

TEANECK COMMUNITY CHARTER SCHOOL

TEANECK, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE

TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY

TEANECK COMMUNITY CHARTER SCHOOL
FINANCE DEPARTMENT

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OUTLINE OF COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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INTRODUCTORY SECTION

TEANECK COMMUNITY CHARTER SCHOOL

563 CHESTNUT AVENUE
TEANECK, NEW JERSEY 07666

September 30, 2014

Honorable President and
Members of the Board of Education
Teaneck Community Charter School.
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Teaneck Community Charter School for the fiscal year ended June 30, 2014, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the general-purpose financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1.) REPORTING ENTITY AND ITS SERVICES: The Teaneck Community Charter School is an independent reporting entity within the criteria adopted by the GASB as established by NCGA ST. No. 3. All funds and account groups of the District are included in this report. The Teaneck Community Charter School and all its schools constitute the School's reporting entity. The School provides a full range of educational services appropriate to grade levels K through 8. These include regular and vocational, as well as special education for handicapped youngsters. The District completed the 2013-2014 fiscal year with an enrollment of 306 students, which is the same number of students as the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	AVERAGE DAILY ENROLLMENT	
	Student Enrollment	Percent Change
2013-2014	306	0.00%
2012-2013	306	0.00%
2011-2012	306	0.33%
2010-2011	305	0.99%
2009-2010	302	5.23%
2008-2009	287	5.90%
2007-2008	271	13.39%
2006-2007	239	1.70%
2005-2006	235	-0.01%
2004-2005	236	-2.48%

2.) MAJOR INITIATIVES: Teaneck Community Charter School plans to deliver learning along three broad themes:

Student-centered learning: teaching children in accordance with their development and interests
Rather than age groupings;

Expeditionary learning beyond the school walls: learning that takes place through extended classroom
Experiences, hands-on projects and community service; and

Nurturing of diverse populations: promoting academic and personal growth through cooperation,
compassion and enthusiasm for fellow students and members of the community.

Partnerships with community-based organizations are planned to help the school provide students with
access to mentors, career education, support and experiential "extended classroom" activities.

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

As a recipient of federal and state financial assistance, the School 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 the District management.

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

4.) BUDGETARY CONTROLS: In addition to internal accounting controls, the School 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 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 cancelled 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, 2014.

5.) ACCOUNTING SYSTEMS AND REPORTS: The School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6.) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2014 and the amount and percentage of increases in relation to prior year revenues.

Revenue	Amount	Percentage of Total	Increase (Decrease) from 2013	Percent of Increase (Decrease)
Local Sources	\$ 4,312,395	84.33%	\$ (7,645)	-0.18%
State Sources	719,583	14.07%	63,745	9.72%
Federal Sources	81,973	1.60%	1,615	2.00%
TOTALS	\$ 5,113,951	100.00%	\$ 57,715	1.14%

The decrease in local sources is attributed to an increase from the local tax levy of \$7,414 offset by a decrease in miscellaneous revenues of \$15,059.

The increase in State sources is due to an increase in mandate aid and other aid.

The increase in Federal sources is due to an increase in federal grants.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2014 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2013</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 2,238,583	44.73%	\$ 137,615	6.55%
Undistributed expenditures	2,760,873	55.16%	197,265	7.69%
Capital Outlay	5,364	0.11%	(8,521)	-61.37%
Special Schools	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>
TOTALS	\$ <u>5,004,820</u>	<u>100.00%</u>	\$ <u>326,359</u>	<u>6.98%</u>

The increase in current expenditures is attributed to an increase in salaries of \$75,117 and in general supplies and other costs of \$62,498.

The increase in undistributed expenditures is attributed to an increase in salaries of \$109,127 and in employee benefits of \$137,662 offset by decreases in general supplies and other costs of \$41,524 and in rent of \$8,000.

The decrease in capital outlay is attributed to an increase in instructional equipment of \$5,005 offset by a decrease in land and improvements of \$13,526.

7.) **CASH MANAGEMENT:** The investment policy of the School is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units for a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8.) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9.) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cullari, Carrico, Soojian, Burke, LLC 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 of 1984 and amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose 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.

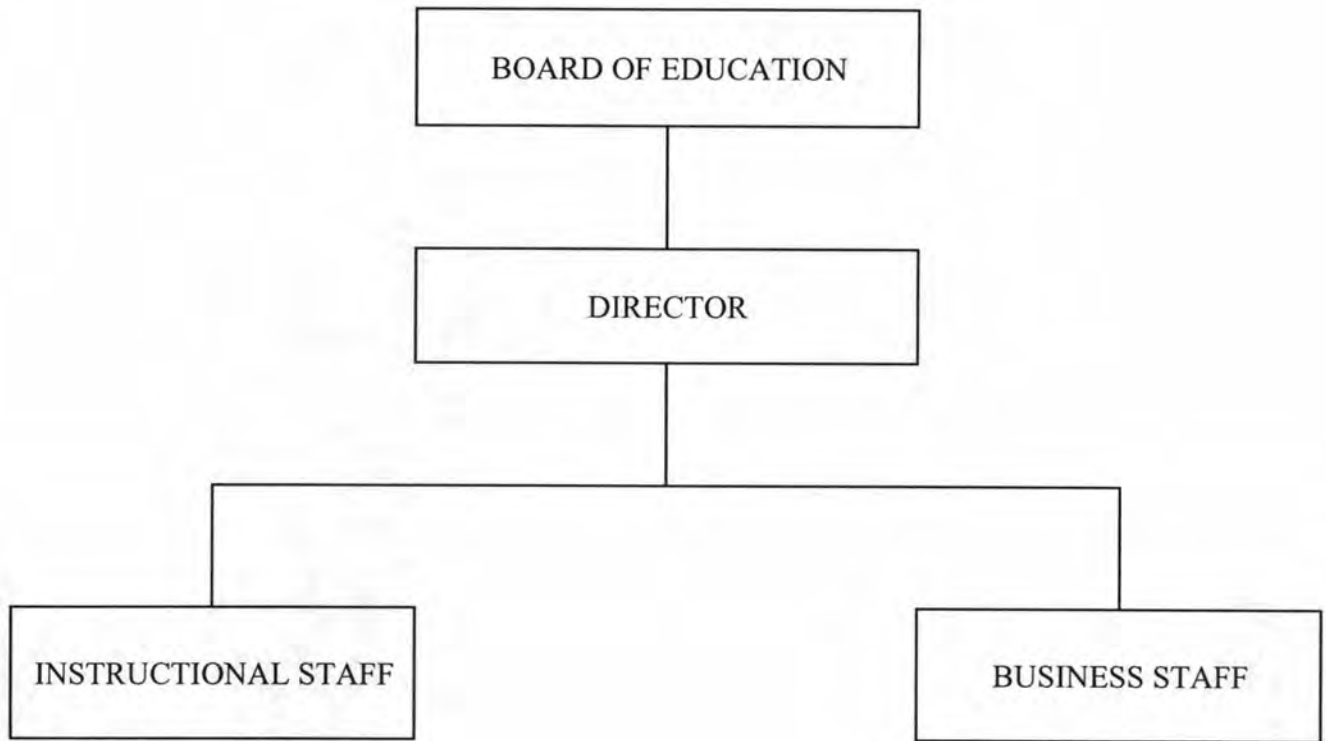
10.) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Teaneck Community Charter School for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,



Mr. Ralph Gallo
Director of Technology and Operations
(Effective July 1, 2014)

TEANECK COMMUNITY CHARTER SCHOOL
Organizational Chart
(Unit Control)



TEANECK COMMUNITY CHARTER SCHOOL
TEANECK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kathleen Wicklund, Secretary	2015
Ann Rivet Stanley	2015
Jeffrey Hietkko-Parsons	2015
Kate Zatz	2015
Edward Pierce, President	2015
Yoel Piney, Treasurer	2015
Alex Soriano-Taveras	2015
Kristin Wells, Vice President	2015
Patrick Rumble	2015

Other Officials

Billy Bowie, Principal/Lead Person *Resigned June 30, 2014

Thomas Jazwinski, Business Administrator

Bruce Cerra, CPA, Treasurer of School Monies

Ralph Gallo, Director of Technology and Operations **Effective July 1, 2014

TEANECK COMMUNITY CHARTER SCHOOL
CONSULTANTS AND ADVISORS

AUDIT FIRM

Cullari, Carrico, Soojian, Burke, L.L.C.
1700 Route 23 North, Suite 300
Wayne, NJ 07470

ATTORNEY

McElroy, Deutsch, Mulvaney & Carpenter, LLP
1300 Mount Kemble Avenue
P O Box 2075
Morristown, NJ 07962-2075

OFFICIAL DEPOSITORY

Lakeland Bank
250 Oak Ridge Road
Oak Ridge, New Jersey 07438

FINANCIAL SECTION



CULLARI, CARRICO, SOOJIAN, BURKE, LLC
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Independent Auditor's Report

Honorable President and
Members of the Board of Trustees
Teaneck Community Charter School
County of Bergen
Teaneck, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Trustees of the Teaneck Community Charter School, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Charter School'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 State 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 misstatement, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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.

Opinions

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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Teaneck Community Charter School, in the County of Bergen, State of New Jersey, as of June 30, 2014, 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

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Teaneck Community Charter School's basic financial statements. The accompanying introductory section, combining and individual fund financial statements, long-term debt schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

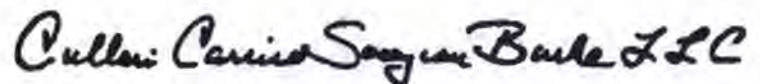
The information and statements described above are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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 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 introductory section, combining and individual fund financial statements, long-term debt schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2014, on our consideration of the Teaneck Community Charter School's internal control over financial reporting and our test of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teaneck Community Charter School's internal control over financial reporting and compliance.



Raymond P. Burke, CPA, PSA
CS 00225900
Certified Public Accountant
Public School Accountant



September 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION

PART I

TEANECK COMMUNITY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

The discussion and analysis of Teaneck Community Charter School's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- In total, net assets increased \$43,363. Net assets of governmental activities increased \$59,608, which represents a 4 percent increase from fiscal year 2013. Net assets of the business-type activity decreased \$16,245 or 23 percent from fiscal year 2013.
- General revenues accounted for \$5,031,978 in revenue or 91 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$506,547 or 9 percent of total revenues of \$5,538,525.
- Total assets of governmental activities increased \$135,688 primarily from increases in cash.
- The School District had \$5,054,343 in expenses related to governmental activities. General revenues (primarily income taxes, property taxes, and grants and entitlements) of \$5,031,978 were substantially adequate to provide for these programs.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Teaneck Community Charter School as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in a single column. For Teaneck Community Charter School, the General Fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The statement of net assets and the statement of activities answer this question.

TEANECK COMMUNITY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the School District has improved or diminished for the School District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's enrollment, current property tax laws in New Jersey restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net assets and the statement of activities, the School District is divided into two distinct kinds of activities:

Governmental Activities – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation.

Business-Type Activity – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The lunch and after school programs are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's only major governmental fund is the General Fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

TEANECK COMMUNITY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities: therefore, these statements are essentially the same.

The School District as a Whole

The perspective of the statement of net assets is of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2014 compared to 2013:

Table 1
Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
<u>Assets:</u>						
Current and Other Assets	\$ 1,040,685	\$ 828,508	\$ 53,256	\$ 69,501	\$ 1,093,941	\$ 898,009
Capital Assets, Net	598,323	674,812	0	0	598,323	674,812
Total Assets	1,639,008	1,503,320	53,256	69,501	1,692,264	1,572,821
<u>Liabilities:</u>						
Current and Other Liabilities	140,740	37,056	0	0	140,740	37,056
Long-Term Liabilities	47,569	75,173	0	0	47,569	75,173
Total Liabilities	188,309	112,229	0	0	188,309	112,229
<u>Net Assets</u>						
Invested in Capital Assets						
Net of Related Debt	550,116	599,639	0	0	550,116	599,639
Restricted	353,982	252,500	0	0	353,982	252,500
Unrestricted (Deficit)	546,601	538,952	53,256	69,501	599,857	608,453
Total Net Assets	\$ 1,450,699	\$ 1,391,091	\$ 53,256	\$ 69,501	\$ 1,503,955	\$ 1,460,592

Total assets increased \$135,688. Equity in pooled cash and cash equivalents increased \$116,745. Receivables increased \$61,909, prepaid expenses increased \$34,161 and fixed assets decreased \$77,127.

Net assets of the School District's governmental activities increased \$59,608. The net assets of the School District's business-type activity decreased \$16,245.

TEANECK COMMUNITY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

Table 2 reflects the change in net assets for fiscal year 2014.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
General Revenues:						
Property Taxes	\$ 4,296,525	\$ 4,289,111	\$ 0	\$ 0	\$ 4,296,525	\$ 4,289,111
Grants and Entitlements	801,556	736,196	0	0	801,556	736,196
Interest	0	0	0	0	0	0
Miscellaneous	15,870	30,929	0	0	15,870	30,929
Enterprise Fund	0	0	424,574	225,074	424,574	225,074
Total Revenues	5,113,951	5,056,236	424,574	225,074	5,538,525	5,281,310
Transfers	0	0	0	0	0	0
Total Revenues & Transfers	5,113,951	5,056,236	424,574	225,074	5,538,525	5,281,310
Program Expenses:						
Instruction	2,238,583	2,100,968	0	0	2,238,583	2,100,968
Support Services:						
Pupils and Instruct. Staff	61,973	65,555	0	0	61,973	65,555
Board of Education, Admin. and Fiscal	558,910	495,007	0	0	558,910	495,007
Oper. & Maint. Of Plant	1,267,904	1,280,273	0	0	1,267,904	1,280,273
Pupil Transportation	32,195	20,545	0	0	32,195	20,545
Extracurricular Activities	0	0	0	0	0	0
Interest and Fiscal Charges	894,778	799,287	0	0	894,778	799,287
Loss on Disp. of Capital Assets	0	0	0	0	0	0
Enterprise Fund	0	0	440,819	168,094	440,819	168,094
Total Expenses	5,054,343	4,761,635	440,819	168,094	5,495,162	4,929,729
Increase in Net Assets	\$ 59,608	\$ 294,601	\$ (16,245)	\$ 56,980	\$ 43,363	\$ 351,581

TEANECK COMMUNITY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

Governmental Activities

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Instruction	\$ 2,238,583	\$ 2,100,968	\$ 2,218,583	\$ 2,088,838
Support Services:				
Pupils and Instructional Staff	61,973	65,555	0	0
Board of Ed., Adminis., and Fiscal	558,910	495,007	558,910	495,007
Operation and Maintenance of Plant	1,267,904	1,280,273	1,267,904	1,280,273
Pupil Transportation	32,195	20,545	32,195	20,545
Extracurricular Activities	0	0	0	0
Interest and Fiscal Charges	894,778	799,287	894,778	796,614
Loss on Disposal of Capital Assets	0	0	0	0
Total Expenses	\$ <u>5,054,343</u>	\$ <u>4,761,635</u>	\$ <u>4,972,370</u>	\$ <u>4,681,277</u>

The dependence upon tax revenues for governmental activities is apparent. Over 99 percent of instruction activities are supported through taxes and other general revenues. For all governmental activities general revenues support is 99 percent. The community, as a whole, is the primary support for Teaneck Community Charter School students.

Business-Type Activity

The business-type activities of the School District are the food and after school programs. These programs had revenues and transfers of \$424,574 and expenses of \$440,819 for fiscal year 2014. Total revenues increased \$199,500 and expenses increased \$272,725 from the prior fiscal year.

The School District continues to operate the enterprise fund in a self-operating manner without assistance from the General Fund. The business activities receive no support from tax revenues.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$5,113,951 and expenditures and other financing used of \$5,004,820. The increase in fund balance for the year reflects that the School District was able to meet current costs without the use of its prior net assets.

TEANECK COMMUNITY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

General Fund Budgeting Highlights

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

During the course of fiscal 2014, the School District amended its General Fund budget as needed. The budgeting systems are designed to tightly control total budgets, but provide flexibility for individual line items.

For the General Fund, final budgeted revenues and other financing sources, in the amount of \$5,031,687, was the same as original budgeted revenues and other financing sources, in the amount of \$5,031,687. Of this \$0 difference, most was due to state revenue changes.

Expenditures and other financing uses were originally budgeted at \$5,284,187 while final budget expenditures were \$4,922,847. The major difference comes from decreased instructional costs throughout the year.

General Fund revenues and other financing sources were more than expenditures and other financing uses by \$109,131. These revenues exceeded expenditures, the School Board feels the financial position of the School District is stable and that there will be a need for additional tax dollars in the future as enrollment rises.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the School District had \$597,685 invested in capital assets, \$597,685 in governmental activities.

Table 4 reflects fiscal year 2014 balances compared to fiscal year 2013:

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		Business-Type Activity		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Land Improvements	0	0	0	0	0	0
Buildings and Bldg. Improve	556,093	595,975	0	0	556,093	595,975
Furniture and Fixtures	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0
Equipment	41,592	78,837	0	0	41,592	78,837
Totals	\$ 597,685	\$ 674,812	\$ 0	\$ 0	\$ 597,685	\$ 674,812

TEANECK COMMUNITY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

The primary decrease in capital assets for governmental activities is a result of depreciation of assets.

Debt

At June 30, 2014 the School District had no outstanding bonds or long-term debt.

Current Issues

Teaneck Community Charter School currently has no issues.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Teaneck Community Charter School, 563 Chestnut Avenue, Teaneck, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TEANECK COMMUNITY CHARTER SCHOOL

Statement of Net Position

June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 816,743	\$ 53,256	\$ 869,999
Investments	0	0	0
Receivables, net	114,781	0	114,781
Inventory	0	0	0
Prepaid expenses	34,161	0	34,161
Restricted assets:			
Cash and cash equivalents	75,000	0	75,000
Capital reserve account - cash	0	0	0
Organization Costs	638	0	638
Capital assets, net (Note 6):	597,685	0	597,685
Total Assets	<u>1,639,008</u>	<u>53,256</u>	<u>1,692,264</u>
LIABILITIES			
Accounts payable	113,957	0	113,957
Contracts payable	0	0	0
Deposit payable	0	0	0
Payable to federal government	0	0	0
Payable to state government	0	0	0
Deferred revenue	26,783	0	26,783
Noncurrent liabilities (Note 8):			
Due within one year	0	0	0
Due beyond one year	47,569	0	47,569
Total liabilities	<u>188,309</u>	<u>0</u>	<u>188,309</u>
NET ASSETS			
Invested in capital assets, net of related debt	550,116	0	550,116
Restricted for:			
Debt service	0	0	0
Capital projects	0	0	0
Permanent endowment - nonexpendable	0	0	0
Other purposes	353,982	0	353,982
Unrestricted	546,601	53,256	599,857
Total net assets	<u>\$ 1,450,699</u>	<u>\$ 53,256</u>	<u>\$ 1,503,955</u>

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 2,238,583	\$ 0	\$ 20,000	\$ 0	\$ (2,218,583)	0	\$ (2,218,583)
Special education	0	0	0	0	0	0	0
Other special instruction	0	0	0	0	0	0	0
Vocational	0	0	0	0	0	0	0
Other instruction	0	0	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0	0	0
Adult/continuing education program	0	0	0	0	0	0	0
Support services:							
Tuition	0	0	0	0	0	0	0
Student and instruction related services	61,973	0	61,973	0	0	0	0
School administrative services	546,193	0	0	0	(546,193)	0	(546,193)
General and business administrative services	12,717	0	0	0	(12,717)	0	(12,717)
Plant operations and maintenance	1,267,904	0	0	0	(1,267,904)	0	(1,267,904)
Pupil transportation	32,195	0	0	0	(32,195)	0	(32,195)
Business and other support services	812,287	0	0	0	(812,287)	0	(812,287)
Special schools	0	0	0	0	0	0	0
Charter Schools	0	0	0	0	0	0	0
Interest on long-term debt	0	0	0	0	0	0	0
Unallocated depreciation	82,491	0	0	0	(82,491)	0	(82,491)
Total governmental activities	5,054,343	0	81,973	0	(4,972,370)	0	(4,972,370)
Business-type activities:							
Food service	215,770	208,678	0	0	0	(7,092)	(7,092)
After School Program	225,049	215,896	0	0	0	(9,153)	(9,153)
Total business-type activities	440,819	424,574	0	0	0	(16,245)	(16,245)
Total primary government	\$ 5,495,162	\$ 424,574	\$ 81,973	\$ 0	\$ (4,972,370)	\$ (16,245)	\$ (4,988,615)
General Revenues							
Taxes:							
Property taxes, levied for general purposes, net					4,296,525	0	4,296,525
Taxes levied for debt service					0	0	0
Federal and State aid not restricted					719,583	0	719,583
Tuition received					0	0	0
Investment earnings					0	0	0
Miscellaneous Income					15,870	0	15,870
Transfers					0	0	0
Total general revenues, special items, extraordinary items and transfers					5,031,978	0	5,031,978
Change in Net Assets					59,608	(16,245)	43,363
Net Assets - beginning					1,391,091	69,501	1,460,592
Net Assets - ending					1,450,699	53,256	1,503,955

FUND FINANCIAL STATEMENTS

GOVERNMENT FUNDS

TEANECK COMMUNITY CHARTER SCHOOL
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 761,890	\$ (59,104)	\$ 0	\$ 0	\$ 702,786
Investments	0	0	0	0	0
Receivables, net	19,388	85,887	0	0	105,275
Due from other funds	0	0	0	0	0
Receivables from other gov.	9,506	0	0	0	9,506
Prepaid Expenses	34,161	0	0	0	34,161
Interest receivable on investments	0	0	0	0	0
Inventory	0	0	0	0	0
Organization costs	638	0	0	0	638
Restricted cash and cash equivalents	75,000	0	0	0	75,000
Total assets	<u>\$ 900,583</u>	<u>\$ 26,783</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 927,366</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	0	0	0	0	0
Contracts payable	0	0	0	0	0
Interfund payable	0	0	0	0	0
Payable to federal government	0	0	0	0	0
Payable to state government	0	0	0	0	0
Deferred revenue	0	26,783	0	0	26,783
Total liabilities	<u>0</u>	<u>26,783</u>	<u>0</u>	<u>0</u>	<u>26,783</u>
Fund Balances:					
Reserved for:					
Encumbrances	353,982	0	0	0	353,982
Legally restricted - unexpended additional spending proposal	0	0	0	0	0
Legally restricted - designated for subsequent year's expenditures	0	0	0	0	0
Maintenance reserve	0	0	0	0	0
Capital reserve account	0	0	0	0	0
Excess surplus	0	0	0	0	0
Excess surplus - designated for subsequent year's expenditures	0	0	0	0	0
Other purposes	0	0	0	0	0
Unreserved, reported in:					
General fund	546,601	0	0	0	546,601
Special revenue fund	0	0	0	0	0
Debt service fund	0	0	0	0	0
Capital projects fund	0	0	0	0	0
Permanent fund	0	0	0	0	0
Total Fund Balances	<u>900,583</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>900,583</u>
Total liabilities and fund balances	<u>\$ 900,583</u>	<u>\$ 26,783</u>	<u>\$ 0</u>	<u>\$ 0</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,222,615 and the accumulated depreciation is \$624,930. (Note 6) 597,685

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (Note 8) (47,569)

Net assets of governmental activities \$ 1,450,699

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
"Local tax levy"	\$ 4,296,525	\$ 0	\$ 0	\$ 0	\$ 4,296,525
Tuition charges	0	0	0	0	0
Interest earned on Capital Reserve Funds	0	0	0	0	0
Miscellaneous	15,870	0	0	0	15,870
Total - local sources	4,312,395	0	0	0	4,312,395
State sources	719,583	0	0	0	719,583
Federal sources	0	81,973	0	0	81,973
Total revenues	\$ 5,031,978	\$ 81,973	\$ 0	\$ 0	\$ 5,113,951
EXPENDITURES					
Current:					
Regular instruction	2,218,583	20,000	0	0	2,238,583
Special education instruction	0	0	0	0	0
Other special instruction	0	0	0	0	0
Vocational education	0	0	0	0	0
Other instruction	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0
Adult/continuing education programs	0	0	0	0	0
Support services:					
Tuition	0	0	0	0	0
Student & instruction related services	0	61,973	0	0	61,973
School administrative services	546,193	0	0	0	546,193
Other administrative services	12,717	0	0	0	12,717
Plant operations and maintenance	1,267,904	0	0	0	1,267,904
Pupil transportation	32,195	0	0	0	32,195
Employee benefits	839,891	0	0	0	839,891
Debt service:					
Principal	0	0	0	0	0
Interest and other charges	0	0	0	0	0
Capital outlay	5,364	0	0	0	5,364
Total expenditures	4,922,847	81,973	0	0	5,004,820
Excess (deficiency) of revenues over expenditures	109,131	0	0	0	109,131
OTHER FINANCING SOURCES					
Bond proceeds	0	0	0	0	0
Capital leases (non-budgeted)	0	0	0	0	0
Transfer Contribution to Whole School Reform	0	0	0	0	0
Transfer to Special Revenue Fund - ECPA	0	0	0	0	0
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Total other financing sources and uses	0	0	0	0	0
SPECIAL ITEM					
Proceed from sale of land	0	0	0	0	0
Net change in fund balances	109,131	0	0	0	109,131
Fund balance - July 1	791,452	0	0	0	791,452
Fund balance - June 30	\$ 900,583	\$ 0	\$ 0	\$ 0	\$ 900,583

TEANECK COMMUNITY CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
and changes in Fund Balances of Governmental Funds
in the Statement of Activities
For the Year ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2) \$ 109,131

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	\$ (82,491)
Capital outlays	\$ <u>5,364</u>

(77,127)

An (increase) or decrease of compensated absences is not an
expenditure in the governmental funds, but the increase does
increase long-term liabilities in the statement of net assets and
is not reported in the statement of activities.

27,604

Change in net assets of governmental activities \$ 59,608

PROPRIETARY FUNDS

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds		
	Food Service	After-School Program	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 50,719	\$ 2,537	\$ 53,256
Investments	0	0	0
Accounts receivable	0	0	0
Other receivables	0	0	0
Inventories	0	0	0
Total current assets	<u>50,719</u>	<u>2,537</u>	<u>53,256</u>
Noncurrent assets:			
Restricted cash and cash equivalents	0	0	0
Furniture, machinery & equipment	0	0	0
Less accumulated depreciation	0	0	0
Total noncurrent assets	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 50,719</u>	<u>\$ 2,537</u>	<u>\$ 53,256</u>
LIABILITIES			
Current liabilities:			
Accounts payable	0	0	0
Deposits payable	0	0	0
Compensated absences	0	0	0
Total current liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Noncurrent Liabilities:			
Compensated absences	0	0	0
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS			
Invested in capital assets net of related debt	0	0	0
Restricted for:			
Capital projects	0	0	0
Unrestricted	50,719	2,537	53,256
Total net assets	<u>\$ 50,719</u>	<u>\$ 2,537</u>	<u>\$ 53,256</u>

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds		
	Food Service	After-School Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 0	\$ 0	\$ 0
Daily sales - non-reimbursable programs	208,678	0	208,678
Special functions	0	0	0
Community service activities	0	215,896	215,896
Transportation fees from other LEA's within the state	0	0	0
Deductions from employee's salaries	0	0	0
Miscellaneous	0	0	0
Total operating revenues	<u>208,678</u>	<u>215,896</u>	<u>424,574</u>
Operating expenses:			
Cost of sales	215,770	108,513	324,283
Salaries	0	116,536	116,536
Employee benefits	0	0	0
Purchased property service	0	0	0
Other purchased professional services	0	0	0
Cleaning, repair and maintenance services	0	0	0
Rentals	0	0	0
Other purchased services:			
Contracted services (between home and school)	0	0	0
Contracted services (other than between home and school)	0	0	0
Contracted services (special education students) - vendors	0	0	0
Contracted services (special education students) - joint agreements	0	0	0
Insurance	0	0	0
General supplies	0	0	0
Depreciation	0	0	0
Total Operating Expenses	<u>215,770</u>	<u>225,049</u>	<u>440,819</u>
Operating income (loss)	<u>(7,092)</u>	<u>(9,153)</u>	<u>(16,245)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	0	0	0
Federal sources:			
National school lunch program	0	0	0
Special milk program	0	0	0
Food distribution program	0	0	0
Interest and investment revenue	0	0	0
Miscellaneous expense	0	0	0
Total nonoperating revenues (expenses)	<u>0</u>	<u>0</u>	<u>0</u>
Income (loss) before contributions & transfers			
Capital contributions	0	0	0
Transfers in (out)	<u>1</u>	<u>(1)</u>	<u>0</u>
Change in net assets	<u>(7,091)</u>	<u>(9,154)</u>	<u>(16,245)</u>
Total net assets - beginning	<u>57,810</u>	<u>11,691</u>	<u>69,501</u>
Total net assets - ending	<u>\$ 50,719</u>	<u>\$ 2,537</u>	<u>\$ 53,256</u>

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

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Cash Flows
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	After-School Program	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 208,678	\$ 215,896	\$ 424,574	\$ 0
Payments to employees	0	(116,536)	(116,536)	0
Payments for employee benefits	0	0	0	0
Payments to suppliers	(215,770)	(108,513)	(324,283)	0
Net cash provided by (used for) operating activities	(7,092)	(9,153)	(16,245)	0
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES				
State Sources	0	0	0	0
Federal Sources	0	0	0	0
Operating subsidies and transfers to other funds	1	(1)	0	0
Net cash provided by (used for) non-capital financing activities	1	(1)	0	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in capital contributions	0	0	0	0
Purchases of capital assets	0	0	0	0
Gain/Loss on sale of fixed assets (proceeds)	0	0	0	0
Net cash provided by (used for) capital and related financing activities	0	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	0	0	0	0
Proceeds from safe/maturities of investments	0	0	0	0
Net cash provided by (used for) investing activities	0	0	0	0
Net increase (decrease) in cash and cash equivalents	(7,091)	(9,154)	(16,245)	0
Balances - beginning of year	57,810	11,691	69,501	0
Balances - end of year	\$ 50,719	\$ 2,537	\$ 53,256	\$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(7,092)	(9,153)	(16,245)	0
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation and net amortization	0	0	0	0
(Increase) decrease in accounts receivable, net	0	0	0	0
(Increase) decrease in inventories	0	0	0	0
(Increase) decrease in other current assets	0	0	0	0
Increase (decrease) in accounts payable	0	0	0	0
Increase (decrease) in accrued salaries benefits	0	0	0	0
Total adjustments	0	0	0	0
Net cash provided by (used for) operating activities	\$ (7,092)	\$ (9,153)	\$ (16,245)	\$ 0

FIDUCIARY FUNDS

TEANECK COMMUNITY CHARTER SCHOOL

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2014

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 0	\$ 0	\$ 113,957
Interfund receivable	0	0	0
Investments, at fair value:			
U.S. government obligations	0	0	0
NJ municipal bonds	0	0	0
Total investments	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 113,957</u>
LIABILITIES			
Accounts payable	0	0	0
Payable to district	0	0	0
Payable to student groups	0	0	0
Payroll deductions and withholdings	<u>0</u>	<u>0</u>	<u>113,957</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>\$ 113,957</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>\$ 0</u>		
Reserved for scholarships		<u>\$ 0</u>	

TEANECK COMMUNITY CHARTER SCHOOL
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Plan member	\$ 0	\$ 0
Other	0	0
Total contributions	<u>0</u>	<u>0</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	0	0
Interest	0	0
Dividends	0	0
Less investment expense	0	0
Net investment earnings	<u>0</u>	<u>0</u>
Total additions	<u>0</u>	<u>0</u>
DEDUCTIONS		
Quarterly contribution reports	0	0
Unemployment claims	0	0
Scholarships awarded	0	0
Refunds of contributions	0	0
Administrative expenses	0	0
Total deductions	<u>0</u>	<u>0</u>
Changes in net assets	0	0
Net assets - beginning of the year	0	0
Net assets - end of the year	<u>\$ 0</u>	<u>\$ 0</u>

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Teaneck Community Charter School (the "School District") is organized under the laws of the State of New Jersey. The School District operates under an elected Board form of government consisting of nine members elected for staggered terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1998. It is located in Bergen County and includes all of Teaneck Borough. The School District currently operates one instructional/support facility.

A. Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the Organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the Organization; or (2) the School District is legally entitled to or can otherwise access the Organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the Organization; or the School District is obligated for the debt of the Organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Teaneck Community Charter School.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Teaneck Community Charter School have been prepared in conformity with generally accepted accounting principles (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. Following are the more significant of the School District's accounting policies.

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

A. Basis of Presentation

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

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the government and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and business-type activity. 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 and 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 School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

2. 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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds; governmental, proprietary, and fiduciary.

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

1. Governmental Funds

Governmental funds are those through which most governmental functions of the School District 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 General Fund is the School District's only major governmental fund:

General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of New Jersey.

The other governmental funds of the School District account for grants and other resources, debt service, and capital projects of the School District whose use are restricted to a particular purpose.

2. Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following is the School District's proprietary fund:

Enterprise Fund

The enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services.

Food Service

The Food Service enterprise fund accounts for the financial transactions related to the food service operations of the School District.

Childcare

The childcare or latchkey program enterprise fund accounts for the financial transactions related to the latchkey program operations of the School District.

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

3. Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: non-expendable trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for scholarships and are not available to support the School District's own programs. The School District's only trust fund is a scholarship trust which accounts for a program that provides assistance to needy students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for various student-managed activities and salary related funds (tax withholdings).

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With the measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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 government-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 fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The statement of cash flows reflects how the School District finances and meets the cash flow need of its enterprise fund.

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

1. 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. 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 fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, interest, tuition, and student fees.

2. Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria has been satisfied.

Teaneck Community Charter School
Notes to the Basic Financial Statements

June 30, 2014

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2014 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period are reported as deferred revenue.

3. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement 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 governmental funds.

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2014.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. Current assets for the prepaid amount are recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws or other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside to create a reserve for budget stabilization as well as unexpected revenues restricted for the purchase of school buses.

H. Inventory

On government-wide financial statements and in the enterprise fund, inventory is presented at the lower of cost or market. Cost is determined on a first-in, first-out basis and is expensed when used. Inventory consists of donated and purchased food.

I. 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 on the government-wide statement of net assets but are not reported on the fund financial statements. Capital assets used by the Enterprise Fund are reported in both the business-type activities column on the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of two thousand dollars. The School District does not have any infrastructure. Improvements are capitalized. Interest incurred during the construction of capital assets by the Enterprise Fund is also capitalized.

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

All capital assets, except land, 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>Estimated Lives</u>
Land Improvements	15 – 50 years
Buildings and Building Improve.	15 – 50 years
Furniture and Fixtures	5 – 20 years
Vehicles	5 – 15 years
Equipment	5 – 20 years

J. Inter-fund Assets/Liabilities

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “Inter-fund Receivables/Payables”. Inter-fund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ right to receive compensation are attributable to services already rendered and it is probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than ten years of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

The entire compensated absence liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements.

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. For the Enterprise Fund, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the Enterprise Fund are reported on the Enterprise Fund 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations or other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and fees for the latchkey program. Operating expenses are necessary costs incurred to provide the services are the primary activity of the Enterprise Fund.

Teaneck Community Charter School
Notes to the Basic Financial Statements
June 30, 2014

P. Capital Contributions

Contributions of capital on Enterprise Fund financial statements arise from outside contributions of capital assets, contributions from other funds, or from grants or outside contributions or resources restricted to capital acquisition and construction.

Q. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in Governmental Fund and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them not presented on the financial statements.

R. 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 management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

S. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2014, the School District has implemented Governmental Accounting Standards Board Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38, "Certain Financial Statement Note Disclosures". The implementation of these statements had no effect on equity balances as previously reported for the fiscal year ended June 30, 2014.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximate market. The Board classifies certificates of deposit which have original maturity dates of more than three months or less than twelve months from the date of purchase, as investments.

DEPOSITS

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value of at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

INVESTMENTS

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage or of any United States Bank for Cooperatives, which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the School District.

As of June 30, 2014, cash and cash equivalents and investments of the School District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Capital Reserve Acct.</u>	<u>Total</u>
Checking accounts	\$ 944,999	0	\$ 0	\$ 944,999
Passbook savings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 944,999</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 944,999</u>

During the period ended June 30, 2014 the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2014 was \$944,999 and the bank balance was \$817,424. Of the bank balance \$421,320 was covered by federal depository insurance and \$396,104 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

5. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

Funds placed in the Capital Reserve account are restricted to capital outlay expenditures and transfers of such funds for other uses are prohibited pursuant to N.J.S.A. 18A:22-8.2. Funds withdrawn from the account must be included in the annual budget certified for taxes as a revenue labeled withdrawal from Capital Reserve account.

Increases in the account from sources other than investment income cannot exceed the amount appropriated in the annual budget certified for taxes as an increase in the capital reserve account.

6. FIXED ASSETS

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year ended June 30, 2014.

	Balance as of June 30, 2013	General Fund	Expenditure from Special Revenue	Capital Projects	Less: Accumulated Depreciation	Net Book Value at June 30, 2014
Sites	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Site improvements	0	0	0	0	0	0
Building improvements	864,686	0	0	0	(308,593)	556,093
Machinery and equipment	352,565	5,364	0	0	(316,337)	41,592
Construction in progress	0	0	0	0	0	0
Total	\$ 1,217,251	\$ 5,364	\$ 0	\$ 0	\$ (624,930)	\$ 597,685

The following is a summary of proprietary fund type fixed assets at June 30, 2014.

Machinery and equipment	\$ 0
Less: accumulated depreciation	<u>0</u>
Net fixed assets	<u>\$ 0</u>

7. OPERATING LEASES

As of June 30, 2014, the School District does not have any operating leases for equipment.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

8. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2014 the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2013	Issued	Retired	Balance June 30, 2014
Compensated absences payable	\$ 75,173	\$ 0	\$ 27,604	\$ 47,569
Bonds payable	0	0	0	0
Capital leases payable	0	0	0	0
Totals	<u>\$ 75,173</u>	<u>\$ 0</u>	<u>\$ 27,604</u>	<u>\$ 47,569</u>

BONDS PAYABLE

There were no bonds issued and payable for the year ended June 30, 2014.

BONDS AUTHORIZED BUT NOT ISSUED

As of June 30, 2014 the Teaneck Community Charter School had no bonds or notes authorized but not issued.

CAPITAL LEASE PAYABLE

As of June 30, 2014 the Board had no capital leases payable.

9. PENSION PLANS

DESCRIPTION OF SYSTEMS

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System is considered a cost sharing multiple-employer plan.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

TEACHERS' PENSION AND ANNUITY FUND

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the state. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

PUBLIC EMPLOYEES' RETIREMENT SYSTEMS

The Public Employees' Retirement System was established in January, 1995 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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

SIGNIFICANT LEGISLATION

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

SIGNIFICANT LEGISLATION (Continued)

\$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment accounts of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), the asset valuation method was changed from market related value to full-market for the valuation reports dated March 31, 1996. This legislation also contains a provision to reduce the employee contribution rates under TPAF and PERS by $\frac{1}{2}$ of 1 percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a similar reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for fiscal year's 1997 and 1998, and local employers for fiscal year 1998, and, thereafter, authorizes the State Treasurer to reduce the normal contributions to State and local employers to the systems, to the extent possible from up to 100% of excess assets through fiscal year 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated.

FUNDING POLICY

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

The Board's contributions to PERS for the years ended June 30, 2014, 2013 and 2012 were \$0, \$0, and \$0, respectively, equal to the required contributions for each year.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

FUNDING POLICY (continued)

During the year ended June 30, 2011, the State of New Jersey contributed \$151,982 to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$139,192 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability. As of June 30, 2013 there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

11. INTERFUND RECEIVABLES AND PAYABLES

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30, 2014 in the amount of \$0 was transferred to debt service fund and \$0 was transferred to general fund to offset future interest payment to bondholders.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

12. CONTINGENT LIABILITIES

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

13. 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.

14. 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.

15. FUND BALANCE APPROPRIATED

General Fund

The General Fund, fund balance of \$900,583 at June 30, 2014, of which \$546,601 was unreserved and undesignated and \$353,982 is reserved for encumbrances.

Debt Service Fund

The Debt Service Fund, fund balance at June 30, 2014 of \$0 is unreserved and undesignated.

16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7-F-7, 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, 2014 is \$0.

Teaneck Community Charter School
Notes to the Financial Statements
June 30, 2014

17. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Board operates in a heavily regulated environment. The operations of the Board are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including but not limited to, The New Jersey State Board of Education. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by The New Jersey State Board of Education. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULE

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
"Local Tax Levy"	\$ 4,312,104	\$ 0	\$ 4,312,104	\$ 4,296,525	\$ (15,579)
Tuition	0	0	0	0	0
Interest Earned on Capital Reserve Funds	0	0	0	0	0
Miscellaneous	0	0	0	15,870	15,870
Total - Local Sources	4,312,104	0	4,312,104	4,312,395	291
State Sources:					
Local Mandate Charter School Aid	185,193	0	185,193	185,193	0
Instructional Aid	0	0	0	0	0
Special Education Aid	128,383	0	128,383	128,383	0
Consolidated Aid	0	0	0	0	0
Security Aid	32,989	0	32,989	32,989	0
TPAF on Behalf Payments (Non-Budgeted)	230,174	0	230,174	230,174	0
TPAF Social Security (Reimbursed - Non-Budgeted)	142,844	0	142,844	142,844	0
Total State Sources	719,583	0	719,583	719,583	0
Federal Sources:					
Impact Aid	0	0	0	0	0
Medical Assistance Program	0	0	0	0	0
Total - Federal Sources	0	0	0	0	0
Total Revenues	\$ 5,031,687	\$ 0	\$ 5,031,687	\$ 5,031,978	\$ 291

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	\$ 173,366	\$ 17,753	\$ 191,119	\$ 159,511	\$ 31,608
Grades 1-5 - Salaries of Teachers	685,968	70,250	756,218	631,215	125,003
Grades 6-8 - Salaries of Teachers	1,043,490	106,867	1,150,357	960,218	190,139
Grades 9-12 - Salaries of Teachers	0	0	0	0	0
Regular Programs - Home Instruction:					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	299,336	(7,355)	291,981	287,262	4,719
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	3,000	3,200	6,200	5,922	278
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	30,000	5,554	35,554	35,554	0
Textbooks	30,000	(8,966)	21,034	21,026	8
Other Objects	55,000	63,029	118,029	117,875	154
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,320,160	250,332	2,570,492	2,218,583	351,909

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Learning and/or Language Disabilities	0	0	0	0	0
Behavioral Disabilities:					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Behavioral Disabilities	0	0	0	0	0
Resource Room/Resource Center:					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Resource Room/Resource Center	0	0	0	0	0
TOTAL SPECIAL EDUCATION - INSTRUCTION	0	0	0	0	0

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic Skills/Remedial - Instruction					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Basic Skills/Remedial - Instruction	0	0	0	0	0
Bilingual Education - Instruction					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Bilingual Education - Instruction	0	0	0	0	0
School-Spon. Cocurricular Actvs. - Inst.					
Salaries	0	0	0	0	0
Purchased Services (300-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Transfers to Cover Deficit (Agency Funds)	0	0	0	0	0
Total School-Spon. Cocurricular Actvs. - Inst.	0	0	0	0	0
School-Spon. Cocurricular Athletics - Inst.					
Salaries	0	0	0	0	0
Purchased Services (300-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Transfers to Cover Deficit (Agency Funds)	0	0	0	0	0
Total School-Spon. Cocurricular Athletics - Inst.	0	0	0	0	0
TOTAL INSTRUCTION	2,320,160	250,332	2,570,492	2,218,583	351,909

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	0	0	0	0	0
Tuition to Other LEAs Within the State - Special	0	0	0	0	0
Tuition to County Voc. School Dist. - Regular	0	0	0	0	0
Tuition to County Voc. School Dist. - Special	0	0	0	0	0
Tuition to CSSD & Regional Day Schools	0	0	0	0	0
Tuition to Private Schools for the Disabled - Within State	0	0	0	0	0
Tuition to Private Schools for the Disabled & Other LEA - Spl./O/S St	0	0	0	0	0
Tuition - State Facilities	0	0	0	0	0
Tuition - Other	0	0	0	0	0
Total Undistributed Expenditures - Instruction:	0	0	0	0	0
Undist. Expend. - Health Services					
Salaries	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Undistributed Expenditures - Health Services	0	0	0	0	0
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Total Undist. Expend.-Other Supp. Serv. Students-Related Serv.	0	0	0	0	0
Undist. Expend. - Other Supp - Serv. Students-Reg.					
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretarial and Clerical Assistants	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Other Purchased Prof. and Tech. Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Undist. Expend.-Other Supp. Serv. Students-Reg.	0	0	0	0	0

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Supp. Serv. Students - Spl.					
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretarial and Clerical Assistants	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Other Purchased Prof. and Tech. Services	0	0	0	0	0
Residential Costs	0	0	0	0	0
Mis. Purchase Serv. (400-500 series other than Residential Costs)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Undist. Expend. - Other Supp. Serv. Students - Spl	0	0	0	0	0
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	0	0	0	0	0
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secr and Clerical Assist.	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Prof- Educational Services	0	0	0	0	0
Other Purch Prof. and Tech. Services	0	0	0	0	0
Other Purch Services (400-500)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Undist. Expend. - Improvement of Inst. Serv.	0	0	0	0	0
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Undist. Expend. - Edu. Media Serv./Sch. Library	0	0	0	0	0

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	0	0	0	0	0
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretarial and Clerical Assist	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Professional - Educational Service	0	0	0	0	0
Other Purchased Prof. and Tech. Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Undist. Expend. - Instructional Staff Training Serv.	0	0	0	0	0
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	0	0	0	0	0
Legal Services	0	0	0	0	0
Other Purchased Professional Services	0	0	0	0	0
Communications/Telephone	15,000	(1,752)	13,248	12,717	531
Other Purchased Services (400-500 series)	0	0	0	0	0
Miscellaneous Expenditures	0	0	0	0	0
Total Undist. Expend. - Supp. Serv. - General Admin.	15,000	(1,752)	13,248	12,717	531
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	270,364	107,950	378,314	377,882	432
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretarial and Clerical Assistants	116,923	(18,677)	98,246	98,077	169
Other Salaries	0	0	0	0	0
Purchased Professional and Technical Services	20,000	24,300	44,300	44,140	160
Other Purchased Services (400-500 series)	10,000	635	10,635	9,814	821
Supplies and Materials	10,000	6,280	16,280	16,280	0
Other Objects	0	0	0	0	0
Total Undist. Expend. - Support Serv. - School Admin.	427,287	120,488	547,775	546,193	1,582

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Allowable Maintenance for School Facilities					
Salaries	0	0	0	0	0
Cleaning, Repair, and Maintenance Services	0	0	0	0	0
General Supplies	0	0	0	0	0
Other Objects	0	0	0	0	0
Total Undist. Expend. - Allowable Maintenance for School Facilities	0	0	0	0	0
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	281,700	(70,980)	210,720	206,939	3,781
Purchased Professional and Technical Services	33,000	(12,938)	20,062	19,355	707
Cleaning, Repair and Maintenance Services	77,000	(23,894)	53,106	53,078	28
Rental of Land, Building & Other than Lease Purchases	872,000	(10,000)	862,000	861,816	184
Other Purchased Property Services	0	0	0	0	0
Insurance	25,000	31,389	56,389	56,389	0
Miscellaneous Purchased Services	0	0	0	0	0
General Supplies	25,000	(8,600)	16,400	16,379	21
Energy (Energy and Electricity)	60,000	(5,960)	54,040	53,948	92
Other Objects	0	0	0	0	0
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,373,700	(100,983)	1,272,717	1,267,904	4,813
Total Undist. Expend. - Oper. & Maint. Of Plant	1,373,700	(100,983)	1,272,717	1,267,904	4,813
Undist. Expend. - Student Transportation Serv.					
Sal. For Pup. Trans. (Bet. Home and School) - Regular	0	0	0	0	0
Sal. For Pup. Trans. (Bet. Home and School) - Special	0	0	0	0	0
Sal. For Pup. Trans. (Other than Bet. Home and School)	0	0	0	0	0
Management Fees - ESC & CTSA Transportation Programs	0	0	0	0	0
Other Purchased Professional and Technical Services	0	0	0	0	0
Cleaning, Repair and Maintenance Services	0	0	0	0	0
Rental Payments - School Buses	0	0	0	0	0
Lease Purchase Payments - School Buses	0	0	0	0	0
Contract Services - (Between Home and School) - Vendors	38,000	(5,805)	32,195	32,195	0
Contract Services (Other than Between Home & School)- Vendors	0	0	0	0	0
Contract Services - (Between Home and Sch) - Joint Agrmts	0	0	0	0	0
Contr Serv (Spl. Ed. Students) - Vendors	0	0	0	0	0
Contr Serv (Spl. Ed. Students) - Joint Agrmt	0	0	0	0	0
Contr Serv (Regular Students) - ESCs & CTSA	0	0	0	0	0
Contr Serv (Spl. Ed. Students) - ESCs & CTSA	0	0	0	0	0
Contr Serv. - Aid in Lieu Payments	0	0	0	0	0
Misc. Purchased Serv. - Transportation	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Miscellaneous Expenditures	0	0	0	0	0
Total Undist. Expend. - Student Transportation Serv.	38,000	(5,805)	32,195	32,195	0

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance	
					Favorable (Unfavorable)	Final to Actual
Undist. Expend. - Business and Other Support Serv.						
Increase in Sale/Lease-back Reserve	0	0	0	0	0	0
Salaries	0	0	0	0	0	0
Purchased Professional Services	0	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0	0
Sale/Lease-back Payments	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0
Interest on Current Loan	0	0	0	0	0	0
Interest on Lease Purchase Agreements	0	0	0	0	0	0
Miscellaneous Expenditures	0	0	0	0	0	0
Total Undist. Expend. - Business and Other Support Serv.	0	0	0	0		
UNALLOCATED BENEFITS						
Group Insurance	0	0	0	0	0	0
Social Security Contributions	0	0	0	0	0	0
T.P.A.F. Contributions - ERIP	0	0	0	0	0	0
Other Retirement Contributions - Regular	0	0	0	0	0	0
Other Retirement Contributions - ERIP	0	0	0	0	0	0
Unemployment Compensation	0	0	0	0	0	0
Workmen's Compensation	0	0	0	0	0	0
Health Benefits	0	0	0	0	0	0
Tuition Reimbursement	0	0	0	0	0	0
Other Employee Benefits	465,522	3,215	468,737	466,873	1,864	1,864
TOTAL UNALLOCATED BENEFITS	465,522	3,215	468,737	466,873	1,864	1,864
On-Behalf (non-budgeted)	230,174	0	230,174	230,174	0	0
Reimbursed TPAF Social Security Contributions (non-budgeted)	142,844	0	142,844	142,844	0	0
TOTAL ON-BEHALF CONTRIBUTIONS	373,018	0	373,018	373,018	0	0
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	838,540	3,215	841,755	839,891	1,864	1,864
TOTAL UNDISTRIBUTED EXPENDITURES	2,692,527	15,163	2,707,690	2,698,900	8,790	8,790
TOTAL GENERAL CURRENT EXPENSE	5,012,687	265,495	5,278,182	4,917,483	360,699	360,699

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Preschool/Kindergarten	0	0	0	0	0
Grades 1-5	0	0	0	0	0
Grades 6-8	10,000	(4,995)	5,005	5,005	0
Grades 9-12	0	0	0	0	0
Home Instruction	0	0	0	0	0
Special Education - Instruction:					
Learning and/or Language Disabilities	0	0	0	0	0
Behavioral Disabilities	0	0	0	0	0
Resource Room/Resource Center	0	0	0	0	0
Basic Skills/Remedial - Instruction	0	0	0	0	0
Bilingual Education - Instruction	0	0	0	0	0
Undistributed Expenditures - Instruction	0	0	0	0	0
Undist. Expend.-Support Serv.-Students - Reg.	0	0	0	0	0
Undist. Expend.-Support Serv. - Inst. Staff	0	0	0	0	0
Undistributed Expenditures - General Admin.	0	0	0	0	0
Undistributed Expenditures - School Admin.	9,000	(9,000)	0	0	0
Undistributed Expenditures - Operation of Plant Services	0	0	0	0	0
Total Equipment	<u>19,000</u>	<u>(13,995)</u>	<u>5,005</u>	<u>5,005</u>	<u>0</u>
Facilities Acquisition and Construction Services					
Salaries	0	0	0	0	0
Legal Services	0	0	0	0	0
Other Purchased Prof. & Tech. Serv.	0	0	0	0	0
Construction Services	0	0	0	0	0
General Supplies	0	0	0	0	0
Land and Improvements	0	0	0	0	0
Lease Purchase Agreement - Principal	0	0	0	0	0
Buildings Other than Lease Purchase Agreement	0	0	0	0	0
Other Objects	0	1,000	1,000	359	641
Facilities Grant - Transfer to Special Revenues	0	0	0	0	0
Total Facilities Acquisition and Construction Services	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>359</u>	<u>641</u>
Assets Acquired Under Capital Leases (non-budgeted)					

TEANECK COMMUNITY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2014

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures:					
General Administration	0	0	0	0	0
School Administration	0	0	0	0	0
Assets Acquired Under Capital Leases (non-budgeted)					
TOTAL CAPITAL OUTLAY	19,000	(12,995)	6,005	5,364	641
Transfer of Funds to Charter Schools	0	0	0	0	0
TOTAL EXPENDITURES	5,031,687	252,500	5,284,187	4,922,847	361,340
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(252,500)	(252,500)	109,131	361,631
Other Financing Sources:					
Operating Transfer In:					
Contribution to Whole School Reform	0	0	0	0	0
Operating Transfer Out:					
Transfer to Special Revenue Fund - ECPA	0	0	0	0	0
Transfer to Food Service Fund	0	0	0	0	0
Transfer to Internal Service Fund	0	0	0	0	0
Capital Reserve - Transfer to Debt Service Fd	0	0	0	0	0
Capital Reserve - Transfer to Capital Projects Fd	0	0	0	0	0
Capital Leases (non-budgeted)	0	0	0	0	0
Total Other Financing Sources:	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expend. and Other Fin. Sources (Uses)	0	(252,500)	(252,500)	109,131	361,631
Fund Balance, July 1	791,452	0	791,452	791,452	0
Fund Balance, June 30	<u>\$ 791,452</u>	<u>\$ (252,500)</u>	<u>\$ 538,952</u>	<u>\$ 900,583</u>	<u>\$ 361,631</u>
Recapitulation:					
Reserve for Encumbrances				353,982	
Legally Restricted - Designated for Subsequent Year's Expenditures				0	
Maintenance Reserve				0	
Reserve for Excess Surplus				0	
Capital Reserve				0	
Unrestricted Fund Balance				546,601	
				<u>900,583</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				0	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 900,583</u>	

TEANECK COMMUNITY CHARTER SCHOOL
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Sources	0	0	0	0	0
Federal Sources	85,887	0	85,887	81,973	3,914
Total revenues	85,887	0	85,887	81,973	3,914
EXPENDITURES:					
Instruction:					
Salaries of teachers	3,636	0	3,636	0	3,636
Other salaries for instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Tuition	0	0	0	0	0
Other purchased services (400-500 series)	0	0	0	0	0
General Supplies	20,000	0	20,000	20,000	0
Textbooks	0	0	0	0	0
Other objects	0	0	0	0	0
Total instruction	23,636	0	23,636	20,000	3,636
Support services					
Salaries of Supervisors of Instruction	0	0	0	0	0
Salaries of Program Directors	0	0	0	0	0
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretaries & Clerical Assistants	0	0	0	0	0
Other Salaries	0	0	0	0	0
Personal Services - Employee Benefits	278	0	278	0	278
Purchased Educational Services - Contracted Pre-K	0	0	0	0	0
Purchased Professional - Educational Services	60,254	0	60,254	60,254	0
Other Purchased Professional Services	0	0	0	0	0
Purchased Technical Services	1,719	0	1,719	1,719	0
Rentals	0	0	0	0	0
Contr. Serv. Trans. (Bet. Home & Sch.)	0	0	0	0	0
Contr. Serv. Trans. (Wrap Around Services)	0	0	0	0	0
Contr. Serv. Trans. (Field Trips)	0	0	0	0	0
Tuition	0	0	0	0	0
Travel	0	0	0	0	0
Other purchased Services (400-500 series)	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total support services	62,251	0	62,251	61,973	278
Facilities Acquisition and Construction Services:					
Buildings	0	0	0	0	0
Instructional Equipment	0	0	0	0	0
Noninstructional Equipment	0	0	0	0	0
Total Facilities Acquisition and Construction Services	0	0	0	0	0
Transfer to Charter School	0	0	0	0	0
Total Expenditures	85,887	0	85,887	81,973	3,914
Other Financing Sources (Uses)					
Transfer in from General Fund	0	0	0	0	0
Transfer out to Whole School Reform (General Fund)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Total Outflows	85,887	0	85,887	81,973	3,914
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

TEANECK COMMUNITY CHARTER SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 for the Fiscal Year ended June 30, 2014

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 5,031,978	(C-2) \$ 81,973
Difference - budget to GAAP: State aid payment recognized for budgetary purposes, not recognized for GAAP statements	0	0
Total revenues as reported on the statement of revenues, expenditures and changes in the fund balances - governmental funds	(B-2) \$ <u>5,031,978</u>	(B-2) \$ <u>81,973</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 4,922,847	(C-2) \$ 81,973
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.	0	0
Net transfer (outflows) to general fund	<u>0</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2) \$ <u>4,922,847</u>	(B-2) \$ <u>81,973</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TEANECK COMMUNITY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	Title I	I.D.E.A. Part B		Totals 2014
			BASIC	PRESCHOOL	
REVENUES					
Local Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Sources	0	0	0	0	0
Federal Sources	0	23,528	56,726	1,719	81,973
Total revenues	0	23,528	56,726	1,719	81,973
EXPENDITURES:					
Instruction:					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	20,000	0	0	20,000
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
Total instruction		20,000	0	0	20,000
Support services:					
Salaries of Other Professional Staff	0	0	0	0	0
Other Salaries	0	0	0	0	0
Personal Services - Employee Benefits	0	0	0	0	0
Purchased Educational Services - Contracted Pre-K	0	0	0	0	0
Purchased Professional - Educational Services	0	3,528	56,726	0	60,254
Other Purchased Professional Services	0	0	0	0	0
Purchased Technical Services	0	0	0	1,719	1,719
Rentals	0	0	0	0	0
Contr. Serv.-Trans. (Bet. Home & Sch.)	0	0	0	0	0
Contr. Serv.-Trans. (Wrap Around Services)	0	0	0	0	0
Contr. Serv.-Trans. (Field Trips)	0	0	0	0	0
Travel	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Total support services	0	3,528	56,726	1,719	61,973

TEANECK COMMUNITY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	Title I	I.D.E.A. Part B		Totals 2014
			BASIC	PRESCHOOL	
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Buildings	0	0	0	0	0
Instructional Equipment	0	0	0	0	0
Noninstructional Equipment	0	0	0	0	0
Total facilities acquisition and const. serv.	0	0	0	0	0
Transfer to Charter Schools	0	0	0	0	0
Total Expenditures	0	23,528	56,726	1,719	81,973
Other Financing Sources (Uses)					
Transfer In from General Fund	0	0	0	0	0
Contribution to Whole School Reform	0	0	0	0	0
Total Outflows	0	23,528	56,726	1,719	81,973
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

TEANECK COMMUNITY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	NJ SBAIG Grant	Katz Library	TCSO Grant	Title II	Music Suite	Total Carried Forward
REVENUES						
Local Sources	0 \$	0 \$	0 \$	0 \$	0 \$	0
State Sources	0	0	0	0	0	0
Federal Sources	0	0	0	0	0	0
Total Revenues	0	0	0	0	0	0
EXPENDITURES:						
Instruction:						
Salaries of Teachers	0	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0	0
Other Purchased Professional and Technical Services	0	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0	0
General Supplies	0	0	0	0	0	0
Textbooks	0	0	0	0	0	0
Other Objects	0	0	0	0	0	0
Total instruction	0	0	0	0	0	0
Support services:						
Salaries of Other Professional Staff	0	0	0	0	0	0
Other Salaries	0	0	0	0	0	0
Personal Services - Employee Benefits	0	0	0	0	0	0
Purchased Educational Services - Contracted Pre-K	0	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0	0
Other Purchased Professional Services	0	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0	0
Rentals	0	0	0	0	0	0
Contr. Serv.-Trans. (Bet. Home & Sch.)	0	0	0	0	0	0
Contr. Serv.-Trans. (Wrap Around Services)	0	0	0	0	0	0
Contr. Serv.-Trans. (Field Trips)	0	0	0	0	0	0
Travel	0	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0	0
Supplies & Materials	0	0	0	0	0	0
Other Objects	0	0	0	0	0	0
Total support services	0	0	0	0	0	0

TEANECK COMMUNITY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	NJ SBAIG Grant	Katz Library	TCSCO Grant	Title II	Music Suite	Total Carried Forward
EXPENDITURES (CONT'D):						
Facilities acquisition and const. serv.:						
Buildings	0	0	0	0	0	0
Instructional Equipment	0	0	0	0	0	0
Noninstructional Equipment	0	0	0	0	0	0
Total facilities acquisition and const. serv.	0	0	0	0	0	0
Transfer to Charter Schools	0	0	0	0	0	0
Total Expenditures	0	0	0	0	0	0
Other Financing Sources						
Transfer in from General Fund	0	0	0	0	0	0
Contribution to Whole School Reform	0	0	0	0	0	0
Total Outflows	0	0	0	0	0	0
Excess (Deficiency) of Rev. Over (Under) Expen.	0 \$	0 \$	0 \$	0 \$	0 \$	0

CAPITAL PROJECTS FUND

TEANECK COMMUNITY CHARTER SCHOOL
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2014

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2014
			Prior Years	Current Year	
		\$ 0 \$	0 \$	0 \$	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>\$ 0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0</u>

PROPRIETARY FUNDS

TEANECK COMMUNITY CHARTER SCHOOL
Enterprise Fund
Combining Statement of Net Position
June 30, 2014

	<u>Food Services</u>	<u>After-School Program</u>	<u>2014</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 50,719	\$ 2,537	\$ 53,256
Accounts receivable:			
State	0	0	0
Federal	0	0	0
Other	0	0	0
Interfund receivable	0	0	0
Inventories	0	0	0
	<u>50,719</u>	<u>2,537</u>	<u>53,256</u>
Total current assets	<u>50,719</u>	<u>2,537</u>	<u>53,256</u>
Fixed assets:			
Equipment	0	0	0
Accumulated depreciation	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total fixed assets	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u><u>\$ 50,719</u></u>	<u><u>\$ 2,537</u></u>	<u><u>\$ 53,256</u></u>
LIABILITIES			
AND FUND EQUITY:			
Current liabilities:			
Accounts payable	\$ 0	\$ 0	\$ 0
Interfund payable	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total current liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund equity:			
Contributed capital	0	0	0
Unreserved retained earnings	50,719	2,537	53,256
	<u>50,719</u>	<u>2,537</u>	<u>53,256</u>
Total fund equity	<u>50,719</u>	<u>2,537</u>	<u>53,256</u>
Total liabilities and fund equity	<u><u>\$ 50,719</u></u>	<u><u>\$ 2,537</u></u>	<u><u>\$ 53,256</u></u>

Exhibit G-2

TEANECK COMMUNITY CHARTER SCHOOL
Enterprise Fund
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
for the Fiscal Year ended June 30, 2014

	<u>2014</u>
OPERATING REVENUES:	
Local Sources:	
Daily sales - reimbursable programs:	
School lunch program	\$ 0
School breakfast program	0
Total daily sales - reimbursable programs	<u>0</u>
After-school Revenues	215,896
Daily sales nonreimbursable programs	208,678
Special functions	0
Total operating revenues	<u>424,574</u>
OPERATING EXPENSES:	
Salaries	116,536
Employee benefits	0
Purchased property services	0
Supplies and materials	0
Depreciation	0
Cost of sales	215,770
After-school Expenses	108,513
Total operating expenses	<u>440,819</u>
Operating income	<u>(16,245)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	0
Federal sources:	
NSDA commodities	0
National school lunch program	0
Board contribution	0
Total nonoperating revenues	<u>0</u>
Transfer to Childcare Program	<u>0</u>
Net income / (Loss)	<u>(16,245)</u>
Fund Net Position - Beginning	<u>69,501</u>
Fund Net Position - Ending	<u><u>\$ 53,256</u></u>

TEANECK COMMUNITY CHARTER SCHOOL
Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2014

	<u>2014</u>
Cash flows from operating activities:	
Operating income (loss)	\$ (16,245)
Adjustment to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	0
Change in assets and liabilities:	
Decrease/(increase) in interfund receivable	0
Decrease/(increase) in accounts receivable	0
Decrease/(increase) in inventory	0
Increase/(decrease) in accounts payable	0
Prior year adjustments	<u>0</u>
Net cash provided/(used) by operating activities	<u>(16,245)</u>
Cash flows from noncapital financing activities:	
Cash received from state and federal reimbursements	0
Transfer to Childcare Program	<u>0</u>
Net cash provided by noncapital financing activities	<u>0</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	<u>0</u>
Net cash used for capital and related financing activities	<u>0</u>
Cash flows from investing activities:	
Interest on investments	<u>0</u>
Net cash provided by investing activities	<u>0</u>
Net increase/(decrease) in cash and cash equivalents	(16,245)
Cash and cash equivalents, July 1	<u>69,501</u>
Cash and cash equivalents, June 30	<u>\$ 53,256</u>

INTERNAL SERVICE FUND

NOT APPLICABLE FOR THE YEAR ENDED JUNE 30, 2014

FIDUCIARY FUND

TEANECK COMMUNITY CHARTER SCHOOL
Fiduciary Fund
Statement of Fiduciary Net Position
JUNE 30, 2014

	Non-expendable Trust	Agency			Total
	Scholarship	Student Activity	Payroll	Unemployment Insurance Trust Fund	2014
ASSETS:					
Cash and cash equivalents	\$ 0	\$ 0	\$ 113,957	\$ 0	\$ 113,957
Due from general fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 113,957</u>	<u>\$ 0</u>	<u>\$ 113,957</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Payroll deductions and withholdings	0	0	113,957	0	113,957
Accrued salaries and wages	0	0	0	0	0
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>113,957</u>	<u>0</u>	<u>113,957</u>
Fund balances:					
Reserved - principal portion nonexpendable trust	0	0	0	0	0
Unreserved	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 113,957</u>	<u>\$ 0</u>	<u>\$ 113,957</u>

TEANECK COMMUNITY CHARTER SCHOOL
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year ended June 30, 2014

	<u>2014</u>
OPERATING REVENUES:	
Local sources:	
Interest on investments	\$ 0
Donations	<u>0</u>
Total operating revenues	<u>0</u>
OPERATING EXPENSES:	
Bank charges	0
Scholarship payments	<u>0</u>
Total operating expenses	<u>0</u>
Operating income (loss)	<u>0</u>
Net income (loss)	<u>0</u>
Fund balances, July 1	<u>0</u>
Fund balances, June 30	\$ <u><u>0</u></u>

TEANECK COMMUNITY CHARTER SCHOOL
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>June 30, 2014</u>
ASSETS:				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Total assets	\$ 0	\$ 0	\$ 0	\$ 0
LIABILITIES:				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
Due to student groups	0	0	0	0
Total liabilities	\$ 0	\$ 0	\$ 0	\$ 0

TEANECK COMMUNITY CHARTER SCHOOL
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and cash equivalents	\$ 77,631	\$ 2,826,912	\$ 2,790,586	\$ 113,957
Due from General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 77,631</u>	<u>\$ 2,826,912</u>	<u>\$ 2,790,586</u>	<u>\$ 113,957</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 77,631	\$ 2,826,912	\$ 2,790,586	\$ 113,957
Due to other funds	0	0	0	0
Accrued salaries and wages	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>\$ 77,631</u>	<u>\$ 2,826,912</u>	<u>\$ 2,790,586</u>	<u>\$ 113,957</u>

LONG-TERM DEBT ACCOUNT GROUP

TEANECK COMMUNITY CHARTER SCHOOL
Long-Term Debt Account Group
Schedule of Serial Bonds
JUNE 30, 2014

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2013	ISSUED	RETIRED	BALANCE JUNE 30, 2014
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"NOT APPLICABLE FOR JUNE 30, 2014"

Exhibit I-2

TEANECK COMMUNITY CHARTER SCHOOL
Long-Term Debt Account Group
Schedule of Obligations Under Capital Leases
JUNE 30, 2014

SERIES	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2013	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2014

"NOT APPLICABLE FOR JUNE 30, 2014"

TEANECK COMMUNITY CHARTER SCHOOL
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 0	\$ 0	\$ 0	\$ 0	0
State Sources:					
Debt Service Aid Type II	0	0	0	0	0
Total - State Sources	0	0	0	0	0
Total revenues	0	0	0	0	0
EXPENDITURES:					
Regular Debt Service:					
Interest	0	0	0	0	0
Redemption of Principal	0	0	0	0	0
Total Regular Debt Service	0	0	0	0	0
Total expenditures	0	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0
Other Financing Sources:					
Operating transfers in:					
Interest earned in capital projects fund	0	0	0	0	0
Excess (deficiency) of revenues and other Financing sources over (under) expenditures	0	0	0	0	0
Fund Balance, July 1	0	0	0	0	0
Fund Balance, June 30	0	0	0	0	0
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	0

STATISTICAL SECTION

TEANECK COMMUNITY CHARTER SCHOOL
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
Governmental activities:					
Invested in capital assets, net of related debt	\$ 816,171	\$ 684,994	\$ 682,813	\$ 599,639	\$ 550,116
Restricted	0	18,075	139,415	252,500	353,982
Unrestricted	220,444	146,920	274,262	538,952	546,601
Total governmental activities net assets	<u>1,036,615</u>	<u>849,989</u>	<u>1,096,490</u>	<u>1,391,091</u>	<u>1,450,699</u>
Business-type activities:					
Invested in capital assets, net of related debt	0	0	0	0	0
Restricted	0	0	0	0	0
Unrestricted	20,218	32,410	12,521	69,501	53,256
Total business-type activities net assets	<u>20,218</u>	<u>32,410</u>	<u>12,521</u>	<u>69,501</u>	<u>53,256</u>
District-wide:					
Invested in capital assets, net of related debt	816,171	684,994	682,813	599,639	550,116
Restricted	0	18,075	139,415	252,500	353,982
Unrestricted	240,662	179,330	286,783	608,453	599,857
Total district net assets	<u>\$ 1,056,833</u>	<u>\$ 882,399</u>	<u>\$ 1,109,011</u>	<u>\$ 1,460,592</u>	<u>\$ 1,503,955</u>

TEANECK COMMUNITY CHARTER SCHOOL
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
Expenses					
Governmental activities					
Instruction					
Regular	\$ 2,116,141	\$ 2,167,679	\$ 2,147,885	\$ 2,100,968	\$ 2,238,583
Special education	0	0	0	0	0
Other special education	0	0	0	0	0
Vocational	0	0	0	0	0
Other instruction	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0
Adult/continuing education programs	0	0	0	0	0
Support Services:					
Tuition	0	0	0	0	0
Student & instruction related services	85,115	66,330	65,499	65,555	61,973
School administrative services	648,287	428,257	417,355	479,595	546,193
General administration	17,343	14,864	15,861	15,412	12,717
Central services	0	0	0	0	0
Plant operations and maintenance	1,185,073	1,333,172	1,267,578	1,280,273	1,267,904
Administrative information technology	0	0	0	0	0
Pupil transportation	22,218	24,052	37,521	20,545	32,195
Other support services	601,895	684,559	744,207	716,495	812,287
Special schools	0	0	0	0	0
Charter schools	0	0	0	0	0
Interest on long-term debt	0	0	0	0	0
Unallocated depreciation	56,394	73,444	80,493	82,792	82,491
Total governmental activities expenses	4,732,466	4,792,357	4,776,399	4,761,635	5,054,343

TEANECK COMMUNITY CHARTER SCHOOL
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
Business-type activities:					
Food service	248,032	108,008	106,789	80,766	215,770
Child care	82,430	79,378	109,330	87,328	225,049
Total business-type activities expense	330,462	187,386	216,119	168,094	440,819
Total district expenses	\$ 5,062,928	\$ 4,979,743	\$ 4,992,518	\$ 4,929,729	\$ 5,495,162
Program Revenues					
Governmental activities:					
Charges for services:					
Instruction (tuition)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Pupil transportation	0	0	0	0	0
Central and other support services	0	0	0	0	0
Operating grants and contributions	103,472	91,125	82,757	80,358	81,973
Capital grants and contributions	0	0	0	0	0
Total governmental activities program revenues	103,472	91,125	82,757	80,358	81,973
Business-type activities:					
Charges for services					
Food service	263,179	109,563	99,879	127,522	208,678
Child care	86,141	90,015	96,351	97,552	215,896
Operating grants and contributions	0	0	0	0	0
Capital grants and contributions	0	0	0	0	0
Total business type activities program revenues	349,320	199,578	196,230	225,074	424,574
Total district program revenues	\$ 452,792	\$ 290,703	\$ 278,987	\$ 305,432	\$ 506,547

TEANECK COMMUNITY CHARTER SCHOOL
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
Net (Expense)/Revenue					
Governmental activities	(4,628,994)	(4,701,232)	(4,693,642)	(4,681,277)	(4,972,370)
Business-type activities	18,858	12,192	(19,889)	56,980	(16,245)
Total district-wide net expense	<u>\$ (4,610,136)</u>	<u>\$ (4,689,040)</u>	<u>\$ (4,713,531)</u>	<u>\$ (4,624,297)</u>	<u>\$ (4,988,615)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes levied for general purposes, net	4,047,271	3,980,901	4,018,208	4,289,111	4,296,525
Taxes levied for debt service	0	0	0	0	0
Unrestricted grants and contributions	625,747	647,260	920,471	655,838	719,583
Payments in lieu of taxes	0	0	0	0	0
Tuition received	0	0	0	0	0
Investment earnings	0	0	0	0	0
Miscellaneous income	3,830	6,914	1,464	30,929	15,870
Transfers	0	0	0	0	0
Total governmental activities	<u>4,676,848</u>	<u>4,635,075</u>	<u>4,940,143</u>	<u>4,975,878</u>	<u>5,031,978</u>
Business-type activities:					
Investment earnings	0	0	0	0	0
Transfers	0	0	0	0	0
Total business-type activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total district-wide	<u>\$ 4,676,848</u>	<u>\$ 4,635,075</u>	<u>\$ 4,940,143</u>	<u>\$ 4,975,878</u>	<u>\$ 5,031,978</u>
Change in Net Assets					
Governmental activities	47,854	(66,157)	246,501	294,601	59,608
Business-type activities	18,858	12,192	(19,889)	56,980	(16,245)
Total district	<u>\$ 66,712</u>	<u>\$ (53,965)</u>	<u>\$ 226,612</u>	<u>\$ 351,581</u>	<u>\$ 43,363</u>

TEANECK COMMUNITY CHARTER SCHOOL
FUND BALANCES, GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 0	\$ 18,075	\$ 139,415	\$ 252,500	\$ 353,982
Unreserved	150,957	146,920	274,262	538,952	546,601
Total general fund	<u>150,957</u>	<u>164,995</u>	<u>413,677</u>	<u>791,452</u>	<u>900,583</u>
All Other Governmental Funds					
Reserved	0	0	0	0	0
Unreserved, reported in:					
Special revenue fund	0	0	0	0	0
Capital projects fund	0	0	0	0	0
Debt service fund	0	0	0	0	0
Permanent fund	0	0	0	0	0
Total all other governmental funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

TEANECK COMMUNITY CHARTER SCHOOL
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
Revenues					
Tax levy	\$ 4,047,271	\$ 3,980,901	4,018,208	4,289,111	4,296,525
Tuition charges	0	0	0	0	0
Interest earnings	0	0	0	0	0
Miscellaneous	5,830	15,520	8,673	30,929	15,870
State sources	625,747	647,260	913,787	655,838	719,583
Federal sources	129,472	82,519	82,232	80,358	81,973
Total revenue	4,808,320	4,726,200	5,022,900	5,056,236	5,113,951
Expenditures					
Instruction					
Regular Instruction	2,116,141	2,149,781	2,147,885	2,100,968	2,238,583
Special education instruction	0	0	0	0	0
Other special instruction	0	0	0	0	0
Vocational education	0	0	0	0	0
Other instruction	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0
Adult/continuing education	0	0	0	0	0
Support Services:					
Tuition	0	0	0	0	0
Student & inst. related services	85,115	66,330	65,499	65,555	61,973
General administration	17,343	14,864	15,861	15,412	12,717
School administrative services	648,287	428,257	417,355	479,595	546,193
Central services	0	0	0	0	0
Admin. information technology	0	0	0	0	0
Plant operations and maintenance	1,185,073	1,333,172	1,267,578	1,280,273	1,267,904
Pupil transportation	22,218	24,052	37,521	20,545	32,195
Other support services	622,295	684,559	752,181	702,228	839,891
Employee benefits	0	0	0	0	0

TEANECK COMMUNITY CHARTER SCHOOL
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
Special schools	0	0	0	0	0
Charter schools	0	0	0	0	0
Capital outlay	271,711	11,147	70,338	13,885	5,364
Debt service:					
Principal	0	0	0	0	0
Interest and other charges	0	0	0	0	0
Total expenditures	4,968,183	4,712,162	4,774,218	4,678,461	5,004,820
Excess (deficiency) of revenues over (under) expenditures	(159,863)	14,038	248,682	377,775	109,131
Other Financing sources (uses)					
Proceeds from borrowing	0	0	0	0	0
Capital leases (non-budgeted)	0	0	0	0	0
Proceeds from refunding	0	0	0	0	0
Payments to escrow agent	0	0	0	0	0
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0
Net change in fund balances	\$ (159,863)	\$ 14,038	\$ 248,682	\$ 377,775	\$ 109,131
Debt service as a percentage of noncapital expenditures	0	0	0	0	0

Source: District records

TEANECK COMMUNITY CHARTER SCHOOL
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST EIGHT FISCAL YEARS

Fiscal Year Ending June 30,	Sale of Capital Assets		Donations		Rentals		Prior Year Refunds		Sale and Leaseback of Textbooks		Miscellaneous		Annual Totals
	\$		\$		\$		\$		\$		\$		
2007	0	0	0	0	0	0	0	0	0	0	85,237	85,237	85,237
2008	0	0	0	0	0	0	0	0	0	0	2,440	2,440	2,440
2009	0	0	0	0	0	0	0	0	0	0	28,289	28,289	28,289
2010	0	0	0	0	0	0	0	0	0	0	3,830	3,830	3,830
2011	0	0	0	0	0	0	0	0	0	0	2,839	2,839	2,839
2012	0	0	0	0	0	0	0	0	0	0	1,464	1,464	1,464
2013	0	0	0	0	0	0	0	0	0	0	30,329	30,329	30,329
2014	0	0	0	0	0	0	0	0	0	0	15,870	15,870	15,870

Source: District records

TEANECK COMMUNITY CHARTER SCHOOL
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)		Business- Type		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases							
2005 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0	0
2006	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0

TEANECK COMMUNITY CHARTER SCHOOL
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST NINE FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2005	139,106	7,199,848,348	51,758	4.76%
2006	198,175	10,529,235,925	53,131	3.50%
2007	106,293	6,029,470,425	56,725	3.70%
2008	124,049	7,599,737,936	61,264	3.20%
2009	124,346	8,346,725,250	67,125	4.43%
2010	124,695	8,441,352,720	67,696	7.50%
2011	124,695	8,028,861,660	64,388	7.40%
2012	99,825	6,573,076,950	65,486	7.00%
2013	92,998	6,146,795,808	66,096	9.30%
2014	100,586	7,032,872,534	69,919	6.50%

TEANECK COMMUNITY CHARTER SCHOOL
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES
BY FUNCTION / PROGRAM
LAST FIVE FISCAL YEARS

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction					
Regular	35	35	35	34	34
Special education	1	1	2	2	2
Other special education	0	0	0	0	0
Vocational	0	0	0	0	0
Other instruction	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0
Adult/continuing education programs	0	0	0	0	0
Support Services:					
Student & instruction related services	0	0	0	0	0
General administration	3	3	3	4	4
School administrative services	2	2	2	2	2
Other administrative services	1	1	1	1	1
Central services	0	0	0	0	0
Administrative information technology	0	0	0	0	0
Plant operations and maintenance	2.5	2.5	2	2	2
Pupil transportation	0	0	0	0	0
Other support services	0	0	0	0	0
Special schools	0	0	0	0	0
Food service	1	1	1	1	1
Child care	0	0	0	0	0
Total	<u>45.5</u>	<u>45.5</u>	<u>46</u>	<u>46</u>	<u>46</u>

Source: District Personnel Records

TEANECK COMMUNITY CHARTER SCHOOL
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2005	236	2,791,894	11,830	N/A	24	9.83	0	0	222.8	213.3	N/A	95.74%
2006	235	3,379,847	14,382	21.57%	29	8.1	0	0	231.9	222.5	4.08%	95.95%
2007	239	3,694,800	15,459	7.49%	32	7.47	0	0	238.8	227.2	2.97%	95.14%
2008	271	4,011,425	14,802	-4.25%	36	7.53	0	0	266.8	256.7	11.72%	96.21%
2009	287	4,354,529	15,173	2.51%	36	7.97	0	0	287.1	275.1	7.61%	95.82%
2010	302	4,968,183	16,451	8.42%	36	8.39	0	0	304.0	293.0	5.89%	96.38%
2011	305	4,712,162	15,450	-6.08%	36	8.47	0	0	306.5	296.4	0.82%	96.70%
2012	306	4,774,218	15,602	0.98%	37	8.27	0	0	305.9	293.6	-0.20%	95.99%
2013	306	4,598,103	15,026	0.98%	36	8.5	0	0	305.1	293.8	-0.26%	96.30%
2014	306	4,922,847	16,088	7.07%	36	8.5	0	0	306.0	306.0	0.29%	100.00%

Sources: District records

TEANECK COMMUNITY CHARTER SCHOOL
SCHOOL BUILDING INFORMATION
LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
<u>District Building</u>					
<u>Elementary</u>					
Backman Elementary (2009)					
Square feet	29,089	29,089	29,089	29,089	29,089
Capacity (students)	320	320	320	320	320
Enrollment	302	305	306	306	306

Middle School

None

High School

None

Other

None

Number of schools at June 30, 2014

Elementary = 1

Middle School = 0

Senior High School = 0

Other = 0

Source: District Facilities Office

TEANECK COMMUNITY CHARTER SCHOOL
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

School Facilities Project # (s)	Elementary	Other	Total
2005	0	0	0
2006	0	0	0
2007	0	0	0
2008	0	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
Total School Facilities			

Source: District records

TEANECK COMMUNITY CHARTER SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2014

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (N.J.S.B.A.I.G.)		
Contents / Theft / Boiler & Machinery	1,000,000	1,000
Employee Dishonesty	100,000	1,000
Money & Securities - Inside	5,000	500
Money & Securities - Outside	5,000	500
General Aggregate	2,000,000	1,000
Products / Completed Operations Aggregate	11,000,000	1,000
Personal & Advertising Injury	11,000,000	1,000
Fire Legal Liability		
Medical Expense	10,000	1,000
Automobile Non-Ownership & Hired Car	115,000	1,000
Educator's Legal Liability	1,000,000	5,000
Umbrella Liability (N.J.S.B.A.I.G.)	1,000,000	1,000
Workers Compensation (Wausau Insurance Co.)		
Each accident	2,000,000	
Each employee	2,000,000	
Policy limit	2,000,000	
Directors & Officers (U.S. Specialty Insurance)	2,000,000	

Source: District records

Name: _____

Final Average Daily Enrollment	305.90	305.10	306.00	DOE Enrollment Reports
March 30th Budgeted Enrollment	306	305	306	Charter School Budget

Near Term Indicators		RATIOS ANALYSIS...				Source:	
		2012	2013	2014	3 YR CUM		
1a.	Current Ratio	18.62	24.23	7.77		Current Assets/Current Liabilities	
1b.	Unrestricted Days Cash	33.95	66.66	69.14		Cash/(Total Expenses/365)	
1c.	Enrollment Variance	100%	100%	100%		Average Daily Enrollment/Budgeted Enrollment	
1d.*	Default	No	No	No		Audit	
Sustainability Indicators							
2a.	Total Margin	5%	7%	1%	4%	Change in Net Assets/Total Revenue	
2b.	Debt to Asset	0.07	0.07	0.11		Total Liabilities/Total Assets	
2c.**	Cash Flow	194,892	406,117	100,500		Net change in cash flow from prior years	
2d.	Debt Service Coverage Ratio	N/A	N/A	N/A		(Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments)	

Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
2014=2014 Cash - 2013 Cash; 2013 =2013 Cash-2012 Cash; 2012 =2012 Cash-2011 Cash

Refer questions to **charterfinance@doe.state.nj.us**

SINGLE AUDIT SECTION



CULLARI, CARRICO, SOOJIAN, BURKE, LLC
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Teaneck Community Charter School
County of Bergen, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Trustees of the Teaneck Community Charter School District in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Teaneck Community Charter School's basic financial statements, and have issued our report thereon dated September 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Teaneck Community Charter School'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 Teaneck Community Charter School's internal control. Accordingly, we do not express an opinion of the effectiveness of the Teaneck Community Charter School District'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 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 Teaneck Community Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Purpose of this Report

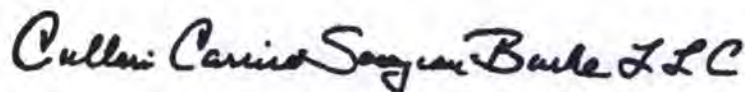
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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

This report is intended for the information and use of the audit committee, management, the Teaneck Community Charter School Board of Education, the New Jersey State Department of Education, and other State and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Raymond P. Burke, CPA, PSA
No. CS 00225900
Certified Public Account
Public School Accountant

Wayne, New Jersey
September 30, 2014





CULLARI, CARRICO, SOOJIAN, BURKE, LLC
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures of Federal and
State Awards Required by OMB Circular A-133 and
New Jersey OMB Circular 04-04

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Teaneck Community Charter School
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Teaneck Community Charter School's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014. Teaneck Community Charter School'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 Teaneck Community Charter School'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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Teaneck Community Charter School'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 Teaneck Community Charter School's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Trustees of Teaneck Community Charter School District, in the County of Bergen, State of New Jersey, 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, 2014.

Report on Internal Control Over Compliance

Management of the Board of Trustees of the Teaneck Community Charter School District 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 Teaneck Community Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 OMB Circular A-133, 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 Teaneck Community Charter School'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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by
OMB Circular A-133 and by New Jersey OMB's Circular 04-04**

We have audited the financial statements of the Board of Trustees of the Teaneck Community Charter School District as of and for the year ended June 30, 2013, and have issued our report thereon dated September 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and by New Jersey OMB's Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.

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



Raymond P. Burke, CPA, PSA
No. CS 00225900
Certified Public Accountant
Public School Accountant



Wayne, New Jersey
September 30, 2014

K-3 SCHEDULE A

TEANECK COMMUNITY CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance June 30, 2014			
									Deferred Revenue	Accounts Receivable	Due to Grantor at	
U.S. Department of Education												
Passed-through State Department of Education:												
Title I	84.010	9/1/13 - 8/31/14	\$ 23,528	\$ 0	\$ 0	\$ 0	23,528	\$ 0	\$ 0	23,528	\$ 0	
Title II	84.281	9/1/13 - 8/31/14	3,914	0	0	0	0	0	3,914	3,914	0	
I.D.E.A. Part B, Basic Regular	84.027	9/1/13 - 8/31/14	56,726	0	0	0	56,726	0	0	56,726	0	
I.D.E.A. Part B, Preschool	84.027	9/1/13 - 8/31/14	1,719	0	0	0	1,719	0	0	1,719	0	
I.D.E.A. Part B, Basic Regular	84.027	9/1/12 - 8/31/13	59,691	(28,098)	0	28,098	0	0	0	0	0	
I.D.E.A. Part B, Preschool	84.027	9/1/12 - 8/31/13	1,870	(1,870)	0	1,870	0	0	0	0	0	
Total Federal Financial Assistance									\$ 81,973	\$ 3,914	\$ 85,887	\$ 0

K-4 SCHEDULE B

TEANECK COMMUNITY CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2014

State Grantor/Program Title	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of			Balance June 30, 2014	
							Prior Years Balances	Deferred Revenue	Accounts Receivable	Due to Grantor at	
State Department of Education:											
Local Mandate Aid	7/1/13 - 6/30/14	\$ 185,193	\$ 0	\$ 0	\$ 185,193	\$ 185,193	\$ 0	\$ 0	\$ 0	\$ 0	0
Security Aid	7/1/12 - 6/30/13	32,989	0	0	32,989	32,989	0	0	0	0	0
TPAF Social Security (On Behalf)	7/1/13 - 6/30/14	230,174	0	0	230,174	230,174	0	0	0	0	0
TPAF Social Security (Reimbursed)	7/1/12 - 6/30/13	139,192	(13,892)	0	13,892	0	0	0	0	0	0
TPAF Social Security (Reimbursed)	7/1/13 - 6/30/14	142,844	0	0	133,338	142,844	0	0	9,506	0	0
Special Education Aid	7/1/13 - 6/30/14	128,383	0	0	128,383	128,383	0	0	0	0	0
Total State Financial Assistance						\$ 719,583	\$ 0	\$ 0	\$ 9,506	\$ 0	0

TEANECK COMMUNITY CHARTER SCHOOL
Notes for Schedules of Expenditures of Awards and Financial Assistance
JUNE 30, 2014

NOTE 1 - GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Teaneck Community Charter School. The Board of Trustees 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 awards and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of State, Local Governments, a Non-Profit Organizations. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement.

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.

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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$0 for the General Fund and \$0 for the Special Revenue Fund. See Note 1 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:

TEANECK COMMUNITY CHARTER SCHOOL
Notes for Schedules of Expenditures of Awards and Financial Assistance
JUNE 30, 2014

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0	\$ 719,583	\$ 719,583
Special Revenue Fund	81,973	0	81,973
Debt Service Fund	0	0	0
Food Service Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Financial Assistance	\$ <u>81,973</u>	\$ <u>719,583</u>	\$ <u>801,556</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 Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. 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, 2014.

TEANECK COMMUNITY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Reportable condition(s) identified that are
not considered to be material weaknesses? yes X none reported
- Noncompliance material to general-purpose financial
statements noted? yes X no

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Reportable condition(s) identified that are
not considered to be material weaknesses? yes X none reported
- Any audit findings disclosed that are required to be reported
in accordance with NJOMB Circular Letter 04-04? yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

14-495-034-5120-071

Local Mandate-Charter School Aid

TEANECK COMMUNITY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
June 30, 2014

Section II - Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general-purpose financial statement that are required to be reported in accordance with paragraphs 5.18 through 5.20 of "Government Auditing Standards".

None

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

None

STATE AWARDS

None

TEANECK COMMUNITY CHARTER SCHOOL
Summary Schedule of Prior-Year Audit Findings
and Questioned Costs as Prepared by Management
for the Fiscal Year Ended June 30, 2014

Federal Financial Assistance / Grant Activity:

None

State Aid and State Aid Activity:

None

Debt Service / Capital Projects:

None

Board Secretary Records:

None