734,789)</u>	<u>12,546,755</u>	<u> </u>	<u>12,546,755</u>
Total other liabilities	<u>18,683,405</u>	<u>8,478,090</u>	<u>(2,937,235)</u>	<u>24,224,260</u>	<u>1,032,568</u>	<u>23,191,692</u>
Total Governmental Activities	<u>\$31,233,405</u>	<u>\$8,478,090</u>	<u>(\$4,562,235)</u>	<u>\$35,149,260</u>	<u>\$2,717,568</u>	<u>\$32,431,692</u>

A. Bonds Payable:

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

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

Outstanding bonds payable at June 30, 2020 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2020</u>
2012 School Energy Savings Obligation Refunding Bonds	\$8,180,000	4/5/2012	2.0%-4.5%	4/1/2027	\$4,730,000
2013 Pension Refunding Bonds (ERIP)	\$3,325,000	8/22/2013	0.9%-3.5%	1/1/2020	515,000
2016 Refunding Bonds	\$7,615,000	4/27/2016	1.0%-4.0%	7/15/2030	5,680,000

Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$1,685,000	\$381,612	\$2,066,612
2022	1,200,000	330,100	1,530,100
2023	1,135,000	291,750	1,426,750
2024	1,165,000	254,500	1,419,500
2025	1,225,000	213,150	1,438,150
2026-2030	4,050,000	406,588	4,456,588
2031	465,000	8,137	473,137
	<u>\$10,925,000</u>	<u>\$1,885,837</u>	<u>\$12,810,837</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2020 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District has entered into capital lease obligations for capital improvements for HVAC improvements expiring on March 15, 2025, equipment for new administration building expiring on July 15, 2039, a technology upgrades and network wiring project expiring on August 31, 2021, district-wide copiers expiring on May 15, 2021 and chromebooks expiring on November 1, 2020. The following is a schedule of future minimum lease payments for these capital leases, and the present value of the net minimum lease payments at June 30, 2020:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$1,032,568	\$61,868	\$1,094,436
2022	1,167,419	196,689	1,364,108
2023	643,639	143,814	787,453
2024	584,927	131,019	715,946
2025	590,904	119,689	710,593
2026-2030	1,401,697	475,788	1,877,485
2031-2035	1,781,003	289,762	2,070,765
2036-2040	1,290,778	85,697	1,376,475
	<u>\$8,492,935</u>	<u>\$1,504,326</u>	<u>\$9,997,261</u>

Total minimum lease payments	\$9,997,261
Less: Amount representing interest	<u>(\$1,504,326)</u>
Present value of lease payments	<u>\$8,492,935</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 7. OPERATING LEASES

The District has commitments to lease certain office equipment and structures for classroom use under operating leases that expire in 2025. In addition, the District had a space rental lease for Pre-K Classrooms that expired in 2019. Total operating lease payments made during the year ended June 30, 2020 were \$486,477.

Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$172,825
2022	91,428
2023	91,428
2024	80,733
2025	7,140
	<u>1,785</u>
	<u>\$445,339</u>

NOTE 8. PENSION PLANS

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

Contributions Requirements Fund Based Statements

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

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/20	\$677,321	\$22,807
6/30/19	721,477	4,062
6/30/18	799,346	7,822

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

Year	Pension	Post-Retirement Medical	NCGI	Long-Term Disability
<u>Ending</u> 6/30/20	<u>Contributions</u> \$7,515,878	<u>Contributions</u> \$2,838,229	<u>Premium</u> \$134,714	<u>Insurance</u> \$5,282
6/30/19	6,580,231	3,047,262	137,741	5,229
6/30/18	5,107,097	3,378,613	123,936	5,340

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,667,512 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2020, the District had a liability of \$12,546,755 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the District's proportion was 0.0696326940 percent, which was a decrease of (0.0000290111) percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$2,191,847. At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$225,198	\$55,426
Changes of assumptions	1,252,840	4,354,939
Net difference between projected and actual earnings on pension plan investments		198,055
Changes in proportion and differences between the District's contributions and proportionate share of contributions		6,466,036
District contributions subsequent to the measurement date	<u>776,854</u>	<u> </u>
Total	<u>\$2,254,892</u>	<u>\$11,074,456</u>

The \$776,854 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

Year ended June 30:	
2020	(\$362,293)
2021	(1,175,272)
2022	(1,049,449)
2023	(492,771)
2024	(50,597)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's Proportion	0.0696326940%	0.0725338000%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2019</u>		
	<u>1%</u> Decrease	<u>At Current</u> Discount Rate	<u>1%</u> Increase
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
District's proportionate share of the pension liability	\$15,871,560	\$12,546,755	\$9,745,136

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2020 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>205,330,282</u>
	<u><u>\$205,330,282</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2019, the proportion of the TPAF net pension liability associated with the District was 0.3345724664%.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$13,161,615 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 70% of the actuary determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

NOTE 9. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) 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. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have remained consistent with Fiscal Year 2018 amounts. The Fiscal Year 2020 Appropriations Act includes \$1.612 billion as the State's contribution to fund “pay-as-you-go” PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total OPEB Liability

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

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2020 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>119,668,694</u>
	<u>\$119,668,694</u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(b) *Discount Rate*

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,066,166 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 10. DEFERRED COMPENSATION

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

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

NOTE 11. RISK MANAGEMENT

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

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

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

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

NOTE 12. CAPITAL RESERVE ACCOUNT

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

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

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 12. CAPITAL RESERVE ACCOUNT, (continued)

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$7,082,301
Increased by:	
Interest Earnings	6,500
Deposits Approved by Board Resolution	<u>1,850,000</u>
	<u>1,856,500</u>
Decreased by:	
Budget Appropriations	<u>6,361,597</u>
Ending balance, June 30, 2020	<u><u>\$2,577,204</u></u>

NOTE 13. MAINTENANCE RESERVE ACCOUNT

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

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

The activity of the maintenance reserve account for the July 1, 2019 to June 30, 2020 fiscal years is as follows:

Beginning balance, July 1, 2019	\$1,701,010
Increased by:	
Interest Earnings	3,500
Deposits Approved by Board Resolution	<u>200,000</u>
	<u>203,500</u>
Ending balance, June 30, 2020	<u><u>\$1,904,510</u></u>

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 14. TUITION RESERVE

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

The activity of the tuition reserve for the July 1, 2019 to June 30, 2020 fiscal year is a follows:

Beginning balance, July 1, 2019	\$100,000
Increased by:	
Deposits Approved by Board Resolution	100,000
Decreased by:	
Budget Appropriation	<u>100,000</u>
Ending balance, June 30, 2020	<u>\$100,000</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] – Of the \$14,652,645 General Fund fund balance at June 30, 2020, \$5,037,340 reserved for encumbrances; \$3,305,390 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,558,493 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2021); \$2,577,204 has been reserved in the Capital Reserve Account; \$1,904,510 has been reserved in the Maintenance Reserve Account; \$100,000 has been reserved in the Tuition Reserves Account; \$1,728,201 is unreserved and undesignated.

Debt Service Fund – The Debt Service Fund balance at June 30, 2020 of \$1 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$3,305,390. Of this amount, \$1,746,897 is the result of current year operations.

**Township of Teaneck School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$20,439
Supplies	<u>6,283</u>
	<u>\$26,722</u>

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

NOTE 18. CONTINGENT LIABILITIES

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

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

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 21, 2021, the date which the financial statements were available to be issued and the following item was noted for disclosure:

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Township of Teaneck. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. In addition, possible increase in expenditures related to the COVID-19 pandemic that will not be reimbursed by the Federal or State governments. The Board will continue to monitor the situation closely.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	91,332,668		91,332,668	91,332,668	
Tuition from Other LEAs Within the State	65,000		65,000	74,311	9,311
Transportation Fees from Individuals				4,571	4,571
Rents and Royalties				96,399	96,399
Interest Earned on Capital Reserve Funds	6,500		6,500	6,500	
Interest Earned on Maintenance Reserve	3,500		3,500	3,500	
Unrestricted Miscellaneous Revenues	261,496		261,496	444,401	182,905
Total - Local Sources	<u>91,669,164</u>		<u>91,669,164</u>	<u>91,962,350</u>	<u>293,186</u>
Revenues from State Sources:					
Categorical Special Education Aid	2,840,278		2,840,278	2,840,278	
Categorical Security Aid	945,902		945,902	945,902	
Categorical Transportation Aid	2,348,999		2,348,999	2,348,999	
Extraordinary Aid	875,000		875,000	772,261	(102,739)
NTE Homeless Reimbursement				18,087	18,087
Non Public Transportation				120,801	120,801
Special Assistance Aid		1,000,000	1,000,000	1,000,000	
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,838,229	2,838,229
On-behalf TPAF Pension (non-budgeted)				7,515,878	7,515,878
On-behalf TPAF NCGI Premium (non-budgeted)				134,714	134,714
On-behalf TPAF LTDI				5,282	5,282
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,667,512	2,667,512
Total - State Sources	<u>7,010,179</u>	<u>1,000,000</u>	<u>8,010,179</u>	<u>21,207,943</u>	<u>13,197,764</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative (SEMI)	119,304		119,304	77,315	(41,989)
Medicaid Administrative Claiming (MAC)				22,571	22,571
Total - Federal Sources	<u>119,304</u>		<u>119,304</u>	<u>99,886</u>	<u>(19,418)</u>
TOTAL REVENUES	<u>98,798,647</u>	<u>1,000,000</u>	<u>99,798,647</u>	<u>113,270,179</u>	<u>13,471,532</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,221,084	(275,611)	945,473	882,509	62,964
Grades 1-5 - Salaries of Teachers	6,396,442	(50,368)	6,346,074	6,164,051	182,023
Grades 6-8 - Salaries of Teachers	5,584,142	(278,501)	5,305,641	5,208,859	96,782
Grades 9-12 - Salaries of Teachers	8,642,133	(32,969)	8,609,164	8,452,344	156,820
Regular Programs - Home Instruction:		588	588	588	
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	8,300	32,421	40,721	40,706	15
Purchased Technical Services	105,291	(2,912)	102,379	82,489	19,890
Other Purchased Services (400-500 Series)	400,030	(250,700)	149,330	117,201	32,129
General Supplies	1,995,652	(321,094)	1,674,558	1,615,472	59,086
Textbooks	230,613	(68,239)	162,374	162,065	309
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>24,583,687</u>	<u>(1,247,385)</u>	<u>23,336,302</u>	<u>22,726,284</u>	<u>610,018</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	1,332,400	(105,250)	1,227,150	1,167,473	59,677
Purchased Professional - Educational Services	475,770		475,770	265,462	210,308
General Supplies	1,500	(450)	1,050	431	619
Other Objects		450	450	450	
Total Learning and/or Language Disabilities	<u>1,809,670</u>	<u>(105,250)</u>	<u>1,704,420</u>	<u>1,433,816</u>	<u>270,604</u>
Behavioral Disabilities					
Salaries of Teachers	300,700	19,182	319,882	314,250	5,632
Purchased Professional - Educational Services	178,429	(13,550)	164,879	81,810	83,069
General Supplies	15,000	(5,632)	9,368	430	8,938
Total Behavioral Disabilities	<u>494,129</u>		<u>494,129</u>	<u>396,490</u>	<u>97,639</u>
Multiple Disabilities					
Salaries of Teachers	656,200	(85,470)	570,730	540,212	30,518
Purchased Professional - Educational Services	783,852		783,852	591,117	192,735
General Supplies	39,640	(450)	39,190	27,751	11,439
Other Objects		450	450	450	
Total Multiple Disabilities	<u>1,479,692</u>	<u>(85,470)</u>	<u>1,394,222</u>	<u>1,159,530</u>	<u>234,692</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of Teachers	5,035,572	326,803	5,362,375	5,360,749	1,626
Purchased Professional - Educational Services	284,742		284,742	234,523	50,219
General Supplies	28,000	(1,739)	26,261	1,941	24,320
Total Resource Room/Resource Center	<u>5,348,314</u>	<u>325,064</u>	<u>5,673,378</u>	<u>5,597,213</u>	<u>76,165</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	308,500	(180,890)	127,610	6,419	121,191
General Supplies	1,500		1,500	681	819
Total Preschool Disabilities - Part Time	<u>310,000</u>	<u>(180,890)</u>	<u>129,110</u>	<u>7,100</u>	<u>122,010</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	133,600	(4,006)	129,594	104,339	25,255
Professional Svcs-Educational Services	227,794	14,451	242,245	242,245	
General Supplies	10,000		10,000	3,013	6,987
Other Objects		528	528	528	
Total Preschool Disabilities - Full-Time	<u>371,394</u>	<u>10,973</u>	<u>382,367</u>	<u>350,125</u>	<u>32,242</u>
Home Instruction:					
Salaries of Teachers	86,000		86,000	39,850	46,150
Professional Svcs-Educational Services	20,925		20,925	17,107	3,818
Total Home Instruction	<u>106,925</u>		<u>106,925</u>	<u>56,957</u>	<u>49,968</u>
Special Education - Instruction - Cognitive - Severe:					
Other Salaries for Instruction		5,000	5,000		5,000
Total Special Education - Instruction - Cognitive - Severe:		<u>5,000</u>	<u>5,000</u>		<u>5,000</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>9,920,124</u>	<u>(30,573)</u>	<u>9,889,551</u>	<u>9,001,231</u>	<u>888,320</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,751,918	(71,415)	1,680,503	1,532,486	148,017
Total Basic Skills/Remedial - Instruction	<u>1,751,918</u>	<u>(71,415)</u>	<u>1,680,503</u>	<u>1,532,486</u>	<u>148,017</u>
Bilingual Education - Instruction					
Salaries of Teachers	490,156		490,156	490,156	
General Supplies	2,000		2,000	43	1,957
Total Bilingual Education - Instruction	<u>492,156</u>		<u>492,156</u>	<u>490,199</u>	<u>1,957</u>
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	234,400	21,164	255,564	171,083	84,481
Purchased Services (300-500 Series)	3,850		3,850	1,917	1,933
Supplies and Materials	16,050	4,872	20,922	19,182	1,740
Other Objects	26,560	(3,350)	23,210	16,296	6,914
Total School-Sponsored Co/Extra Curricular Activities - Instruction	<u>280,860</u>	<u>22,686</u>	<u>303,546</u>	<u>208,478</u>	<u>95,068</u>
School-Sponsored Athletics - Instruction					
Salaries	708,280	(11,771)	696,509	606,324	90,185
Purchased Services (300-500 Series)	63,293	(25,633)	37,660	36,737	923
Supplies and Materials	143,625	33,768	177,393	174,020	3,373
Other Objects	39,602	(12,022)	27,580	25,238	2,342
Total School-Sponsored Athletics - Instruction	<u>954,800</u>	<u>(15,658)</u>	<u>939,142</u>	<u>842,319</u>	<u>96,823</u>
Summer School - Instruction					
Salaries		5,132	5,132	5,084	
Total Summer School - Instruction		<u>5,132</u>	<u>5,132</u>	<u>5,084</u>	
TOTAL INSTRUCTION	<u>37,983,545</u>	<u>(1,337,213)</u>	<u>36,646,332</u>	<u>34,806,081</u>	<u>1,840,203</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	38,572	14,226	52,798	52,798	
Tuition to Other LEAs Within the State - Special	1,808,094	(64,902)	1,743,192	1,164,759	578,433
Tuition to County Voc. School Dist. - Regular	682,992	51,947	734,939	734,939	
Tuition to County Voc. School Dist. - Special	342,220	(4,734)	337,486	290,112	47,374
Tuition to CSSD & Regional Day Schools	1,437,037	125,142	1,562,179	1,554,918	7,261
Tuition to Private Schools for the Disabled Within State	5,829,929	479,880	6,309,809	4,429,922	1,879,887
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	880,959	(49,999)	830,960	750,077	80,883
Tuition - State Facilities	120,368		120,368	120,368	
Total Undistributed Expenditures - Instruction:	<u>11,140,171</u>	<u>551,560</u>	<u>11,691,731</u>	<u>9,097,893</u>	<u>2,593,838</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	274,981	(80,000)	194,981	194,059	922
Purchased Professional and Technical Services	190,870	(147,747)	43,123	43,123	
Other Purchased Services (400-500 Series)	2,265		2,265	465	1,800
Total Undistributed Expend. - Attend. & Social Work	<u>468,116</u>	<u>(227,747)</u>	<u>240,369</u>	<u>237,647</u>	<u>2,722</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services					
Salaries	563,821	(33,295)	530,526	501,344	29,182
Purchased Professional and Technical Services	445,000	(7,500)	437,500	287,156	150,344
Other Purchased Services (400-500 Series)	1,500		1,500		1,500
Supplies and Materials	16,066	578	16,644	11,222	5,422
Total Undistributed Expenditures - Health Services	<u>1,026,387</u>	<u>(40,217)</u>	<u>986,170</u>	<u>799,722</u>	<u>186,448</u>
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	634,078		634,078	573,750	60,328
Purchased Prof. Services-Educational Services	1,607,906	(39,613)	1,568,293	1,295,268	273,025
Supplies and Materials	5,000	3,040	8,040	3,937	4,103
Total Undist. Expend. - Speech, OT, PT & Related Services	<u>2,246,984</u>	<u>(36,573)</u>	<u>2,210,411</u>	<u>1,872,955</u>	<u>337,456</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	173,200	9,575	182,775	182,775	
Purchased Professional - Educational Services	1,505,000	(28,436)	1,476,564	1,433,209	43,355
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	<u>1,678,200</u>	<u>(18,861)</u>	<u>1,659,339</u>	<u>1,615,984</u>	<u>43,355</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,576,094	31,422	1,607,516	1,579,447	28,069
Salaries of Secretarial and Clerical Assistants	206,142	63,290	269,432	269,432	
Other Salaries	86,060	4,999	91,059	91,059	
Purchased Professional - Educational Services	8,000	1,021	9,021	8,989	32
Other Purchased Prof. and Tech. Services	1,000	(1,000)			
Other Purchased Services (400-500 Series)	14,000	16,576	30,576	29,853	723
Supplies and Materials	23,810	(10,870)	12,940	10,128	2,812
Total Undist. Expend. - Guidance	<u>1,915,106</u>	<u>105,438</u>	<u>2,020,544</u>	<u>1,988,908</u>	<u>31,636</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,560,075	213,608	1,773,683	1,766,085	7,598
Salaries of Secretarial and Clerical Assistants	194,571	(31,845)	162,726	162,726	
Other Salaries	19,250	20,123	20,123	20,000	123
Purchased Professional - Educational Services	789,230	(1,888)	787,342	781,186	6,156
Other Purchased Professional and Technical Services	6,000	(5,294)	706	700	6
Other Purchased Services (400-500 Series)	39,158	(6,585)	32,573	31,695	878
Residential Costs	5,000	(5,000)			
Supplies and Materials	47,799	(11,145)	36,654	35,442	1,212
Other Objects	600	(526)	74		74
Total Undist. Expend. - Child Study Teams	<u>2,642,433</u>	<u>171,448</u>	<u>2,813,881</u>	<u>2,797,834</u>	<u>16,047</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	526,377	(25,711)	500,666	467,947	32,719
Salaries of Secretarial and Clerical Assistants	143,838	33,107	176,945	176,945	
Other Salaries	19,250	71,875	91,125	85,972	5,153
Purchased Prof - Educational Services	184,000	67,252	251,252	212,969	38,283
Other Purch Services (400-500 Series)	7,900	(5,000)	2,900	1,783	1,117
Supplies and Materials	35,000	(14,029)	20,971	17,029	3,942
Total Undist. Expend. - Improvement of Inst. Services	<u>916,365</u>	<u>127,494</u>	<u>1,043,859</u>	<u>962,645</u>	<u>81,214</u>
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	493,018	(2,500)	490,518	490,518	
Purchased Professional and Technical Services	45,000	6,000	51,000	50,910	90
Supplies and Materials	47,168	(34,011)	13,157	7,509	5,648
Total Undist. Expend. - Educational Media Serv./Sch. Library	<u>585,186</u>	<u>(30,511)</u>	<u>554,675</u>	<u>548,937</u>	<u>5,738</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	526,379	(14,879)	511,500	472,176	39,324
Salaries of Other Professional Staff	272,600		272,600	119,595	153,005
Salaries of Secretarial and Clerical Assistants	76,553	34,178	110,731	110,731	
Other Salaries	85,000		85,000	53,375	31,625
Purchased Professional - Educational Services	35,500	4,600	40,100	40,100	
Other Purchased Services (400-500 Series)	54,382	(30,620)	23,762	23,442	320
Supplies and Materials	9,000	(1,592)	7,408	7,408	
Other Objects	5,400	(392)	5,008	5,008	
Total Undist. Expend. - Instructional Staff Training Serv.	<u>1,064,814</u>	<u>(8,705)</u>	<u>1,056,109</u>	<u>831,835</u>	<u>224,274</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	558,220	54,724	612,944	591,025	21,919
Legal Services	170,000	431,046	601,046	406,353	194,693
Audit Fees	49,047	(2,047)	47,000	47,000	
Architectural/Engineering Services	72,709	3,216	75,925	75,391	534
Purchased Technical Services	28,500	23,986	52,486	48,225	4,261
Communications/Telephone	180,519	3,585	184,104	177,469	6,635
BOE Other Purchased Services	13,750		13,750	12,636	1,114
Other Purch Services (400-500 Series)	188,565	(40,112)	148,453	147,922	531
General Supplies	11,500	(4,895)	6,605	6,163	442
BOE In-House Training/Meeting Supplies	6,500	1,695	8,195	8,195	
Judgements Against The School District	175,000	14,400	189,400	189,400	
Misc. Expenditures	19,247	1,451	20,698	19,087	1,611
BOE Membership Dues and Fees	32,701	(1,298)	31,403	30,763	640
Total Undist. Expend. - Supp. Serv. - General Administration	1,506,258	485,751	1,992,009	1,759,629	232,380
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,914,705	(31,809)	1,882,896	1,882,895	1
Salaries of Other Professional Staff	142,017	93,909	235,926	199,088	36,838
Salaries of Secretarial and Clerical Assistants	1,114,076	(21,539)	1,092,537	1,030,492	62,045
Other Purchased Services (400-500 Series)	40,500		40,500	25,459	15,041
Supplies and Materials	75,050	19,692	94,742	74,803	19,939
Other Objects	9,840	3,515	13,355	7,389	5,966
Total Undist. Expend. - Support Serv. - School Administration	3,296,188	63,768	3,359,956	3,220,126	139,830
Undist. Expend. - Central Services					
Salaries	945,165	48,752	993,917	983,164	10,753
Purchased Professional Services		63,257	63,257	62,256	1,001
Purchased Technical Services	500	66,919	67,419	64,239	3,180
Misc. Pur Services (400-500 Series)	74,000	(49,855)	24,145	22,092	2,053
Supplies and Materials	43,617	(9,260)	34,357	34,200	157
Miscellaneous Expenditures	4,800	4,149	8,949	8,505	444
Total Undist. Expend. - Central Services	1,068,082	123,962	1,192,044	1,174,456	17,588
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	117,800	215,854	333,654	332,154	1,500
Purchased Professional Services	375,000	(146,289)	228,711	227,173	
Purchased Technical Services	41,000		41,000	41,000	
Other Purchased Services (400-500 Series)	2,500	3,000	5,500	4,807	693
Supplies and Materials	35,000	(3,000)	32,000	31,959	41
Total Undist. Expend. - Support Serv. - Administrative	571,300	69,565	640,865	637,093	2,234
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	691,636	26,435	718,071	714,712	3,359
Cleaning, Repair and Maintenance Services	694,868	11,448	706,316	595,096	111,220
General Supplies	257,392		257,392	228,294	29,098
Total Undist. Expend. - Required Maint. for School Facilities	1,643,896	37,883	1,681,779	1,538,102	143,677
Undist. Expend. - Custodial Services (262)					
Salaries	787,023	31,101	818,124	818,113	11
Purchased Professional and Technical Services	20,100	5,676	25,776	25,776	
Cleaning, Repair and Maintenance Services	1,654,142	(19,437)	1,634,705	1,626,610	8,095
Rental of Land & Bldg. Oth. Than Lease Purch Agreement		351,176	351,176	351,176	
Other Purchased Property Services	85,000	9,302	94,302	93,027	1,275
Insurance	437,670	9,484	447,154	447,154	
Miscellaneous Purchased Services	501,100	(9,451)	491,649	398,897	92,752
General Supplies	405,344	27,664	433,008	426,430	6,578
Energy (Natural Gas)	347,911	(65,791)	282,120	279,752	2,368
Energy (Electricity)	468,939	141,533	610,472	598,586	11,886
Other Objects	9,050	(246)	8,804	8,585	219
Interest - Energy Savings Impr Prog Bonds	217,975		217,975	217,975	
Principal - Energy Savings Impr Prog Bonds	545,000		545,000	545,000	
Total Undist. Expend. - Custodial Services	5,479,254	481,011	5,960,265	5,837,081	123,184
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	381,742	17,361	399,103	399,103	
Total Undist. Expend. - Care and Upkeep of Grounds	381,742	17,361	399,103	399,103	

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Security (266)					
Salaries	150,000	170,668	320,668	320,668	
Purchased Professional and Technical Services	106,679	(106,679)			
General Supplies		33,216	33,216	33,216	
Other Objects		29,277	29,277	29,277	
Total Undist. Expend. - Security	<u>256,679</u>	<u>126,482</u>	<u>383,161</u>	<u>383,161</u>	
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Regular	135,240	(5,187)	130,053	128,839	1,214
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	33,000	3,653	36,653	36,653	
Other Purchased Prof. and Tech. Services	6,500	950	7,450	7,450	
Contract Services - Aid in Lieu Pymts - NonPub Sch.	350,000	63,428	413,428	256,239	157,189
Contract Services (Between Home & School)-Vendors	1,861,505	(73,682)	1,787,823	1,614,181	173,642
Contract Services (Other than Between Home & School)-Vendors	286,972	(109,019)	177,953	141,195	36,758
Contract Services (Sp. Ed. Students)-Vendors	1,255,190	(59,883)	1,195,307	1,125,270	70,037
Contract Services (Reg. Students) - ESCs & CTSAs	609,148	(67,092)	542,056	399,132	142,924
Contract Services (Spl. Ed. Students) - ESCs & CTSAs	1,298,543	112,677	1,411,220	1,263,432	147,788
General Supplies	2,000	(950)	1,050	415	635
Transportation Supplies	3,000		3,000	2,451	549
Other Objects		674	674	403	271
Total Undist. Expend. - Student Transportation Services	<u>5,841,098</u>	<u>(134,431)</u>	<u>5,706,667</u>	<u>4,975,660</u>	<u>731,007</u>
ALLOCATED BENEFITS					
Regular Programs - Instruction					
Health Benefits	3,118,198		3,118,198	3,113,609	4,589
Total Regular Programs - Instruction	<u>3,118,198</u>		<u>3,118,198</u>	<u>3,113,609</u>	<u>4,589</u>
Special Programs - Instruction					
Health Benefits	2,640,165		2,640,165	2,640,165	
Unused Sick Payment to Terminated/Retired Staff	25,000		25,000		25,000
Total Special Programs - Instruction	<u>2,665,165</u>		<u>2,665,165</u>	<u>2,640,165</u>	<u>25,000</u>
TOTAL ALLOCATED BENEFITS	<u>5,783,363</u>		<u>5,783,363</u>	<u>5,753,774</u>	<u>29,589</u>
UNALLOCATED BENEFITS (291)					
Group Insurance	215,000	9,000	224,000	223,971	29
Social Security Contributions	760,000	91,673	851,673	838,390	13,283
TPAF Contributions - ERIP	18,454		18,454	18,454	
Other Retirement Contributions-PERS	790,000	(109,783)	680,217	679,554	663
Unemployment Compensation	171,104		171,104	138,434	32,670
Workmen's Compensation	341,796	(118,691)	223,105	223,105	
Health Benefits	4,579,045	(1,149,370)	3,429,675	2,744,953	684,722
Tuition Reimbursement	3,500	28,541	32,041	32,041	
Other Employee Benefits	484,920	8,327	493,247	304,446	188,801
TOTAL UNALLOCATED BENEFITS	<u>7,363,819</u>	<u>(1,240,303)</u>	<u>6,123,516</u>	<u>5,203,348</u>	<u>920,168</u>
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,838,229	(2,838,229)
On-behalf TPAF Pension (non-budgeted)				7,515,878	(7,515,878)
On-behalf TPAF NCGI Premium (non-budgeted)				134,714	(134,714)
On-behalf TPAF LTDI				5,282	(5,282)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,667,512	(2,667,512)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>13,161,615</u>	<u>(13,161,615)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>13,147,182</u>	<u>(1,240,303)</u>	<u>11,906,879</u>	<u>24,118,737</u>	<u>(12,211,858)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>56,875,441</u>	<u>624,375</u>	<u>57,499,816</u>	<u>64,797,508</u>	<u>(7,299,230)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>94,858,986</u>	<u>(712,838)</u>	<u>94,146,148</u>	<u>99,603,589</u>	<u>(5,459,027)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Kindergarten	5,000	286,881	291,881	39,840	252,041
Grades 6-8		2,450	2,450	2,450	
School-Sponsored and Other Instructional Programs		9,940	9,940	9,940	
Special Education - Instruction:					
Equipment	3,050	(3,050)			
Total Equipment	<u>8,050</u>	<u>296,221</u>	<u>304,271</u>	<u>52,230</u>	<u>252,041</u>

Exhibit C-1

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed					
Undistributed Expenditures - Instruction		43,954	43,954	43,364	590
Undistributed Expenditures - Support Services - Related		8,669	8,669	8,669	
Undistributed Expenditures - General Administration		45	45		45
Undistributed Expenditures - Administrative Information Technology	27,486	72,389	99,875	27,486	72,389
Undistributed Expenditures - Required Maintenance for Schools	82,808	1,861	84,669	84,669	
Undistributed Expenditures - Custodial Services	23,328	(4,167)	19,161	17,368	1,793
Undistributed Expenditures - Security	80,000	(80,000)			
School Buses-Special		127,930	127,930		127,930
Total Equipment	<u>213,622</u>	<u>170,681</u>	<u>384,303</u>	<u>181,556</u>	<u>202,747</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services		254,983	254,983	252,296	2,687
Construction Services	1,052,266	1,658,020	2,710,286	2,155,685	554,601
Lease Purchase Agreements - Principal	257,805		257,805	257,805	
Assessment for Debt Service on SDA Funding	128,662		128,662	128,662	
Total Facilities Acquisition and Construction Services	<u>1,438,733</u>	<u>1,913,003</u>	<u>3,351,736</u>	<u>2,794,448</u>	<u>557,288</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Various Equipment				7,338,822	(7,338,822)
Total Assets Acquired Under Capital Leases (non-budgeted)				<u>7,338,822</u>	<u>(7,338,822)</u>
TOTAL CAPITAL OUTLAY	<u>1,660,405</u>	<u>2,379,905</u>	<u>4,040,310</u>	<u>10,367,056</u>	<u>(6,326,746)</u>
Transfer of Funds to Charter Schools	6,773,700	(185,470)	6,588,230	6,588,230	
TOTAL EXPENDITURES	<u>103,293,091</u>	<u>1,481,597</u>	<u>104,774,688</u>	<u>116,558,875</u>	<u>(11,785,773)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(4,494,444)</u>	<u>(481,597)</u>	<u>(4,976,041)</u>	<u>(3,288,696)</u>	<u>1,687,345</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				7,338,822	7,338,822
Operating Transfers Out:					
Transfers to Cover Deficit (Agency Funds)	(73,853)		(73,853)	(49,420)	24,433
Capital Reserve - Transfer to Capital Projects		(5,880,000)	(5,880,000)	(5,880,000)	
Special Revenue Fund - Preschool Education Aid Inclusion	(589,562)		(589,562)	(589,562)	
Operating Transfer In					
Interest Earned on Capital Projects				865	865
Transfers from Other Funds	200,000		200,000	200,000	
Total Other Financing Sources/(Uses):	<u>(463,415)</u>	<u>(5,880,000)</u>	<u>(6,343,415)</u>	<u>1,020,705</u>	<u>7,364,120</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,957,859)</u>	<u>(6,361,597)</u>	<u>(11,319,456)</u>	<u>(2,267,991)</u>	<u>9,051,465</u>
Fund Balance, July 1	17,363,796		17,363,796	17,363,796	
Fund Balance, June 30	<u>12,405,937</u>	<u>(6,361,597)</u>	<u>6,044,340</u>	<u>15,095,805</u>	<u>9,051,465</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(2,789,529)		(2,789,529)	(2,789,529)	
Increase in Capital Reserve:					
Principal				1,850,000	(1,850,000)
Interest Deposit to Capital Reserve	6,500		6,500	6,500	
Withdrawal from Capital Reserve		(6,361,597)	(6,361,597)	(6,361,597)	
Increase in Maintenance Reserve:					
Principal				200,000	(200,000)
Interest Deposit to Maintenance Reserve	3,500		3,500	3,500	
Increase in Tuition Reserve:					
Principal				100,000	(100,000)
Interest Deposit to Tuition Reserve					
Withdrawal from Tuition Reserve - Excess over adj.	(100,000)		(100,000)	(100,000)	
Budgeted Fund Balance	<u>(2,078,330)</u>		<u>(2,078,330)</u>	<u>4,823,135</u>	<u>10,901,465</u>
	<u>(4,957,859)</u>	<u>(6,361,597)</u>	<u>(11,319,456)</u>	<u>(2,267,991)</u>	<u>8,751,465</u>

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				1,746,897	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				1,558,493	
Capital Reserve				2,577,204	
Maintenance Reserve				1,904,510	
Tuition Reserve				100,000	
Committed Fund Balance:					
Year-end Encumbrances				5,037,340	
Unassigned Fund Balance				2,171,361	
Total Fund Balance per Governmental Funds (Budgetary)				<u>15,095,805</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				443,160	
Total Fund Balance per Governmental Funds (GAAP)				<u><u>14,652,645</u></u>	

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	179,960	179,960	179,960	46,193	(133,767)
State Sources	3,085,793	1,289,780	4,375,573	3,814,778	(560,795)
Federal Sources	962,150	2,623,933	3,586,083	2,213,351	(1,372,732)
Total Revenues	4,047,943	4,093,673	8,141,616	6,074,322	(2,067,294)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,630,547	45,459	1,676,006	1,601,500	74,506
Purchased Professional - Educational Services	284,742	428,933	713,675	701,510	12,165
Other Purchased Services (400-500 series)	522,084	99,988	622,072	568,236	53,836
General Supplies	76,762	1,026,765	1,103,527	565,553	537,974
Textbooks	51,562	28,503	80,065	79,548	517
Other Objects	5,000	9,585	14,585	-	14,585
Total Instruction	2,570,697	1,639,233	4,209,930	3,516,347	693,583
Support Services:					
Salaries of Supervisors of Instruction	318,067	(76,680)	241,387	223,521	17,866
Salaries of Program Directors	35,000	-	35,000	-	35,000
Salaries of Other Professional Staff	80,000	-	80,000	73,275	6,725
Salaries of Secretarial and Clerical Assistants	38,915	410,843	449,758	342,417	107,341
Other Salaries for Instruction	82,560	32,745	115,305	32,152	83,153
Salaries of Community Parent Involvement Spec.	90,000	9,333	99,333	82,400	17,933
Salaries of Master Teachers	265,543	41,039	306,582	79,000	227,582
Personal Services - Employee Benefits	671,580	299,243	970,823	400,039	570,784
Purchased Educ. Services - Contracted Pre-K	221,969	(332,693)	(110,724)	327,855	(438,579)
Purchased Professional - Educational Services	85,080	700,284	785,364	706,037	79,327
Other Purchased Professional Services	75,351	343,052	418,403	325,972	92,431
Cleaning, Repair and Maintenance Services	45,000	(39,745)	5,255	-	5,255
Purchased Technical Services	22,743	159,870	182,613	46,438	136,175
Rentals	5,000	9,000	14,000	52,000	(38,000)
Contr. Trans. Serv. (Bet. Home & Sch)	20,000	(2,123)	17,877	16,355	1,522
Contr. Trans. Serv. (Field Trips)	5,000	81,916	86,916	60,732	26,184
Travel	20,000	165,409	185,409	29,916	155,493
Miscellaneous Purchased Services	5,000	94,043	99,043	85,263	13,780
Supplies and Materials	5,000	290,066	295,066	49,041	246,025
Other Objects	76,811	76,811	153,622	67,152	86,470
Total Support Services	2,061,808	2,262,413	4,324,221	2,999,565	(1,324,656)
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	5,000	151,814	156,814	107,818	48,996
Noninstructional Equipment	-	40,213	40,213	40,154	59
Total Facilities Acquisition and Const. Serv.	5,000	192,027	197,027	147,972	49,055
Total Expenditures	4,637,505	4,093,673	8,731,178	6,663,884	2,067,294
Other Financing Sources (Uses):					
General Fund - Preschool Education Aid - Inclusion	589,562	-	589,562	589,562	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2020

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

		General Fund	Special Revenue Fund
Sources/Inflows of Resources			
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	[C-1]&[C-2]	113,270,179	6,074,322
Difference - Budget to GAAP:			
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized.			
Prior Year			15,899
Current Year			(97,707)
The Last State Aid Payment is Recognized for GAAP Statements in the Current Year, Previously Recognized for Budgetary Purposes		472,434	
The Last State Aid Payment is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which Does Not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33).		(443,160)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	[B-2]	113,299,453	5,992,514
Uses/Outflows of Resources			
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	[C-1]&[C-2]	116,558,875	6,663,884
Differences - Budget to GAAP			
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for <i>Budgetary</i> Purposes, but in the Year the Supplies are Received for <i>Financial Reporting</i> Purposes.			
Prior Year			15,899
Current Year			(97,707)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	[B-2]	116,558,875	6,582,076

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
2014	0.1427875467%	\$ 27,289,537	\$ 9,766,548	279.42%	48.72%	
2015	0.1420455467%	26,594,811	9,132,014	291.23%	52.08%	
2016	0.1341405534%	30,111,866	8,183,038	367.98%	47.93%	
2017	0.1109986328%	32,874,611	5,608,033	586.21%	40.14%	
2018	0.0862858232%	20,085,960	5,382,195	373.19%	48.10%	
2019	0.0725338000%	14,281,544	4,865,371	293.53%	83.06%	
2020	0.0696326940%	12,546,755	5,636,495	222.60%	78.30%	

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 1,171,003	\$ (1,171,003)	\$	\$	-	\$ 9,132,014	12.82%
2016	1,153,249	(1,153,249)	\$	\$	-	8,183,038	14.09%
2017	986,096	(986,096)	\$	\$	-	5,608,033	17.58%
2018	799,346	(799,346)	\$	\$	-	5,382,195	14.85%
2019	721,477	(721,477)	\$	\$	-	4,865,371	14.83%
2020	677,321	(677,321)	\$	\$	-	5,636,495	12.02%

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

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

Fiscal Year Ending June 30,	District's		State's		District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability			
2014	0.3623525363%	\$	\$	183,130,122	\$ 34,862,168	0.00%	33.76%
2015	0.3609823303%	-	-	192,933,307	33,506,107	0.00%	33.64%
2016	0.3470830492%	-	-	219,371,309	35,294,602	0.00%	28.74%
2017	0.3268878548%	-	-	257,150,800	35,395,251	0.00%	22.33%
2018	0.3481086969%	-	-	234,707,436	34,841,100	0.00%	25.41%
2019	0.3467970568%	-	-	220,624,838	36,643,126	0.00%	26.49%
2020	0.3345724664%	-	-	205,330,282	37,228,832	0.00%	26.95%

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

TEANECK BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2020

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 5.66% to 6.28%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 4.86% to 5.60%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

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

	2020	2019	2018
Total OPEB Liability			
Service Costs	\$ 4,256,837	\$ 4,824,717	\$ 5,742,154
Interest on Total OPEB Liability	5,322,134	5,636,868	4,906,873
Differences between Expected and Actual Expenditures	(23,161,345)	(10,806,089)	
Changes in Assumptions	1,784,270	(15,495,526)	(20,392,834)
Gross Benefit Payments	(3,673,472)	(3,610,691)	(2,989,225)
Contribution from the Member	108,892	124,791	110,071
Net Changes in total Share of OPEB Liability	<u>(15,362,684)</u>	<u>(19,325,930)</u>	<u>(12,622,961)</u>
Total OPEB Liability - Beginning	<u>135,031,378</u>	<u>154,357,308</u>	<u>166,980,269</u>
Total OPEB Liability - Ending	<u><u>\$ 119,668,694</u></u>	<u><u>\$ 135,031,378</u></u>	<u><u>\$ 154,357,308</u></u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	119,668,694	135,031,378	154,357,308
Total OPEB Liability - Ending	<u><u>\$ 119,668,694</u></u>	<u><u>\$ 135,031,378</u></u>	<u><u>\$ 154,357,308</u></u>
District's Covered Employee Payroll	<u><u>\$ 42,865,327</u></u>	<u><u>\$ 41,508,497</u></u>	<u><u>\$ 40,223,295</u></u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms None

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

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

Supplementary Schedules

SPECIAL REVENUE FUND

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1a)	L.D.E.A Part B Basic	Preschool	ESEA Title I, Part A	ESEA Title I, Part A Reallocated	ESEA Title II, Part A Training & Recruiting	ESEA Title III	Totals 2020
REVENUES								
Local Sources	46,193							46,193
State Sources	3,814,778			758,276	21,570	65,128	2,370	3,814,778
Federal Sources	334,491	1,002,495	29,021	758,276	21,570	65,128	2,370	2,213,351
Total Revenues	4,195,462	1,002,495	29,021	758,276	21,570	65,128	2,370	6,074,322
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,318,387			283,113				1,601,500
Purchased Professional - Educational Services	491,321	199,332		10,857				701,510
Other Purchased Services (400-500 series)	-	568,236						568,236
General Supplies	308,875	45,087		194,621	14,600		2,370	565,553
Textbooks	79,548							79,548
Total Instruction	2,198,131	812,655	-	488,591	14,600	-	2,370	3,516,347
Support Services:								
Salaries of Supervisors of Instruction	144,183			79,338				223,521
Salaries of Other Professional Staff	73,275							73,275
Salaries of Secretarial and Clerical Assistants	342,417							342,417
Other Salaries for Instruction	32,152							32,152
Salaries of Community Parent Involvement Spec.	82,400							82,400
Salaries of Master Teachers	79,000							79,000
Personal Services - Employee Benefits	400,039							400,039
Purchased Educ. Services - Contracted Pre-K	327,855							327,855
Purchased Professional - Educational Services	700,837			5,200				706,037
Other Purchased Professional Services	155,141	142,573	28,258					325,972
Purchased Technical Services	800					45,638		46,438
Rentals	52,000							52,000
Contr. Trans. Serv. (Bet. Home & Sch)	16,355							16,355
Contr. Trans. Serv. (Field Trips)	5,586			55,146				60,732
Travel	10,426					19,490		29,916
Miscellaneous Purchased Services	85,263			7,764	6,970			85,263
Supplies and Materials	34,307			47,184				49,041
Other Objects	-	19,205	763					67,152
Total Support Services	2,542,036	161,778	29,021	194,632	6,970	65,128	-	2,999,565
Facilities Acquisition and Const. Serv.:								
Instructional Equipment	4,703	28,062						107,818
Noninstructional Equipment	40,154							40,154
Total Facilities Acquisition and Const. Serv.	44,857	28,062	-	75,053	-	-	-	147,972
Total Expenditures	4,785,024	1,002,495	29,021	758,276	21,570	65,128	2,370	6,663,884
Other Financing Sources (Uses):								
General Fund - Preschool Education Aid - Inclusion	589,562							589,562
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1b)	ESEA Title IV	CARES Act	Public School Climate Transformation Grant	Dept. of Children and Families - School Based Youth Services Aid	Advance Computer Science Grant	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Security Aid	Total Carried Forward
REVENUES									
Local Sources	46,193								46,193
State Sources	3,167,148	74,985	68,843	190,663	307,417	84,705	64,213	191,295	3,814,778
Federal Sources	-								334,491
Total Revenues	3,213,341	74,985	68,843	190,663	307,417	84,705	64,213	191,295	4,195,462
EXPENDITURES:									
Instruction:									
Salaries of Teachers	1,318,387								1,318,387
Purchased Professional - Educational Services	484,171	7,150							491,321
Other Purchased Services (400-500 series)	102,175	63,762	53,743	19,825		69,370			308,875
General Supplies	-					15,335			15,335
Textbooks	-						64,213		64,213
Total Instruction	1,904,733	70,912	53,743	19,825	-	84,705	64,213	-	2,198,131
Support Services:									
Salaries of Supervisors of Instruction	144,183								144,183
Salaries of Other Professional Staff	73,275								73,275
Salaries of Secretarial and Clerical Assistants	-								342,417
Other Salaries for Instruction	32,152				307,417				32,152
Salaries of Community Parent Involvement Spec.	82,400								82,400
Salaries of Master Teachers	79,000								79,000
Personal Services - Employee Benefits	400,039								400,039
Purchased Educ. Services - Contracted Pre-K	327,855								327,855
Purchased Professional - Educational Services	564,042		15,100	121,695					700,837
Other Purchased Professional Services	16,865							138,276	155,141
Purchased Technical Services	-								800
Rentals	52,000								52,000
Contr. Trans. Serv. (Bet. Home & Sch)	16,355								16,355
Contr. Trans. Serv. (Field Trips)	5,586								5,586
Travel	4,190	4,073		2,163					10,426
Miscellaneous Purchased Services	85,263								85,263
Supplies and Materials	10,262			11,180					21,442
Other Objects	-							12,865	12,865
Total Support Services	1,893,467	4,073	15,100	170,838	307,417	-	-	151,141	2,542,036
Facilities Acquisition and Const. Serv.:									
Instructional Equipment	4,703								4,703
Noninstructional Equipment	-							40,154	40,154
Total Facilities Acquisition and Const. Serv.	4,703	-	-	-	-	-	-	40,154	44,857
Total Expenditures	3,802,903	74,985	68,843	190,663	307,417	84,705	64,213	191,295	4,785,024
Other Financing Sources (Uses):									
General Fund - Preschool Education Aid - Inclusion	589,562								589,562
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2020

	N.J. Nonpublic Auxiliary Services Chapter 192		N.J. Nonpublic Handicapped Services, Chapter 193		Total Carried Forward
	Compensatory Education	ESL	Transportation	Supplemental Instruction	
REVENUES					
Local Sources	46,193				46,193
State Sources	2,725,043	17,371	15,893	143,309	3,167,148
Federal Sources	-				-
Total Revenues	2,771,236	17,371	15,893	143,309	3,213,341
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,318,387				1,318,387
Purchased Professional - Educational Services	484,171				484,171
Other Purchased Services (400-500 series)	-				-
General Supplies	102,175				102,175
Textbooks	-				-
Total Instruction	1,904,733	-	-	-	1,904,733
Support Services:					
Salaries of Supervisors of Instruction	144,183				144,183
Salaries of Other Professional Staff	73,275				73,275
Salaries of Secretarial and Clerical Assistants	-				-
Other Salaries for Instruction	32,152				32,152
Salaries of Community Parent Involvement Spec.	82,400				82,400
Salaries of Master Teachers	79,000				79,000
Personal Services - Employee Benefits	400,039				400,039
Purchased Educ. Services - Contracted Pre-K	327,855				327,855
Purchased Professional - Educational Services	137,830	17,371		143,309	564,042
Other Purchased Professional Services	972		15,893		16,865
Purchased Technical Services	-				-
Rentals	52,000				52,000
Contr. Trans. Serv. (Bet. Home & Sch)	16,355				16,355
Contr. Trans. Serv. (Field Trips)	5,586				5,586
Travel	4,190				4,190
Miscellaneous Purchased Services	85,263				85,263
Supplies and Materials	10,262				10,262
Other Objects	-				-
Total Support Services	1,451,362	17,371	15,893	143,309	1,893,467
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	4,703				4,703
Noninstructional Equipment	-				-
Total Facilities Acquisition and Const. Serv.	4,703	-	-	-	4,703
Total Expenditures	3,360,798	17,371	15,893	143,309	3,802,903
Other Financing Sources (Uses):					
General Fund - Preschool Education Aid - Inclusion	589,562				589,562
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2020

	N.J. Nonpublic Home Instruction	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Aid	Preschool Education Aid	Dept. of Law and Public Safety - Juvenile Justice Partnership	Township of Teaneck FORUM Grant	Miscellaneous Donations	Total Carried Forward
REVENUES								
Local Sources	135	113,045	43,630	2,525,476	42,757	41,498	4,695	46,193
State Sources								2,725,043
Federal Sources								-
Total Revenues	135	113,045	43,630	2,525,476	42,757	41,498	4,695	2,771,236
EXPENDITURES:								
Instruction:								
Salaries of Teachers				1,282,187	28,450	7,750		1,318,387
Purchased Professional - Educational Services				477,971	2,865	3,335		484,171
Other Purchased Services (400-500 series)								-
General Supplies			42,658	48,102	3,203	9,487	(1,275)	102,175
Textbooks								-
Total Instruction	-	-	42,658	1,808,260	34,518	20,572	(1,275)	1,904,733
Support Services:								
Salaries of Supervisors of Instruction				127,670		12,013	4,500	144,183
Salaries of Other Professional Staff				73,275				73,275
Salaries of Secretarial and Clerical Assistants				32,152				32,152
Other Salaries for Instruction				82,400				82,400
Salaries of Community Parent Involvement Spec.				79,000				79,000
Salaries of Master Teachers				396,983	3,056			400,039
Personal Services - Employee Benefits				327,855				327,855
Purchased Educ. Services - Contracted Pre-K				23,788		5,600		137,830
Purchased Professional - Educational Services	135	108,307	972					972
Other Purchased Professional Services								-
Purchased Technical Services				52,000				52,000
Rentals				16,355				16,355
Contr. Trans. Serv. (Bet. Home & Sch)					5,183	403		5,586
Contr. Trans. Serv. (Field Trips)				4,100		90		4,190
Travel				84,263		1,000		85,263
Miscellaneous Purchased Services		4,738		2,234		1,820	1,470	10,262
Supplies and Materials								-
Other Objects								-
Total Support Services	135	113,045	972	1,302,075	8,239	20,926	5,970	1,451,362
Facilities Acquisition and Const. Serv.:								
Instructional Equipment				4,703				4,703
Noninstructional Equipment								-
Total Facilities Acquisition and Const. Serv.	-	-	-	4,703	-	-	-	4,703
Total Expenditures	135	113,045	43,630	3,115,038	42,757	41,498	4,695	3,360,798
Other Financing Sources (Uses):								
General Fund - Preschool Education Aid - Inclusion				589,562				589,562
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

TEANECK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2020

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	1,282,187	1,282,187	
Purchase Professional - Educational Services	477,971	477,971	
General Supplies	53,652	48,102	5,550
Other objects	3,370		3,370
Total Instruction	<u>1,817,180</u>	<u>1,808,260</u>	<u>8,920</u>
Support Services:			
Salaries of Supervisors of Instruction	127,670	127,670	
Salaries of Program Directors	35,000		35,000
Salaries of Other Professional Staff	80,000	73,275	6,725
Salaries of Secr. and Clerical Assistants	38,915		38,915
Other Salaries	32,745	32,152	593
Salaries of Community Parent Involvement Spec.	91,893	82,400	9,493
Salaries of Master Teachers	131,039	79,000	52,039
Personal Services - Employee Benefits	510,124	396,983	113,141
Purchased Educ. Services - Contracted Pre-K	338,887	327,855	11,032
Purchased Professional - Educational Services	23,788	23,788	
Cleaning, Repair and Maintenance Services	35,606		35,606
Rentals	54,000	52,000	2,000
Contr. Trans. Serv. (Bet. Home & Sch)	17,563	16,355	1,208
Contr. Trans. Serv. (Field Trips)	1,000		1,000
Travel	7,000	4,100	2,900
Miscellaneous Purchased Services	112,039	84,263	27,776
Supplies and Materials	34,982	2,234	32,748
Other Objects	16,224		16,224
Total Support Services	<u>1,688,475</u>	<u>1,302,075</u>	<u>386,400</u>
Facility Acquisition and Construction Services:			
Instructional Equipment	5,000	4,703	297
Total Expenditures	<u>3,510,655</u>	<u>3,115,038</u>	<u>395,617</u>

Summary of Location Totals

Total revised 2019-20 Preschool Education Aid	2,712,420
Add: Actual Preschool Education Aid Carryover (June 30, 2019)	208,673
Add: Budgeted Transfer from the General Fund 2019-20	589,562
Total Preschool Education Aid Funds Available for 2019-20 Budget	<u>3,510,655</u>
Less: 2018-19 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)	<u>3,510,655</u>
Available & Unbudgeted Preschool Educaiton Aid Funds as of June 30, 2020	
Add: June 30, 2020 Unexpended Preschool Education Aid	395,617
2019-20 Carryover - Preschool Education Aid/Preschool	<u>395,617</u>

CAPITAL PROJECTS FUND

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budgetary Basis
Fiscal Year Ended June 30, 2020

Revenues and Other Financing Sources

State Sources	-
Bond Proceeds and Transfers	-
Other Sources	7,338,822
Transfers from Capital Reserve	5,880,000
Transfers from Capital Outlay	-
Interest on Investments	865
	<u>13,219,687</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	972,743
Land and Improvements	-
Construction Services	7,007,134
Equipment Purchases	-
Transfer to Capital Reserve	
Transfer to General Fund	865
	<u>7,980,742</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	5,238,945
Fund Balance - Beginning	<u>63,250</u>
Fund Balance - Ending	<u><u>5,302,195</u></u>

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Energy Savings Improvement Program
Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Bond Proceeds and Transfers	8,180,000		8,180,000	8,180,000
Other Sources (Premium on Bonds)	698,088		698,088	698,088
Transfers from Capital Reserve				
Transfers from Capital Outlay				
Interest Income				
	<u>8,878,088</u>	<u>-</u>	<u>8,878,088</u>	<u>8,878,088</u>
Expenditures and Other Financing Uses				
Salaries	5,000		5,000	5,000
Purchased Professional and Technical Services	1,070,613		1,070,613	1,079,136
Land and Improvements				
Construction Services	6,137,763		6,137,763	6,148,952
Equipment Purchases				
Project Balances Transferred:				
General Fund	<u>1,645,000</u>		<u>1,645,000</u>	<u>1,645,000</u>
	<u>8,858,376</u>	<u>-</u>	<u>8,858,376</u>	<u>8,878,088</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,712</u>	<u>-</u>	<u>19,712</u>	<u>-</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	\$ 8,180,000			
Original Authorization Cost	8,878,088			
Additional Authorized Cost				
Revised Authorized Cost	8,878,088.00			
Percentage Increase Over Original Authorized Cost	-			
Percentage Completion	100%			
Original Target Completion Date	2012/2013			
Revised Target Completion Date	2012/2013			

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Hawthorne Elementary School Roof Replacement
Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	451,544		451,544	451,544
Bond Proceeds and Transfers				
Other Sources (Capital Lease Proceeds)	711,346		711,346	711,346
Transfers from Capital Reserve				
Transfers from Capital Outlay				
Interest Income	723		723	723
	<u>1,163,613</u>	<u>-</u>	<u>1,163,613</u>	<u>1,163,613</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	53,937		53,937	53,937
Land and Improvements				
Construction Services	1,073,977		1,073,977	1,109,676
Equipment Purchases				
Project Balances Transferred:				
General Fund				
	<u>1,127,914</u>	<u>-</u>	<u>1,127,914</u>	<u>1,163,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,699</u>	<u>-</u>	<u>35,699</u>	<u>-</u>
Additional Project Information:				
DOE Project number	5150-110-14-1002			
SDA Project number	5150-110-14-G1HO			
Grant Number	G5-4942			
Grant Date	1/16/2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 1,072,187			
Additional Authorized Cost	91,426			
Revised Authorized Cost	\$ 1,163,613			
Percentage Increase Over Original				
Authorized Cost	9%			
Percentage Completion	97%			
Original Target Completion Date	9/30/2015			
Revised Target Completion Date	9/30/2015			

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Technology Upgrade/Network Wiring
Fiscal Year Ended June 30, 2020

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

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Eugene Field School Renovations
Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Bond Proceeds and Transfers				
Other Sources (Capital Lease Proceeds)		1,600,000	1,600,000	1,600,000
Transfers from Capital Reserve		2,779,000	2,779,000	2,779,000
Transfers from Capital Outlay				
Interest Income			-	-
	<u>-</u>	<u>4,379,000</u>	<u>4,379,000</u>	<u>4,379,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		276,587	276,587	362,500
Land and Improvements			-	
Construction Services		3,937,972	3,937,972	4,016,500
Equipment Purchases			-	
Project Balances Transferred:			-	
General Fund			-	
	<u>-</u>	<u>4,214,559</u>	<u>4,214,559</u>	<u>4,379,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>164,441</u>	<u>164,441</u>	<u>-</u>
Additional Project Information:				
Project Number	550-X01-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 3,464,463			
Additional Authorized Cost	914,537			
Revised Authorized Cost	4,379,000			
Percentage Increase Over Original Authorized Cost	26%			
Percentage completion	96%			
Original Target Completion Date				
Revised Target Completion Date				

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
New Administration Building
Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Bond Proceeds and Transfers				
Other Sources (Capital Lease Proceeds)			-	-
Transfers from Capital Reserve		3,101,000	3,101,000	3,101,000
Transfers from Capital Outlay				
Interest Income			-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	3,101,000	3,101,000	3,101,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		115,136	115,136	125,000
Land and Improvements			-	
Construction Services		1,981,895	1,981,895	2,976,000
Equipment Purchases			-	
Project Balances Transferred:			-	
General Fund			-	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	2,097,031	2,097,031	3,101,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	1,003,969	1,003,969	-
Additional Project Information:				
Project Number	5150-070-20-1000			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 3,120,500			
Additional Authorized Cost	(19,500)			
Revised Authorized Cost	3,101,000			
Percentage Increase Over Original Authorized Cost	-1%			
Percentage completion	68%			
Original Target Completion Date	8/8/2020			
Revised Target Completion Date				

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Energy Savings Improvement Project
Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Bond Proceeds and Transfers				
Other Sources (Capital Lease Proceeds)		5,738,822	5,738,822	8,009,416
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay				
Interest Income			-	-
	<u>-</u>	<u>5,738,822</u>	<u>5,738,822</u>	<u>8,009,416</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		581,020	581,020	1,793,316
Land and Improvements			-	
Construction Services		1,087,267	1,087,267	6,216,100
Equipment Purchases			-	
Project Balances Transferred:			-	
General Fund			-	
	<u>-</u>	<u>1,668,287</u>	<u>1,668,287</u>	<u>8,009,416</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>4,070,535</u>	<u>4,070,535</u>	<u>-</u>
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorization Cost	\$	7,954,416		
Additional Authorized Cost				
Revised Authorized Cost		7,954,416		
Percentage Increase Over Original Authorized Cost		0%		
Percentage completion		21%		
Original Target Completion Date				
Revised Target Completion Date				

TEANECK BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2020

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2020
			Prior Years	Current Year	
Energy Savings Improvement Program	4/15/2012	8,878,088	8,858,376		19,712
Hawthorne School Roof Replacement	1/16/2015	1,163,613	1,127,914		35,699
Technology Upgrade/Network Wiring	9/1/2016	2,507,839	2,500,000		7,839
Eugene Field School Renovations		4,379,000	-	4,214,559	164,441
New Administration Building	1/6/20	3,101,000	-	2,097,031	1,003,969
Energy Savings Improvement Program	5/6/20	8,009,416	-	1,668,287	6,341,129
		<u>28,038,956</u>	<u>12,486,290</u>	<u>7,979,877</u>	<u>7,572,789</u>
<i>Analysis</i>					
				Project Balance - June 30, 2020	7,572,789
				Unfunded Authorizations	(2,270,594)
				Fund Balance/(Deficit) - June 30, 2020	<u>5,302,195</u>

PROPRIETARY FUNDS

TEANECK BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2020

	<u>Food Service Program</u>	<u>Community School</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	238,853	480,637	719,490
Accounts Receivable:			
State	4,249		4,249
Federal	8,780		8,780
Inventories	26,722		26,722
Total Current Assets	<u>278,604</u>	<u>480,637</u>	<u>759,241</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	470,569		470,569
Less Accumulated Depreciation	<u>(375,883)</u>		<u>(375,883)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>94,686</u>	<u>-</u>	<u>94,686</u>
Total Assets	<u>373,290</u>	<u>480,637</u>	<u>853,927</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	48	1,672	1,720
Unearned Revenue	47,627	13,700	61,327
Total Current Liabilities	<u>47,675</u>	<u>15,372</u>	<u>63,047</u>
Total Liabilities	<u>47,675</u>	<u>15,372</u>	<u>63,047</u>
NET POSITION			
Net Investment in Capital Assets	94,686	-	94,686
Unrestricted	230,929	465,265	696,194
Total Net Position	<u>325,615</u>	<u>465,265</u>	<u>790,880</u>

TEANECK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service Program	Community School	Totals
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	409,690		409,690
Daily Sales - Non-Reimbursable Programs	60,349		60,349
Special Functions	30,920		30,920
Vending Sales	9,039		9,039
Program Fees		659,060	659,060
Total Operating Revenues	<u>509,998</u>	<u>659,060</u>	<u>1,169,058</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	431,987		431,987
Cost of Sales - Non-Reimbursable Programs	89,705		89,705
Salaries	498,217	373,704	871,921
Benefits	52,025	83,014	135,039
Purchased Professional and Technical Services	63,600		63,600
Other Purchased Services	29,819	52,662	82,481
Contracted Services-Transportation		8,407	8,407
Communications/Telephone		1,864	1,864
Supplies and Materials	32,656	15,463	48,119
Other Objects		15,213	15,213
Miscellaneous Expenditures		478	478
Depreciation	8,421		8,421
Total Operating Expenses	<u>1,206,430</u>	<u>550,805</u>	<u>1,757,235</u>
Operating Income (Loss)	<u>(696,432)</u>	<u>108,255</u>	<u>(588,177)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	15,751		15,751
Federal Sources:			
National School Breakfast Program	88,201		88,201
National School Lunch Program	453,808		453,808
Food Distribution Program	97,724		97,724
Total Nonoperating Revenues (Expenses)	<u>655,484</u>	<u>-</u>	<u>655,484</u>
Income (Loss) before Contributions & Transfers	<u>(40,948)</u>	<u>108,255</u>	<u>67,307</u>
Other Financing Sources/(Uses)			
Transfer to General Fund		(200,000)	(200,000)
Change in Net Position	<u>(40,948)</u>	<u>(91,745)</u>	<u>(132,693)</u>
Total Net Position—Beginning	<u>366,563</u>	<u>557,010</u>	<u>923,573</u>
Total Net Position—Ending	<u><u>325,615</u></u>	<u><u>465,265</u></u>	<u><u>790,880</u></u>

TEANECK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2020

	Food Service Program	Community School	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	551,428	400,157	951,585
Payments to Employees for Salaries and Benefits		(456,718)	(456,718)
Payments to Suppliers	(1,132,629)	(93,622)	(1,226,251)
Net Cash Provided by (Used for) Operating Activities	<u>(581,201)</u>	<u>(150,183)</u>	<u>(731,384)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	12,281		12,281
Federal Sources	570,929		570,929
Payments to General Fund		(200,000)	(200,000)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>583,210</u>	<u>(200,000)</u>	<u>383,210</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(66,424)		(66,424)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(66,424)</u>	-	<u>(66,424)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(64,415)	(350,183)	(414,598)
Balances—Beginning of Year	303,268	830,820	1,134,088
Balances—End of Year	<u>238,853</u>	<u>480,637</u>	<u>719,490</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(696,432)	108,255	(588,177)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Depreciation and Net Amortization	8,421		8,421
Food Distribution Program	97,724		97,724
(Increase) Decrease in Inventories	(7,932)		(7,932)
Increase (Decrease) in Accounts Payable	(450)	465	15
Increase (Decrease) in Unearned Revenue	17,468	(258,903)	(241,435)
Total Adjustments	<u>115,231</u>	<u>(258,438)</u>	<u>(143,207)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(581,201)</u>	<u>(150,183)</u>	<u>(731,384)</u>

FIDUCIARY FUND

TEANECK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Private Purpose Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	110,860	2,177,073
Total Assets	<u>110,860</u>	<u>2,177,073</u>
LIABILITIES		
Payable to Student Groups		186,268
Payroll Deductions and Withholdings		751,140
Summer Savings Plan		1,080,267
Net Payroll		2,886
Flexible Spending Program		114,343
Interfund Payable		42,169
Total Liabilities	<u> </u>	<u>2,177,073</u>
NET POSITION		
Reserved for Scholarships	<u>110,860</u>	

TEANECK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2020

	Private Purpose Scholarships Funds
ADDITIONS	
Contributions:	
Donations	1,012
Total Contributions	1,012
Investment Earnings:	
Interest	962
Net Investment Earnings	962
Total Additions	1,974
DEDUCTIONS	
Scholarships Awarded	5,526
Total Deductions	5,526
Change in Net Position	(3,552)
Net Position—Beginning of the Year	114,412
Net Position—End of the Year	110,860

TEANECK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
Elementary Schools:				
Hawthorne School	6,504	15,229	13,977	7,756
Bryant School	1,838	3,063	3,077	1,824
Lowell School	1,949		227	1,722
	<u>10,291</u>	<u>18,292</u>	<u>17,281</u>	<u>11,302</u>
Total Elementary Schools				
Middle Schools:				
Thomas Jefferson School	20,423	18,600	15,377	23,646
TJMS Sunshine Fund		2,789	2,552	237
Benjamin Franklin School	29,283	12,472	10,243	31,512
	<u>49,706</u>	<u>33,861</u>	<u>28,172</u>	<u>55,395</u>
Total Middle Schools				
High School:				
Teaneck High School	84,409	107,868	82,579	109,698
	<u>84,409</u>	<u>107,868</u>	<u>82,579</u>	<u>109,698</u>
Total High School				
Athletic Departments:				
Athletic Department	4,241	1		4,242
	<u>4,241</u>	<u>1</u>		<u>4,242</u>
Total Athletic Department				
Music Departments:				
Music Department	4,281	1,350		5,631
	<u>4,281</u>	<u>1,350</u>		<u>5,631</u>
Total Music Department				
Total All Schools	<u>152,928</u>	<u>161,372</u>	<u>128,032</u>	<u>186,268</u>

**TEANECK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
Payroll Deductions and Withholdings	904,585	23,682,484	23,835,929	751,140
Summer Savings Plan	629,255	1,080,267	629,255	1,080,267
Net Payroll		28,888,145	28,885,259	2,886
Flexible Spending Account	50,231	119,403	55,291	114,343
Due to Other Funds	27,000	125,169	110,000	42,169
	<u>1,611,071</u>	<u>53,895,468</u>	<u>53,515,734</u>	<u>1,990,805</u>

LONG-TERM DEBT

TEANECK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2020

Issue	Date of Loan	Amount of Loan	Principal Payment		Interest Rate	Balance, June 30, 2019	Retired	Balance, June 30, 2020
			Date	Amount				
School Energy Savings Obligation Refunding Bonds	April 15, 2012	8,180,000	4/1/21	600,000	4.00%	5,275,000	545,000	4,730,000
			4/1/22	645,000	4.00%			
			4/1/23	590,000	4.50%			
			4/1/24	640,000	4.00%			
			4/1/25	700,000	4.00%			
			4/1/26	750,000	4.00%			
			4/1/27	805,000	4.00%			
Pension Refunding Bonds (ERIP)	August 7, 2013	3,325,000	7/1/20	515,000	3.50%	1,015,000	500,000	515,000
			7/15/20	570,000	4.00%			
			7/15/21	555,000	2.56%			
School Refunding Bonds	April 27, 2016	7,615,000	7/15/22	545,000	2.00%	6,260,000	580,000	5,680,000
			7/15/23	525,000	2.00%			
			7/15/24	525,000	4.00%			
			7/15/25	515,000	4.00%			
			7/15/26	510,000	4.00%			
			7/15/27	500,000	4.00%			
			7/15/28	490,000	3.75%			
7/15/29	480,000	3.50%						
7/15/30	465,000	3.50%						
						12,550,000	1,625,000	10,925,000

TEANECK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases and Lease Purchase Agreements
June 30, 2020

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment Date</u>	<u>Principal Payment Amount</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Capital Leases									
Hawthorne & Bryant Elementary School Roof Improvements	September 25, 2014	1,250,000				257,804		257,804	-
Savin Copiers	October 28, 2014	8,959				634		634	-
Savin Copiers	April 11, 2016	112,235			4.18%	45,811		45,811	-
Technology Upgrade/Network Wiring	September 1, 2016	2,500,000	8/15/20 8/15/21	421,508 432,434	2.59%	1,264,800		410,858	853,942
Chromebooks	October 5, 2018	901,300	11/1/20	300,171	5.25%	585,370		285,199	300,171
HVAC Improvements	March 27, 2020	1,600,000	3/15/21 3/15/22 3/15/23 3/15/24 3/15/25	310,889 314,881 319,761 324,718 329,751	1.55%		1,600,000		1,600,000

TEANECK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases and Lease Purchase Agreements
June 30, 2020

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Equipment Energy Savings Improvements	June 24, 2020	5,738,822		2.42%	<u>2019</u>	5,738,822		5,738,822
			<u>Date</u>					
			<u>Amount</u>					
			7/15/21	420,103				
			7/15/22	323,878				
			7/15/23	260,209				
			7/15/24	261,153				
			7/15/25	271,741				
			7/15/26	260,204				
			7/15/27	274,700				
			7/15/28	289,733				
			7/15/29	305,319				
			7/15/30	321,474				
			7/15/31	338,220				
			7/15/32	355,573				
			7/15/33	373,554				
			7/15/34	392,182				
			7/15/35	411,477				
			7/15/36	204,355				
			7/15/37	214,427				
			7/15/38	224,859				
			7/15/39	235,661				
					<u>2,154,419</u>	<u>7,338,822</u>	<u>1,000,306</u>	<u>8,492,935</u>
						Cancelled	40,200	
						Budget	<u>960,106</u>	
							<u>1,000,306</u>	

TEANECK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,303,675	-	1,303,675	1,303,675	-
Total - Local Sources	1,303,675	-	1,303,675	1,303,675	-
Total Revenues	1,303,675	-	1,303,675	1,303,675	-
EXPENDITURES:					
Regular Debt Service:					
Interest	223,675	-	223,675	223,675	-
Principal	1,080,000	-	1,080,000	1,080,000	-
Total Regular Debt Service	1,303,675	-	1,303,675	1,303,675	-
Total Expenditures	1,303,675	-	1,303,675	1,303,675	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	1		1	1	-
Fund Balance, June 30	1		1	1	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance					-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	Fiscal Year Ending June 30,									
	2011	Restated 2012	2013	Restated 2014	2015	2016	2017	Restated 2018	2019	2020
Governmental activities										
Invested in Capital Assets	\$ 27,808,537	\$ 29,832,741	\$ 27,689,490	\$ 30,923,632	\$ 31,030,357	\$ 31,076,698	\$ 31,428,231	\$ 30,555,010	\$ 28,805,759	\$ 30,554,759
Restricted	643,243	1,191,255	3,236,970	571,338	324,625	833,187	1,788,028	5,380,642	15,372,914	18,226,640
Unrestricted	(1,782,172)	(2,316,760)	(1,892,086)	(29,821,336)	(33,550,664)	(30,514,996)	(28,346,121)	(25,696,694)	(25,922,713)	(23,805,755)
Total Governmental Activities Net Position	\$ 26,669,608	\$ 28,707,236	\$ 29,034,374	\$ 1,673,634	\$ (2,195,682)	\$ 1,394,889	\$ 4,870,138	\$ 10,238,958	\$ 18,255,960	\$ 24,975,644
Business-type Activities										
Invested in Capital Assets	\$ 101,233	\$ 81,353	\$ 67,630	\$ 55,021	\$ 45,373	\$ 35,613	\$ 27,769	\$ 44,083	\$ 36,683	\$ 94,686
Restricted	76,294	(33,550)	84,428	140,807	201,619	325,827	617,185	859,418	886,890	696,194
Total Business-type Activities Net Position	\$ 177,527	\$ 47,803	\$ 152,058	\$ 195,828	\$ 246,992	\$ 361,440	\$ 644,954	\$ 903,501	\$ 923,573	\$ 790,880
District-wide										
Invested in Capital Assets	\$ 27,909,770	\$ 29,914,094	\$ 27,757,120	\$ 30,978,653	\$ 31,075,730	\$ 31,112,311	\$ 31,456,000	\$ 30,555,010	\$ 28,842,442	\$ 30,649,445
Restricted	643,243	1,191,255	3,236,970	571,338	324,625	833,187	1,788,028	5,380,642	15,372,914	18,226,640
Unrestricted	(1,705,878)	(2,350,310)	(1,807,658)	(29,680,529)	(33,349,045)	(30,189,169)	(27,728,936)	(24,837,276)	(25,035,823)	(23,109,561)
Total District Net Position	\$ 26,847,135	\$ 28,755,039	\$ 29,186,432	\$ 1,869,462	\$ (1,948,690)	\$ 1,756,329	\$ 5,515,092	\$ 11,098,376	\$ 19,179,533	\$ 25,766,524

Source: CAFR Schedule A-1

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

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 30,421,657	\$ 32,671,988	\$ 33,576,131	\$ 33,856,291	\$ 45,216,191	\$ 43,078,084	\$ 47,544,166	\$ 49,686,728	\$ 29,704,504	\$ 29,805,460
Special Education	17,263,704	16,711,830	17,934,087	9,680,177	22,910,881	22,521,039	25,413,050	25,491,773	11,726,104	10,791,784
Other Special Instruction	3,382,495	4,061,728	4,049,272	3,273,279	5,104,799	4,899,904	5,257,184	5,580,493	2,753,549	2,439,308
School Sponsored/Other Instructional									1,472,663	1,217,058
Support Services:										
Tuition									8,693,821	9,097,893
Attendance & Social Work									323,900	277,619
Health Services									1,070,725	902,988
Student & Instruction Related Services	13,183,619	14,361,913	14,780,095	17,404,977	15,985,738	17,767,423	17,174,153	16,090,033	13,156,856	14,869,343
General Administrative Services	1,122,333	1,080,471	1,494,069	1,014,942	1,346,018	1,238,269	1,377,257	1,566,309	1,511,085	1,881,224
School Administrative Services	4,416,827	4,189,822	4,257,991	3,040,882	4,797,201	5,504,071	6,205,382	5,574,062	3,902,038	3,859,803
Central Services & Administrative										
Information Technology	1,982,452	1,993,106	2,125,032	1,481,017	2,162,372	2,550,972	2,533,001	1,992,964	2,050,178	2,081,947
Plant Operations & Maintenance	10,012,275	9,025,685	8,314,322	7,707,536	8,742,070	7,863,553	7,926,277	9,722,253	7,808,758	8,073,700
Pupil Transportation	4,853,999	4,696,541	4,567,081	4,395,157	5,090,466	5,261,919	5,276,477	5,232,574	5,546,318	5,009,748
Allocated Benefits									5,413,152	5,753,774
Unallocated Benefits									11,489,829	12,001,638
Charter Schools	4,322,115	4,363,312	4,815,127						6,234,035	6,588,230
Capital Outlay - Non-Depreciable									1,735,427	2,520,371
Interest on Long-Term Debt	833,217	920,530	1,129,319	820,419	682,245	556,367	503,691	445,359	270,032	185,259
Unallocated Depreciation				1,734,667					1,971,687	1,946,416
Amortization									122,963	(43,760)
Employee Benefits										
Total Governmental Activities Expenses	91,794,693	94,076,926	97,042,526	97,144,854	112,037,981	111,241,601	119,210,638	121,382,548	116,957,624	119,259,803
Business-Type Activities:										
Food Service	1,325,864	1,397,117	1,202,883	1,479,468	1,420,191	1,466,292	1,335,533	1,371,517	1,404,842	1,206,430
Child Care	859,294	858,905	708,373	564,347	498,653	526,953	644,259	629,545	624,657	550,805
Total Business-Type Activities Expense	2,185,158	2,256,022	1,911,256	2,043,815	1,918,844	1,993,245	1,979,792	2,001,062	2,029,499	1,757,235
Total District Expenses	\$ 93,979,851	\$ 96,332,948	\$ 98,953,782	\$ 99,188,669	\$ 113,956,825	\$ 113,234,846	\$ 121,190,430	\$ 123,383,610	\$ 118,987,123	\$ 121,017,038
Program Revenues										
Governmental Activities:										
Charges for Services:										
Special Education (Tuition)	\$ 183,867	\$ 205,243	\$ 139,183	\$ 67,734	\$ 8,034	\$ 113,759	\$ 176,152	\$ 139,948		
Rentals				40,427						
Student and Instruction Related Services			27,470							
Pupil Transportation				7,620						
Operating Grants and Contributions	13,896,066	16,260,691	17,291,743	13,364,250	25,289,979	28,102,362	34,763,640	37,121,970	4,111,079	5,861,003
Capital Grants and Contributions	202,209	504,250		186,499	675,233	64,475	27,229			
Total Governmental Activities Program Revenues	14,282,142	16,970,184	17,458,396	13,480,031	25,484,512	28,891,354	35,004,267	37,289,147	4,111,079	5,861,003

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities:										
Charges for Services										
Food Service	714,849	685,717	664,678	744,639	642,602	648,851	649,016	698,064	680,607	509,998
Community School	750,363	784,134	686,002	637,055	594,605	675,314	856,987	843,936	760,015	659,060
Operating Grants and Contributions	641,420	656,447	664,831	705,891	732,801	783,528	757,303	794,663	810,413	655,484
Capital Grants and Contributions										
Total Business-Type Activities Program Revenues	<u>2,106,632</u>	<u>2,126,298</u>	<u>2,015,511</u>	<u>2,087,585</u>	<u>1,970,008</u>	<u>2,107,693</u>	<u>2,263,306</u>	<u>2,336,663</u>	<u>2,251,035</u>	<u>1,824,542</u>
Total District Program Revenues	<u>\$ 16,388,774</u>	<u>\$ 19,096,482</u>	<u>\$ 19,473,907</u>	<u>\$ 15,567,616</u>	<u>\$ 27,454,520</u>	<u>\$ 30,999,047</u>	<u>\$ 37,267,573</u>	<u>\$ 39,625,810</u>	<u>\$ 6,362,114</u>	<u>\$ 7,685,545</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (77,512,551)	\$ (77,106,742)	\$ (79,584,130)	\$ (83,664,823)	\$ (86,553,469)	\$ (82,350,247)	\$ (84,206,371)	\$ (84,093,401)	\$ (112,846,545)	\$ (113,398,800)
Business-type Activities	(78,520)	(129,724)	104,255	43,770	51,164	114,448	283,514	335,601	221,536	67,307
Total District-wide Net Expense	<u>\$ (77,591,071)</u>	<u>\$ (77,236,466)</u>	<u>\$ (79,479,875)</u>	<u>\$ (83,621,053)</u>	<u>\$ (86,502,305)</u>	<u>\$ (82,235,799)</u>	<u>\$ (83,922,857)</u>	<u>\$ (83,757,800)</u>	<u>\$ (112,625,009)</u>	<u>\$ (113,331,493)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 77,452,263	\$ 77,452,263	\$ 77,760,542	\$ 78,926,950	\$ 80,505,489	\$ 83,928,341	\$ 85,606,908	\$ 87,319,046	\$ 89,541,831	\$ 91,332,668
Property Taxes Levied for Debt Service	1,441,802	1,782,863	1,785,784	1,789,891	1,845,977	1,489,284	1,461,209	1,336,939	1,313,882	1,303,675
Federal and State Aid Not Restricted									28,991,474	26,569,503
Federal and State Aid - Capital Outlay									56,916	131,511
Tuition from Other LEAs Within the State									88,373	74,311
Transportation Fees from Individuals									4,770	4,571
Transportation Fees from Other LEAs									71,749	96,399
Rents and Royalties									602,908	455,266
Miscellaneous Income	192,205	262,013	282,860	694,931	308,149	505,998	589,077	244,114		
Unrestricted Grants and Contributions	180,939	19,927	82,082	1,684,983	24,538	17,195	24,426	73,568		
Investment Earnings	51,159			61,893						
Adjustments to Capital Assets				520,199						
Transfers										
Other Financing Sources/(Uses)										
Total Governmental Activities	<u>79,318,368</u>	<u>79,517,066</u>	<u>79,911,268</u>	<u>83,678,847</u>	<u>82,684,153</u>	<u>85,940,818</u>	<u>87,681,620</u>	<u>89,073,667</u>	<u>150,582</u>	<u>150,580</u>
Business-type Activities:										
Miscellaneous Income										
Other Financing Sources/(Uses)										
Total Business-type Activities	<u>-</u>	<u>\$ 79,517,066</u>	<u>\$ 79,911,268</u>	<u>\$ 83,678,847</u>	<u>\$ 82,684,153</u>	<u>\$ 85,940,818</u>	<u>\$ 87,681,620</u>	<u>\$ 88,973,667</u>	<u>(201,464)</u>	<u>(200,000)</u>
Total District-wide	<u>\$ 79,318,368</u>	<u>\$ 79,517,066</u>	<u>\$ 79,911,268</u>	<u>\$ 83,678,847</u>	<u>\$ 82,684,153</u>	<u>\$ 85,940,818</u>	<u>\$ 87,681,620</u>	<u>\$ 88,973,667</u>	<u>\$ 120,662,083</u>	<u>\$ 119,918,484</u>
Change in Net Position										
Governmental Activities	\$ 1,805,817	\$ 2,410,324	\$ 327,138	\$ 14,024	\$ (3,869,316)	\$ 3,590,571	\$ 3,475,249	\$ 4,980,266	\$ 8,017,002	\$ 6,719,684
Business-type Activities	(78,520)	(129,724)	104,255	43,770	51,164	114,448	283,514	235,601	20,072	(132,693)
Total District	<u>\$ 1,727,297</u>	<u>\$ 2,280,600</u>	<u>\$ 431,393</u>	<u>\$ 57,794</u>	<u>\$ (3,818,152)</u>	<u>\$ 3,705,019</u>	<u>\$ 3,758,763</u>	<u>\$ 5,215,867</u>	<u>\$ 8,037,074</u>	<u>\$ 6,586,991</u>

Source: CAFR Schedule A-2

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Restricted	2,721,849	5,565,249	7,175,206	1,968,780	324,592	1,922,495	4,456,718	8,902,842	12,384,622	7,797,104
Committed	120,305	79,970	82,118							
Assigned	2,943,508	3,389,790	1,301,033	3,965,257	1,420,357	1,569,653	2,596,779	2,451,442	2,925,041	5,037,340
Unassigned	1,087,713	(79,344)	320,670	767,775	(435,844)	499,672	679,845	721,040	1,581,699	1,728,201
Total General Fund	<u>\$ 6,873,375</u>	<u>\$8,955,665</u>	<u>\$ 8,879,027</u>	<u>\$ 6,701,812</u>	<u>\$ 1,309,105</u>	<u>\$ 3,991,820</u>	<u>\$ 7,733,342</u>	<u>\$ 12,075,324</u>	<u>\$ 16,891,362</u>	<u>\$ 14,562,645</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	1,307,769	7,795,275	1,516,881	1,224,801	1,647,932	502,159	67,653	67,091	63,251	5,302,196
Assigned										
Total All Other Governmental Funds	<u>\$ 1,307,769</u>	<u>\$7,795,275</u>	<u>\$ 1,516,881</u>	<u>\$ 1,224,801</u>	<u>\$ 1,647,932</u>	<u>\$ 502,159</u>	<u>\$ 67,653</u>	<u>\$ 67,091</u>	<u>\$ 63,251</u>	<u>\$ 5,302,196</u>

Source: CAFR Schedule B-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property Tax Levy	\$ 78,894,065	\$ 79,235,126	\$ 79,546,326	\$ 80,716,841	\$ 82,351,466	\$ 85,417,625	\$ 87,068,117	\$ 88,655,985	\$ 90,855,713	\$ 92,636,343
Tuition Charges	183,867	205,243	139,183	67,734	8,034	113,759	176,152	139,948	88,373	74,311
Transportation Fees				7,620					45,832	4,571
Rentals			27,470	40,427	24,813				71,749	96,399
Interest Earnings	51,159	19,927	82,082	61,893	24,538	17,195	24,426	73,568	6,510	137,976
Miscellaneous	456,835	638,879	692,169	694,931	606,879	872,144	933,306	292,776	642,914	379,382
Proceeds from Capital Leases										7,338,822
Slate Sources	11,081,930	13,905,994	14,908,247	13,336,840	14,883,649	15,871,490	17,083,759	18,884,298	22,493,203	25,007,042
Federal Sources	2,932,654	2,482,081	1,848,522	1,712,393	1,764,121	1,762,558	1,994,360	2,055,129	2,005,665	2,260,483
Total Revenue	93,600,510	96,487,250	97,243,999	96,638,679	99,663,500	104,054,771	107,280,120	110,101,704	116,209,959	127,935,329
Expenditures										
Instruction										
Regular Instruction	30,353,393	32,515,309	33,564,746	33,967,601	39,789,210	36,630,907	38,013,929	40,233,331	24,933,948	26,239,139
Special Education Instruction	17,264,938	16,713,108	17,934,087	9,680,177	21,234,038	20,203,902	21,979,369	22,126,629	9,342,211	9,001,231
Other Special Instruction	3,383,004	4,062,282	4,049,272	3,273,279	4,350,846	3,998,073	4,004,204	4,314,200	2,172,538	2,022,685
School Sponsored/Other Instructional									1,220,801	1,055,881
Support Services:										
Tuition									8,693,821	9,097,893
Attendance & Social Work									265,768	237,647
Health Services									931,064	799,722
Student & Instruction Related Services									11,571,835	13,556,808
General Administrative Services	13,080,340	14,251,100	14,645,500	17,404,977	15,491,161	16,922,739	16,013,238	15,492,291	1,398,528	1,759,629
School Administrative Services	1,172,764	1,074,120	1,552,943	945,329	1,388,638	1,264,599	1,355,640	1,439,293	1,398,528	1,759,629
Central Services & Administrative	4,397,523	4,179,353	4,275,614	3,040,882	4,340,892	4,799,231	5,181,268	4,921,124	3,103,690	3,220,126
Information Technology	1,982,676	1,993,324	2,125,032	1,481,017	2,075,126	2,448,307	2,362,775	1,978,763	1,790,626	1,811,549
Plant Operations & Maintenance	8,937,828	7,849,296	7,047,981	7,707,536	7,334,229	6,337,644	6,306,791	6,643,839	7,852,275	8,157,447
Pupil Transportation	4,854,016	4,696,557	4,567,081	4,395,157	5,086,630	5,243,572	5,255,958	5,196,030	5,521,065	4,975,660
Allocated Benefits				12,735,510					5,413,152	5,753,774
Unallocated Benefits									6,186,884	5,203,348
On-Behalf Contributions									12,325,604	13,161,615
Transfer to Charter Schools	4,322,115	4,363,312	4,815,127						6,234,035	6,588,230
Debt Service:										
Principal	1,015,177	1,350,245	1,580,573	1,625,000	2,210,634	2,162,849	2,708,873	2,408,414	1,065,000	1,080,000
Interest and Other Charges	800,597	833,259	1,250,502	959,960	822,229	786,133	544,756	594,437	252,722	223,675
Cost of Issuance	19,698	93,496				117,364				
Capital Outlay	728,345	2,820,781	6,190,573	3,672,844	992,268	1,839,461	2,966,297	511,933	2,174,076	10,498,567
Total Expenditures	92,312,414	96,795,542	103,599,031	100,889,269	105,115,901	102,754,781	106,693,098	105,860,284	112,449,643	124,444,626
Excess (Deficiency) of Revenues over (under) Expenditures	1,288,096	(308,292)	(6,355,032)	(4,250,590)	(5,452,401)	1,299,990	587,022	4,241,420	3,760,316	3,490,703

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)	\$ 1,680,390			\$ 684,949	\$ 1,550,990	\$ 112,235	\$ 2,719,994		\$ 901,300	\$ 7,338,822
Cancellation of Accounts Receivable				(69,613)						
Bond Proceeds		8,180,000		63,870		7,615,000				
Premium on Sale of Bonds		698,088				642,071				
Payment to Refunded Debt Bond Escrow Agent						(8,132,354)				
Transfers In	556,255	339,572	431,605	431,605	718,431	1,001,453	440,000	100,000	200,000	6,670,427
Transfers Out	(556,255)	(339,572)	(431,605)	(431,605)	(718,431)	(1,001,453)	(440,000)		(49,418)	(6,519,847)
Total Other Financing Sources (Uses)	1,680,390	8,878,088	-	679,206	1,550,990	236,952	2,719,994	100,000	1,051,882	7,489,402
Net Change in Fund Balances	\$ 2,968,486	\$ 8,569,796	\$ (6,355,032)	\$ (3,571,384)	\$ (3,901,411)	\$ 1,536,942	\$ 3,307,016	\$ 4,341,420	\$ 4,812,198	\$ 10,980,105
Debt Service as a Percentage of Noncapital Expenditures	1.98%	2.32%	2.91%	2.66%	2.91%	2.92%	3.14%	2.85%	1.2%	1.1%

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

Fiscal Year Ended June 30,	Interest on Investments	Transportation Fees	Tuition Revenue	Emergency Performance		Refund of Prior year Expenses	Rentals	Misc.	Total
				Rebates	Expenses				
2011	51,095		183,867			75,817	35,651	80,737	427,167
2012	19,927		205,243			26,325	36,496	199,192	487,183
2013	82,082		139,183			67,832	27,470	215,028	531,595
2014	61,893	7,620	67,734				40,427	195,976	373,650
2015	24,444	12,900	8,034			79,909	24,813	190,527	340,627
2016	17,119	5,280	113,759	278,268		122,866	16,907	82,677	636,876
2017	22,773	66,295	176,152	295,402		110,870	23,470	93,040	788,002
2018	66,744	3,840	139,948	1,953		177,050	18,448	42,823	450,806
2019	133,220	45,832	88,373	20,520		357,830	71,749	91,338	808,862
2020	137,111	4,571	74,311	20,603		77,441	96,399	219,246	629,682

Source: District Records

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

Fiscal Year Ended June 30,	Total Assessed Value					Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Commercial	Industrial	Apartment						
2011	\$ 25,463,300	\$5,243,263,500	\$ 565,495,900	\$ 42,596,300	\$ 184,038,300	\$ 567,130,600.00	\$ 5,815,726	\$6,066,673,026	1.306	\$5,834,628,366	103.98%
2012	\$ 23,156,300	\$5,202,928,400	\$ 557,720,900	\$ 41,484,700	\$ 186,093,300	\$ 570,785,800.00	\$ 5,549,185	\$6,016,932,785	1.322	\$5,786,499,545	103.98%
2013	\$ 24,818,100	\$5,069,989,600	\$ 553,520,800	\$ 41,343,700	\$ 219,962,200	\$ 571,155,900.00	\$ 5,307,402	\$5,914,941,802	1.365	\$5,456,608,194	108.40%
2014	\$ 26,244,900	\$4,980,162,600	\$ 550,175,000	\$ 40,204,300	\$ 219,780,400	\$ 567,515,209.00	\$ 5,516,191	\$5,822,083,391	1.415	\$5,133,113,007	113.42%
2015	\$ 24,888,700	\$4,197,404,500	\$ 523,577,300	\$ 36,765,600	\$ 233,785,900	\$ 561,714,200.00	\$ 4,691,390	\$5,021,113,390	1.701	\$5,082,712,384	98.79%
2016	\$ 28,296,600	\$4,199,996,400	\$ 516,527,300	\$ 36,765,600	\$ 231,869,900	\$ 561,310,100.00	\$ 4,418,973	\$5,017,874,773	1.735	\$5,298,002,372	94.71%
2017	\$ 30,694,700	\$4,217,971,300	\$ 502,513,400	\$ 34,805,600	\$ 231,198,700	\$ 571,641,300.00	\$ 4,301,902	\$5,021,485,602	1.766	\$5,498,094,904	91.33%
2018	\$ 28,885,600	\$4,241,567,100	\$ 501,407,900	\$ 34,805,600	\$ 229,331,700	\$ 582,199,700.00	\$ 4,471,088	\$5,040,468,988	1.803	\$5,600,641,438	90.00%
2019	\$ 23,693,300	\$4,259,287,200	\$ 557,122,000	\$ 34,805,600	\$ 227,837,700	\$ 582,868,800.00	\$ 4,471,088	\$5,107,216,888	1.816	\$5,924,981,003	86.20%
2020	\$ 28,814,200	\$4,277,118,800	\$ 531,918,300	\$ 35,730,600	\$ 278,958,300	\$ 585,913,100.00	\$ 4,471,088	\$5,157,011,288	1.833	\$6,275,118,244	82.18%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Exhibit J-7

**Teaneck Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Years**
(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	Teaneck Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Teaneck	Bergen County	
2011			1.306	0.858	0.199	2.36
2012			1.322	0.865	0.210	2.40
2013			1.365	0.912	0.209	2.49
2014			1.415	0.925	0.231	2.57
2015			1.701	1.095	0.251	3.05
2016			1.735	1.092	0.269	3.10
2017			1.766	1.092	0.285	3.14
2018	1.776	0.027	1.803	1.089	0.281	3.17
2019	1.790	0.026	1.816	1.100	0.281	3.20
2020	1.807	0.026	1.833	1.098	0.303	3.23

Source: District Records and Municipal Tax Collector

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Glenpointe Associates	\$ 50,202,900	1	0.80%	\$ 56,210,100	1	0.93%
A. Sanzari Enterprises	\$ 46,508,500	2	0.74%			
A. Sanzari Enterprises	\$ 44,331,600	3	0.71%			
Avalon Teaneck LLC	\$ 35,739,300	4	0.57%			
SNH Teaneck Properties, LLC	\$ 32,122,000	5	0.51%			
A. Sanzari Enterprises	\$ 32,100,400	6	0.51%			
SHIP V Teaneck LLC	\$ 31,685,000	7	0.50%			
A. Sanzari Enterprises	\$ 24,622,800	8	0.39%			
Teaneck Garden Owners Corp.	\$ 17,257,000	9	0.28%	16,500,000	6	0.27%
1480 Realty, LP	\$ 15,755,300	10	0.25%			
Care One at Teaneck, LLC				14,568,000	8	0.24%
Teaneck Limited PTNP				44,400,000	2	0.73%
Glenpointe Associates III				43,186,000	3	0.71%
Glenpointe Associates II				40,714,500	4	0.67%
Glenpointe Associates				31,324,200	5	0.52%
Givaudan-Roure Fragrance Corp.				15,266,400	7	0.25%
Glenpointe Associates II				13,469,200	9	0.22%
Individual Taxpayer				11,348,700	10	0.19%
Total	\$ 330,324,800		5.26%	\$ 286,987,100		4.73%

Net Assessed Valuation: \$ 6,275,118,244 \$ 6,066,673,026

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied	Collected within the Fiscal Year		Collections in Subsequent Years
	for the Year	Amount	Percentage of Levy	
2011	78,894,065	78,894,065	100.00%	\$ -
2012	79,235,126	79,235,126	100.00%	\$ -
2013	79,546,326	79,546,326	100.00%	\$ -
2014	80,716,841	80,716,841	100.00%	\$ -
2015	82,351,466	82,351,466	100.00%	\$ -
2016	85,417,625	85,417,625	100.00%	\$ -
2017	87,068,117	87,068,117	100.00%	\$ -
2018	88,655,985	88,655,985	100.00%	\$ -
2019	90,855,713	90,855,713	100.00%	\$ -
2020	92,636,343	92,636,343	100.00%	\$ -

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Temporary Note Payable	Capital Leases	Total District			
2011	16,565,000	-	\$ 1,645,213	-	-	18,210,213	0.658%	\$ 69,053	
2012	23,710,000	-	1,329,968	-	-	25,039,968	0.864%	\$ 72,152	
2013	22,330,000	-	1,003,730	-	-	23,333,730	0.809%	\$ 71,679	
2014	20,810,000	-	1,219,379	-	-	22,029,379	0.734%	\$ 74,452	
2015	19,075,000	-	2,165,970	-	-	21,240,970	0.677%	\$ 77,666	
2016	17,300,000	-	1,545,356	-	-	18,845,356	0.588%	\$ 79,145	
2017	15,645,000	-	3,211,477	-	-	18,856,477	0.570%	\$ 81,483	
2018	14,115,000	-	2,333,063	-	-	16,448,063	0.473%	\$ 85,951	
2019	12,550,000	-	2,154,419	-	-	14,704,419	Not Available	Not Available	
2020	10,925,000	-	1,176,480	-	-	12,101,480	Not Available	Not Available	

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	16,565,000	-	16,565,000	0.27%	\$ 240
2012	23,710,000	-	23,710,000	0.39%	\$ 329
2013	22,330,000	-	22,330,000	0.38%	\$ 312
2014	20,810,000	-	20,810,000	0.36%	\$ 280
2015	19,075,000	-	19,075,000	0.38%	\$ 246
2016	17,300,000	-	17,300,000	0.34%	\$ 219
2017	15,645,000	-	15,645,000	0.31%	\$ 192
2018	14,115,000	-	14,115,000	0.28%	\$ 164
2019	12,550,000	-	12,550,000	Not available	Not available
2020	10,925,000	-	10,925,000	Not available	Not available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.

**Teaneck Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2020**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2020			
Net Overlapping Debt of School District:			
Township of Teaneck	100.000%	\$ 56,487,756	
County of Bergen	3.170%	\$ 28,785,210	
Bergen County Utilities Authority - Water Pollution	6.660%	\$ 8,823,944	
Subtotal, Overlapping Debt		<u>\$ 94,096,909</u>	
Total Direct and Overlapping Debt			<u><u>\$ 105,021,909</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2019

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$	243,822,451	\$ 236,575,160	\$ 228,885,336	\$ 220,359,706	\$ 211,547,745	\$ 208,277,979	\$ 212,020,125	\$ 217,488,318	\$ 218,623,183	\$ 234,478,208
Total Net Debt Applicable to Limit	\$	16,565,000	23,710,000	22,330,000	20,810,000	19,075,000	17,300,000	15,645,000	14,115,000	12,550,000	10,925,000
Legal Debt Margin	\$	227,257,451	212,865,160	206,555,336	199,549,706	192,472,745	190,977,979	196,375,125	203,373,318	206,073,183	223,553,208
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		6.79%	10.02%	9.76%	9.44%	9.02%	8.31%	7.38%	6.49%	5.74%	4.66%

Average Equalized Valuation of Taxable Property											
	\$									5,861,955,211	
[A/3]											
Debt Limit (4 % of Average Equalization Value)										234,478,208	^a
Net Bonded School Debt										10,925,000	
Legal Debt Margin	\$									223,553,208	
[B-C]											

Equalized Valuation Basis											
										6,197,165,169	
										5,830,725,831	
										5,557,974,632	
	[A]	\$	17,585,865,632								

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

^a Limit set by NISA 18A.24-19 for a K through 12 district; other % limits would be applicable for other districts

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita	
			Personal Income ^c	Unemployment Rate ^d
2011	40,065	\$ 2,766,608,445	69,053	7.00%
2012	40,173	\$ 2,898,562,296	72,152	7.60%
2013	40,262	\$ 2,885,939,898	71,679	6.50%
2014	40,315	\$ 3,001,532,380	74,452	5.20%
2015	40,415	\$ 3,138,871,390	77,666	4.40%
2016	40,525	\$ 3,207,351,125	79,145	4.20%
2017	40,617	\$ 3,309,595,011	81,483	3.90%
2018	40,449	\$ 3,476,631,999	85,951	3.40%
2019	40,284	Not Available	Not Available	3.00%
2020	Not Available	Not Available	Not Available	Not Available

Source:

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

Exhibit J-15

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

Employer	2020			2011		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
	-	0	0.00%	-	1	0.00%
	-	0	0.00%	-	2	0.00%
	-	0	0.00%	-	3	0.00%
	-	0	0.00%	-	4	0.00%
	-	0	0.00%	-	5	0.00%
	-	0	0.00%	-	6	0.00%
	-	0	0.00%	-	7	0.00%
	-	0	0.00%	-	8	0.00%
	-	0	0.00%	-	9	0.00%
	-	0	0.00%	-	10	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-		0.00%	-		0.00%
	-		0.00%	-		0.00%

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

Source: Township of Teaneck

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

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	237	246	239	241	246	236	225	228	231	233
Special education	123	137	141	144	136	108	104	112	113	118
Other Instruction	1	3	3	3	3	3	3	3	3	3
Support Services:										
Student & Instruction Related Services	95	92	92	89	79	77	74	73	67	81
General Administrative Services	3	4	4	4	4	4	4	4	4	6
School Administrative Services	35	34	33	31	32	30	33	30	28	31
Plant Operations and Maintenance	97	98	95	84	60	27	23	22	23	27
Security										1
Pupil Transportation	1	1	1	1	1	1	1	1	2	4
Business and Other Support Services	15	15	14	14	15	12	8	8	12	16
Community School	6	4	2	1	2	1	1	2	2	2
Total	613	634	624	612	578	499	476	483	485	522

Source: District Personnel Records

Teaneck Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching	Pupil/Teacher Ratio		High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
2011	4,308	89,748,597	20,833	-2.71%	385	11	9	10	3,955	3,769	-1.62%	95.30%
2012	4,196	91,697,761	21,854	4.90%	391	11	9	10	3,875	3,706	-2.02%	95.64%
2013	4,131	94,577,383	22,895	4.76%	396	11	8	9	3,791	3,685	-2.17%	97.20%
2014	4,098	97,216,425	23,723	3.62%	388	14	8	8	3,745	3,656	-1.21%	97.62%
2015	4,071	101,090,770	24,832	4.67%	448	8	7	9	3,604	3,500	-3.77%	97.11%
2016	4,018	97,848,974	24,353	-1.93%	460	9	8	10	3,604	3,500	0.00%	97.11%
2017	3,953	100,473,172	25,417	4.37%	408	10	9	11	3,498	3,397	-2.94%	97.11%
2018	3,575	102,345,500	28,628	12.63%	405	9	8	9	3,554	3,461	1.60%	97.38%
2019	3,900	108,957,845	27,938	-2.41%	399	9	9	9	3,534	3,352	-0.56%	94.85%
2020	3,900	112,642,384	28,883	3.38%	408	10	8	9	3,616	3,590	2.32%	99.28%

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

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

a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Teaneck Board of Education
School Building Information
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Buildings										
Elementary										
Bryant (Kindergarten/Pre-K)										
Square Feet	47,438	47,438	47,338	47,338	47,338	47,338	47,338	47,338	47,338	47,338
Capacity (Students)	475	475	475	314	314	314	314	314	314	314
Enrollment	366	352	328	345	299	289	273	296	287	292
Whittier (Grades 1-4)										
Square Feet	55,118	55,118	55,118	55,118	55,118	55,118	55,118	55,118	55,118	55,118
Capacity (Students)	656	656	656	375	375	375	375	375	375	375
Enrollment	380	365	339	411	376	364	352	329	340	357
Hawthorne (Grades 1-4)										
Square Feet	49,373	49,373	49,373	49,373	49,373	49,373	49,373	49,373	49,373	49,373
Capacity (Students)	648	648	648	322	322	322	322	322	322	322
Enrollment	319	346	391	374	356	331	304	300	314	344
Lowell (Grades 1-4)										
Square Feet	47,106	47,106	47,106	47,106	47,106	47,106	47,106	47,106	47,106	47,106
Capacity (Students)	536	536	536	321	321	321	321	321	321	321
Enrollment	352	309	335	375	317	303	317	343	338	336
Middle School										
Thomas Jefferson Middle School (Grades 5-8)										
Square Feet	105,216	105,216	105,216	105,216	105,216	105,216	105,216	105,216	105,216	105,216
Capacity (Students)	894	894	894	676	676	676	676	676	676	676
Enrollment	614	598	577	690	582	541	548	547	526	524
Benjamin Franklin Middle School (Grades 5-8)										
Square Feet	100,202	100,202	100,202	100,202	100,202	100,202	100,202	100,202	100,202	100,202
Capacity (Students)	727	727	727	641	641	641	641	641	641	641
Enrollment	560	570	525	611	513	503	510	542	538	552
High School										
Teaneck High School (Grades 9-12)										
Square Feet	215,808	215,808	215,808	215,808	215,808	215,808	215,808	215,808	215,808	215,808
Capacity (Students)	1,625	1,625	1,625	1,203	1,203	1,203	1,203	1,203	1,203	1,203
Enrollment	1,336	1,298	1,272	1,459	1,280	1,304	1,250	1,218	1,165	1,188
Other										
Eugene Field School (Administration Building)										
Square Feet	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877
Capacity (Students)	25	25	25	25	25	25	25	25	25	25
Number of Schools at June 30, 2020										
Elementary = 4										
Middle School = 2										
High School = 1										
Other = 1										
Source: District records, ASSA										

Note: Enrollment is based on students' enrolled within the District - out of district students have not been included

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

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

School Facilities	Project # (s)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Teaneck High School	N/A	514,499	389,665	541,534	409,111	425,165	373,186	435,390	414,218	454,271	392,018
Benjamin Franklin Middle School	N/A	238,888	180,925	255,142	188,668	197,409	164,120	187,865	172,698	177,288	161,360
Thomas Jefferson Middle School	N/A	250,841	189,979	267,909	197,709	207,287	189,742	197,230	196,548	186,301	179,666
Bryant Elementary	N/A	112,857	85,474	120,535	88,352	93,261	87,910	93,155	81,183	83,199	73,689
Hawthorne Elementary	N/A	117,708	89,148	125,717	92,022	97,270	113,518	95,680	95,253	95,720	92,565
Lowell Elementary	N/A	112,303	85,055	119,945	87,934	92,804	75,399	93,635	110,949	83,997	73,332
Whittier Elementary	N/A	131,405	99,521	140,345	103,380	108,588	88,223	103,225	102,111	96,002	85,635
Eugene Field	N/A	59,601	45,140	63,657	45,970	49,253	54,466	57,813	54,733	43,544	40,248
Grand Total		\$ 1,538,102	\$ 1,164,907	\$ 1,634,784	\$ 1,213,146	\$ 1,271,037	\$ 1,146,564	\$ 1,263,993	\$ 1,227,693	\$ 1,220,322	\$ 1,098,513

**Teaneck Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2020
Unaudited**

Company	Type of Coverage	Coverage	Deductible
Great American Insurance Co.	School Package Policy:		
	Property-Blanket Building/Contents	\$ 179,771,729	\$ 5,000
	Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
	Flood Zones A & V	2,000,000	500,000
	Comprehensive General Liability	2,000,000	
	Comprehensive Crime Coverage	100,000 Per Employee/ 500,000 Per Loss	5,000 100,000
Great American Insurance Co.	Automobile Coverage	1,000,000	
Great American Insurance Co.	Umbrella Liability	9,000,000	10,000 Retention
Fireman's Fund	Excess Liability Umbrella	50,000,000 Group Agg.	
Greenwich Insurance Co.	Educator's Legal Liability	1,000,000	35,000
Safety National Insurance	Employer's Liability Coverage	1,000,000	
Chubb/Ace American	Pollution Coverage	4,000,000	15,000
Selective Insurance Co.	Surety Bond Coverage:		
	Anthony Bianchi, Treasurer of School Monies	425,000	
	Melissa Simmons, School Business Administrator/ Board Secretary	280,000	

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of Teaneck School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 21, 2021.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Township of Teaneck School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 21, 2021.

Purpose of this Report

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

Steven D. Wielkotz

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

Wielkotz + Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 21, 2021



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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Township of Teaneck School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Teaneck Board of Education’s major federal and state programs for the year ended June 30, 2020. The Township of Teaneck Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Teaneck Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally



accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township of Teaneck Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Teaneck Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Teaneck Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Township of Teaneck Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Township of Teaneck Board of Education's responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Township of Teaneck Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Teaneck Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance

with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Township of Teaneck Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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

Steven D. Wielkotz

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

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 21, 2021

TOWNSHIP OF TEANECK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal EAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2019	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2020		MEMO- Cumulative Total Expenditures
					From	To						(Accounts Receivable)	Due to Grantor at	
U.S. Department of Education														
Passed-through State Department of Education:														
General Fund:														
Medicaid Administrative Claiming (MAC)	93.778	2005NS5MAP	N/A	22,571	7/1/2019	6/30/2020			22,571					22,571
Medical Assistance Program (SEMI)	93.778	2005NS5MAP	N/A	77,315	7/1/2019	6/30/2020			77,315					77,315
Total General Fund									99,886					99,886
US Department of Education														
Passed Through State Dept of Education:														
Special Revenue Fund														
Title I Part A, Improving Basic Programs	84.010	S010A190030	ESEA-5150-20	651,936	7/1/2019	9/30/2020		(162,531)	693,734	758,276		(227,073)		758,276
Title I Part A, Improving Basic Programs	84.010	S010A180030	ESEA-5150-19	696,983	7/1/2018	6/30/2019	(162,531)	162,531						624,260
Title I Part A, Reallocated	84.010	S010A190030	ESEA-5150-20	30,325	7/1/2019	9/30/2020		(29,160)	46,508	21,570		(4,222)		21,570
Title I Part A, Reallocated	84.010	S010A180030	ESEA-5150-19	48,544	7/1/2018	6/30/2019	(29,160)	29,160						29,160
							(191,691)		740,242	779,846		(231,295)		1,433,266
Title II Part A	84.367A	S367A190029	ESEA-5150-20	117,487	7/1/2019	9/30/2020		(84,776)	128,928	65,128		(20,976)		65,128
Title II Part A	84.367A	S367A180029	ESEA-5150-19	135,097	7/1/2018	6/30/2019	(84,776)	84,776						113,812
									128,928	65,128		(20,976)		178,940
Title III	84.365A	S365A190030	ESEA-5150-20	24,166	7/1/2019	9/30/2020	(7,163)	(7,163)	8,867	2,370		(666)		2,370
Title III	84.365A	S365A180030	ESEA-5150-19	30,940	7/1/2018	6/30/2019	(7,163)	7,163						24,862
									8,867	2,370		(666)		27,232
Title IV	84.424A	S424A190030	ESEA-5150-20	40,618	7/1/2019	9/30/2020	(2,305)	(2,305)	20,965	74,985		(56,325)		74,985
Title IV	84.424A	S424A180030	ESEA-5150-19	41,802	7/1/2018	6/30/2019	(2,305)	2,305						5,860
									20,965	74,985		(56,325)		80,845
IDEA, Part B- Basic	84.027	H027A190100	IDEA-5150-20	1,091,224	7/1/2019	9/30/2020		(259,798)	923,508	1,002,495		(338,785)		923,508
IDEA, Part B- Basic	84.027	H027A180100	IDEA-5150-19	1,086,883	7/1/2018	6/30/2019	(259,798)	259,798						1,078,020
IDEA, Part B- Preschool	84.173	H173A190114	IDEA-5150-20	28,339	7/1/2019	9/30/2020		(14,270)	32,968	29,021		(10,323)		32,968
IDEA, Part B- Preschool	84.173	H173A180114	IDEA-5150-19	28,399	7/1/2018	6/30/2019	(14,270)	14,270						27,610
							(274,068)		956,476	1,031,516		(349,108)		2,062,106
CARES ACT 2020/ESSER	84.425D	S425D200027		524,004	3/13/2020	10/15/2022				68,843		(68,843)		68,843
									68,843			(68,843)		68,843
Public Schools Climate Transformation Grant Project	84.184G	S184G190115	ESEA-4101-20	668,380	10/1/2019	9/30/2020			67,143	190,663		(123,520)		190,663
									67,143	190,663		(123,520)		190,663
Total Special Revenue Fund							(560,003)		1,922,621	2,213,351		(850,733)		4,041,895
US Department of Agriculture														
Passed Through State Dept of Education:														
Enterprise Fund														
National School Breakfast Program	10.553	201N3504N1099	N/A	88,201	7/1/2019	6/30/2020			88,201	88,201				88,201
National School Breakfast Program	10.553	191N3504N1099	N/A	120,784	7/1/2018	6/30/2019	(8,014)		8,014					120,784
National School Lunch Program	10.555	201N3504N1099	N/A	429,549	7/1/2019	6/30/2020			429,549	429,549				429,549
National School Lunch Program	10.555	191N3504N1099	N/A	24,259	3/18/2020	6/30/2020			15,479	24,259		(8,780)		24,259
National School Lunch Program	10.555	191N3504N1099	N/A	569,520	7/1/2018	6/30/2019	(29,686)		29,686					569,520
USDA Commodities	10.555	201N3504N1096	N/A	97,724	7/1/2019	6/30/2020			97,724	89,912		7,812		89,912
USDA Commodities	10.555	191N3504N1096	N/A	102,672	7/1/2018	6/30/2019	4,210			4,210				98,462
							(33,490)		668,653	636,131		(8,780)		1,420,687
Total Enterprise Fund							(593,493)		2,691,160	2,949,368		(859,513)		5,562,468
Total Federal Financial Assistance									\$ 2,691,160	\$ 2,949,368		\$ 7,812		\$ 5,562,468

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

TOWNSHIP OF TEANECK SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards
Year ended June 30, 2020

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2019			Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020		Memo
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Deferred Revenue/ Interfund Payable							Due to Grantor at		
State Department of Education:																
General Fund																
Special Education Aid	495-034-5120-089	\$ 2,840,278	7/1/2019	6/30/2020				2,635,117	2,840,278						(205,161)	2,840,278
Security Aid	495-034-5120-084	945,902	7/1/2019	6/30/2020				877,577	945,902						(68,325)	945,902
Transportation Aid	495-034-5120-014	2,348,999	7/1/2019	6/30/2020				2,348,999	2,348,999						(169,674)	2,348,999
Special Assistance Aid	100-034-5120-512	1,000,000	7/1/2019	6/30/2020				1,000,000	1,000,000							1,000,000
Nonpublic Transportation Aid	495-078-6060-034	120,801	7/1/2019	6/30/2020					120,801			(120,801)				120,801
Nonpublic Transportation Aid	495-078-6060-034	179,393	7/1/2018	6/30/2019			(179,393)	179,393								179,393
Extraordinary Aid	495-034-5120-044	772,261	7/1/2019	6/30/2020				848,567	772,261			(772,261)				772,261
Extraordinary Aid	495-034-5120-044	848,567	7/1/2018	6/30/2019			(848,567)	848,567								848,567
NIE Homeless Reimbursement	100-029-6060-034	18,087	7/1/2019	6/30/2020				87,864	18,087			(18,087)				18,087
NIE Homeless Reimbursement	100-029-6060-034	87,864	7/1/2018	6/30/2019			(87,864)	87,864								87,864
NIE Homeless Reimbursement	100-029-6060-034	2,159,661	7/1/2014	6/30/2015			(3,426)	2,532,137	2,667,512			(3,426)				2,667,512
Reimursed TPAF Social Security Contributions	495-034-5094-003	2,552,137	7/1/2018	6/30/2020			(153)	2,838,229	2,838,229							2,838,229
Reimursed TPAF Social Security Contributions	495-034-5094-003	2,838,229	7/1/2018	6/30/2020			(153)	2,838,229	2,838,229							2,838,229
On Behalf TPAF Pension Contributions	495-034-5094-001	7,515,878	7/1/2019	6/30/2020				134,714	7,515,878							7,515,878
On Behalf TPAF Pension Contributions	495-034-5094-002	134,714	7/1/2019	6/30/2020				5,282	134,714							134,714
On Behalf TPAF- NCCI Premium	495-034-5094-004	5,282	7/1/2019	6/30/2020				5,282	5,282							5,282
On Behalf TPAF- LTDI																
Total General Fund					(1,119,403)		20,834,226	21,207,943	21,207,943			(1,049,950)			(443,160)	24,882,334
Special Revenue Fund																
Preschool Education Aid	495-034-5120-086	2,712,420	7/1/2019	6/30/2020				2,441,178	2,316,803						(271,242)	2,316,804
Preschool Education Aid	495-034-5120-086	1,222,800	7/1/2018	6/30/2019			86,393	122,280	208,673							1,222,800
Advanced Computer Science Competitive	19B00152	85,076	1/15/2019	6/30/2020				72,171	84,705			(12,905)				84,705
NJ Non-Public Aid:																
Textbook Aid	100-034-5120-064	64,729	7/1/2019	6/30/2020				64,729	64,213							64,213
Textbook Aid	100-034-5120-064	64,453	7/1/2018	6/30/2019			2,785	138,516	113,045							113,045
Nursing Services	100-034-5120-070	137,546	7/1/2019	6/30/2020				29,495	43,650							43,650
Nursing Services	100-034-5120-070	44,208	7/1/2018	6/30/2019			1,117	44,208	43,650							43,650
Technology Aid	100-034-5120-373	43,452	7/1/2019	6/30/2020				214,200	191,295							191,295
Technology Aid	100-034-5120-373	214,200	7/1/2019	6/30/2020				214,200	191,295							191,295
Security Aid	100-034-5120-509	212,700	7/1/2019	6/30/2020				164,979	143,309							143,309
Security Aid	100-034-5120-509	186,015	7/1/2019	6/30/2020				164,979	143,309							143,309
Handicapped Services:																
Exam & Classification	100-034-5120-066	194,004	7/1/2018	6/30/2019			7,212	59,655	60,699							60,699
Exam & Classification	100-034-5120-066	62,180	7/1/2018	6/30/2019			5,714	102,664	113,897							113,897
Concursive Speech	100-034-5120-066	115,755	7/1/2019	6/30/2020				102,664	113,897							113,897
Concursive Speech	100-034-5120-066	125,288	7/1/2018	6/30/2019			24,973	102,664	113,897							113,897
Supplementary Insl.	100-034-5120-066															
Auxiliary Services:																
Compensatory Education	100-034-5120-067	97,343	7/1/2019	6/30/2020				86,570	90,956							90,956
Compensatory Education	100-034-5120-067	74,959	7/1/2018	6/30/2019			13,793	19,128	17,371							17,371
English as a Second Language	100-034-5120-067	21,508	7/1/2019	6/30/2020				19,128	17,371							17,371
English as a Second Language	100-034-5120-067	24,157	7/1/2018	6/30/2019			7,074	19,128	17,371							17,371
Home Instruction	100-034-5120-067	135	7/1/2019	6/30/2020				2,544	135							135
Home Instruction	100-034-5120-067	2,544	7/1/2018	6/30/2019			(2,544)	2,544	135							135
Transportation	100-034-5120-067	15,893	7/1/2019	6/30/2020				14,304	15,893							15,893
Transportation	100-034-5120-067	307,892	7/1/2019	6/30/2020				307,892	307,417							307,417
Dept. of Children and Families:																
School Based Youth Services	20ALBP	307,892	7/1/2019	6/30/2020				307,892	307,417							307,417
School Based Youth Services	19ALBP	307,892	7/1/2018	6/30/2019			1,604	307,892	307,417							307,417
School Based Youth Services	18ALBP	315,839	7/1/2017	6/30/2018			832	315,839	315,839							315,839
School Based Youth Services	14ALBP	307,616	7/1/2013	6/30/2014			315	307,616	307,616							307,616
Dept. of Law and Public Safety:																
Passed Through County of Bergen:																
Juvenile Justice Partnership	TPS-S20	61,435	1/1/2020	12/31/2020				53,503	11,980							11,980
Juvenile Justice Partnership	TPS-S19	61,435	1/1/2019	12/31/2019			(26,923)	53,503	30,179							30,179
Juvenile Justice Partnership	TPS-S18	61,435	1/1/2018	12/31/2018			598	598	598							598
Juvenile Justice Partnership																
Total Special Revenue Fund					57,524		131,674	3,908,521	3,814,778			128,923			(271,242)	5,924,236

TOWNSHIP OF TEANECK SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards
Year ended June 30, 2020

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Award Amount	Balance at June 30, 2019		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Budgetary Expenditures Direct	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020		Memo
			From	To		Deferred Revenue (Accts Receivable)	Due to Grantor							(Accounts Receivable)	Deferred Revenue/ Interfund Payable	
Enterprise Fund																
State Department of Agriculture																
National School Lunch Program (State Share)	100-010-3350-023	11,257	7/1/2019	6/30/2020				11,257	11,257							
National School Lunch Program SSO (State Share)	100-010-3350-023	4,494	3/18/2020	6/30/2020				245	4,494			(4,249)				11,257
National School Lunch Program (State Share)	100-010-3350-023	15,343	7/1/2018	6/30/2019				779								4,494
																15,343
Total Enterprise Fund								12,281	15,751			(4,249)				31,094
Total State Financial Assistance								24,755,038	25,038,472			(1,193,082)	128,923	179,009	113,892	30,837,664
Less: On-Behalf TPAF Pension System Contributions																
Total State Financial Assistance									10,494,103							(714,402)
Less: Miscellaneous Donations																
Total State Financial Assistance									14,544,369							
Local Sources																
Special Revenue Fund																
Township of Teaneck - FORUM	N/A	50,000	7/1/2019	6/30/2020				25,000	2,133			(25,000)		47,867		2,133
Township of Teaneck - FORUM	N/A	50,000	7/1/2018	6/30/2019				25,000	25,880							50,000
Township of Teaneck - FORUM	N/A	50,000	7/1/2017	6/30/2018					5,975					12,181		37,819
Township of Teaneck - FORUM	N/A		7/1/2016	6/30/2017				25,575	7,510					6,486		
Miscellaneous Donations	N/A								4,695					51,865		
								75,575	46,193			(25,000)		118,399		87,819
Total Local Financial Assistance								24,830,613	25,084,665			(1,218,082)	128,923	297,408	113,892	30,925,483

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

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Township of Teaneck School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$29,274 for the general fund and \$(81,808) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$99,886	\$21,237,217	\$	\$21,337,103
Special Revenue Fund	2,160,597	3,769,825	62,092	5,992,514
Food Service Fund	<u>639,733</u>	<u>15,751</u>	<u> </u>	<u>655,484</u>
Total Financial Awards	<u>\$2,900,216</u>	<u>\$25,022,793</u>	<u>\$62,092</u>	<u>\$27,985,101</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$2,667,512 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$779,846
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	65,128
Title III: <i>English Language Acquisition State Grants</i>	2,370
Title IV: <i>Student Support and Academic Enrichment</i>	<u>74,985</u>
Total	<u>\$922,329</u>

**TOWNSHIP OF TEANECK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
- 2. Material weakness(es) identified? _____ yes X no

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

Federal Awards

Internal Control over major programs:

- 1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
- 2. Material weakness(es) identified? _____ yes X no

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u> (A)	<u>H027A190100</u>	I.D.E.A. Cluster:
<u>84.173</u> (A)	<u>H173A190114</u>	<u>I.D.E.A. Part B - Basic Regular</u>
<u>84.184G</u> (B)	<u>S184G190115</u>	<u>I.D.E.A. Part B - Preschool</u>
		<u>Public Schools Climate Transformation Program</u>

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

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

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

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

**TOWNSHIP OF TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

Section II - Financial Statement Findings

None

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

FEDERAL AWARDS

None

STATE AWARDS

Finding 2020-001

Information on the state program:

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(089/084) Grant Period 7/1/19-6/30/20.

Criteria or specific requirement:

In accordance with N.J.S.A. 18A:16-17.1, employees of a board of education shall contribute, through the withholding of the contribution from the pay, salary or other compensation, toward the cost of health care benefits coverage for the employee and any dependent provided pursuant to P.L. 1979, c.391. The amount payable by any employee shall not under any circumstance be less than the 1.5 percent of base salary notwithstanding any other amount that may be required additionally.

Condition:

The premiums used in the employee health benefit contribution calculation do not agree to the monthly prescription premium bills. In addition, employees are being calculated utilizing the incorrect percentage of premium and/or type of coverage.

Questioned Costs:

None

Context:

Recalculation of employee health benefit contributions do not agree to amounts being deducted from employees pay.

**TOWNSHIP OF TEANECK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs,
(continued)*

STATE AWARDS (continued)

Finding 2020-001 (continued):

Effect:

Employee health benefit contributions are not being deducted in accordance with N.J.S.A. 18A:16-17.1.

Cause:

The premium amounts were not compared to the monthly health benefit rosters. Percentage of premiums and types of coverage were not adjusted to reflect accurate information.

Recommendation:

The district should review all information input into the system for health benefit contribution calculations and make necessary adjustments.

Management's response:

All health benefit contribution input information will be reviewed and compared to the proper supporting documentation to ensure the proper amounts are being calculated and deducted from employees pay.

**TOWNSHIP OF TEANECK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

STATUS OF PRIOR YEAR FINDINGS

None