



**TENAFLY BOARD OF  
EDUCATION  
TENAFLY, NJ 07670**



**Comprehensive Annual Financial Report**

**For the Fiscal Year Ending**

**June 30, 2016**

**Prepared by the Business Office**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Tenafly Board of Education**

**Tenafly, New Jersey**

**For The Fiscal Year Ended June 30, 2016**

**Prepared by**

**Business Office**

**TENAFLY BOARD OF EDUCATION  
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## **INTRODUCTORY SECTION**



Tenafly Board of Education  
www.tenafly.k12.nj.us

500 Tenafly Road, Tenafly, NJ 07670  
Tel: 201-816-4502 – Fax: 201-816-4521

October 5, 2016

President Ms. Lynne W. Stewart  
Vice President Ms. Eileen D. Pleva

Members of the Board of Education:

Ms. Stephanie Addison-Fontaine

Mr. Mark Aronson

Mr. Sam A. Bruno

Ms. Janet I. Horan

Ms. Sherri Rothstein

Mr. Edward J. Salaski

Ms. April Uram

Tenafly Board of Education  
500 Tenafly Road  
Tenafly, New Jersey 07670

Dear Board Members:

State Department of Education statutes require that all local governments publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Tenafly Board of Education for the fiscal year ended June 30, 2016.



Annual Financial Report  
Tenafly Board of Education  
Fiscal Year Ended June 30, 2016

This report consists of management's representations concerning the finances of the Tenafly Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Tenafly Board of Education has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Tenafly Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Tenafly Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Tenafly Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Tenafly Board of Education for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Tenafly Board of Education's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Tenafly Board of Education was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Tenafly Board of Education's CAFR. GAAP requires that management provide a narrative introduction, overview, and

Annual Financial Report  
 Tenaflly Board of Education  
 Fiscal Year Ended June 30, 2016

analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Tenaflly Board of Education’s MD&A can be found immediately following the report of the independent auditor.

**1) REPORTING ENTITY AND ITS SERVICES:** Tenaflly School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Tenaflly Board of Education and all its schools constitute the District's reporting entity.

The District provides both regular and special education programs appropriate to grades K through 12. The District's average daily enrollment for the 2015-2016 school year decreased by 3 students from the previous year. The following details the changes in average daily enrollment for the District over the last ten years.

**TABLE 1 - AVERAGE DAILY ENROLLMENT**

Fiscal Year	Student Enrollment	Percent Change
2006-2007	3,382	4.41
2007-2008	3,470	2.60
2008-2009	3,504	0.98
2009-2010	3,557	1.51
2010-2011	3,594	1.04
2011-2012	3,619	0.70
2012-2013	3,612	(0.19)
2013-2014	3,592	(0.55)
2014-2015	3,610	0.50
2015-2016	3,607	(0.01)

2) **ECONOMIC CONDITION AND OUTLOOK:** District Factor Grouping is no longer used. The economy has stabilized over the past few years. Economic conditions have been trending upwards.

3) **MAJOR INITIATIVES:**

**DISTRICT GOALS FOR 2015-2016**

**GOAL 1**

**To sustain a dynamic learning environment that prepares each and every student to succeed in the 21<sup>st</sup> century**

This will be completed through:

- Skills - e.g. Critical Thinking and Problem Solving, Collaboration across Networks, Leadership through Action, Flexibility and Adaptability, Initiative and Entrepreneurialism, Effective Oral and Written Communication, Resourcefulness and Independence, Analysis of Information, Curiosity and Imagination
- Instructional Strategies - e.g. Differentiation, Experiential Learning, Interdisciplinary Integration
- Support Services - e.g. Basic Skills, Discovery, Early Intervention, Reading Recovery, ELL, Special Education, Student Learning Centers, Collaborative Learning
- Interactive Technology
- Professional Development and Professional Learning Communities

**GOAL 2**

**To monitor and revise curriculum and instruction to ensure its rigor and relevance**

This will be accomplished through:

- A consistent and articulated curriculum and instructional program
- Ongoing curriculum review
- Formative and summative assessments

**GOAL 3**

**To continue communication among the Board of Education, administration, teachers, students, parents and community**

This will be accomplished through:

- BOE Communications Committee
- Enhanced District Website
- Informal community meetings
- Broadcast events - Channel 77 and Webcasting
- Electronic communication – Parent Portal, Naviance, Newsletters
- Parent informational meetings
- Translation of documents into native languages

**GOAL 4**

**To generate additional revenue**

This will be accomplished through:

- Developing new revenue sources
- Finding savings where available
- Coordinating fundraising activities

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

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

As part of the District's single audit described earlier, tests are made to determine the

Annual Financial Report  
Tenafly Board of Education  
Fiscal Year Ended June 30, 2016

adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as commitments and/or assignments of fund balance at June 30, 2016.

**6) DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues were \$34,360,000 of general obligation bonds and refund school bonds to fund the referendum projects approved by the voters on January 25, 2000 and September 27, 2005. These bonds will mature in serial installments through July 2031.

**7) CASH MANAGEMENT:** the investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA") GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law required 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) PROPERTY TAX LEVY HISTORY:**

Over the past 10 years, school's tax levy increases have ranged from a high of 8.56% in support of the 2007-2008 budget to a low of 1.25% in support of the 2011-2012 budget. The school portion of the property tax increases have been significantly influenced by the rapid increase in elementary student enrollment, new debt service caused by the approved voter referendums, and offset in part, by the district's use of unreserved end of the year funds to reduce the property tax increases required to support the proposed school budgets.

The 2015-2016 budget reflects a 2.85% general fund school tax levy increase from the previous school year budget.

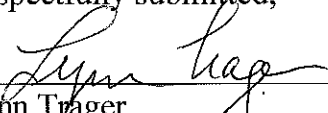
**10) OTHER INFORMATION:**

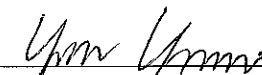
**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, Higgins, LLP CPA's, was selected by the Board's Finance Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as Amended and the related U.S. Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11) ACKNOWLEDGEMENTS:**

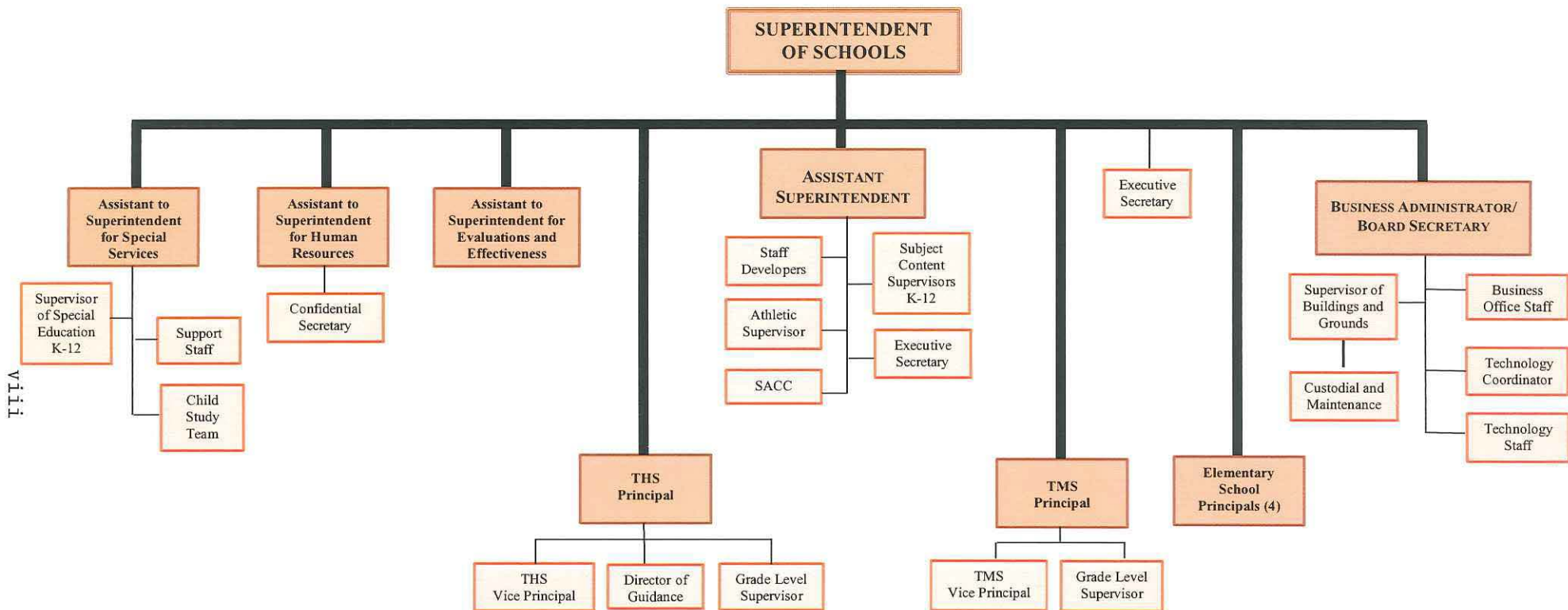
We would like to express our appreciation to the members of the Tenafly Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

  
\_\_\_\_\_  
Lynn Trager  
Superintendent of Schools

  
\_\_\_\_\_  
Yas Usami  
Business Administrator/Board Secretary

**TENAFLY BOARD OF EDUCATION  
ORGANIZATIONAL CHART  
[Policy 1110]**



1111

Updated July 22, 2013

Board Approved 9-10-2013

**TENAFLY BOARD OF EDUCATION  
TENAFLY, NEW JERSEY 07670**

**ROSTER OF OFFICIALS  
JULY 1, 2015 to JUNE 30, 2016**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Lynne W. Stewart, President	Dec. 2017
Eileen D. Pleva, Vice President	Dec. 2018
Stephanie Addison-Fontaine	Dec. 2018
Mark Aronson	Dec. 2016
Sam A. Bruno	Dec. 2016
Janet I. Horan	Dec. 2017
Richard H. Press	Dec. 2017 (resigned Nov. 2015)
Sherri Rothstein	Dec. 2018
Edward J. Salaski	Dec. 2017
April Uram	Dec. 2016

OTHER OFFICIALS

Lynn Trager, Superintendent  
 Barbara Laudicina, Assistant Superintendent  
 Yas Usami, Business Administrator/Board Secretary  
 Fogarty & Hara, Esqs.



**TENAFLY BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**  
2015-16

ARCHITECTS

Di Cara / Rubino Architects  
30 Galesi Drive, West Wing  
Wayne, NJ 07470

AUDIT FIRM

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

ATTORNEY

Fogarty & Hara, Esqs.  
21-00 Route 208 South  
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORY

Capital One Bank  
191 County Road  
Cresskill, NJ 07626

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*


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

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated October 5, 2016 on our consideration of the Tenafly Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tenafly Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CR00829

Fair Lawn, New Jersey  
October 5, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **Tenaflly Board of Education**

## **Management's Discussion and Analysis**

This section of the Tenaflly Board of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2015-2016 fiscal year are as follows:

- The assets and deferred outflows of resources of the Tenaflly Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$79,874 (net position).
- General revenues of \$62,379,688 accounted for 74 percent of all revenues. Program revenues of \$22,485,258 accounted for 26 percent of total revenues of \$84,864,946.
- The school district had \$83,506,925 in expenses for governmental activities; only \$21,461,204 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$62,379,369 were adequate to provide for these programs.
- Among major funds, the General Fund had \$70,463,579 in revenues and other financing sources and \$71,341,989 in expenditures and other financing uses. The General Fund's fund balance decreased by \$878,410.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$9,619,136.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Tenaflly Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Tenaflly Board of Education, reporting the Tenaflly Board of Education's operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the Tenaflly Board of Education operates like businesses.

# Tenafly Board of Education

## Management's Discussion and Analysis (continued)

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below summarizes the major features of the Tenafly Board of Education's financial statements, including the portion of the Tenafly Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

#### Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, administration and community education	Activities the district operates similar to private businesses:  Enterprise and Internal Service Funds	Instances in which the District administers resources on behalf of someone else, such as Unemployment, Payroll agency, and Private Purpose
Required financial Statements	Statements of Net Position  Statement of Activities	Balance sheet  Statement of revenues, expenditures and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in fund net position  Statement of cash flows	Statements of Fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow/inflow of resources and liability information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long term funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.



# Tenaflly Board of Education

## Management's Discussion and Analysis (continued)

### District-wide Statements

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

The two district-wide statements report the Tenaflly Board of Education's net position and how they have changed. Net position – the difference between the district's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

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

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

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. In addition fees charged for the Voice Internet Protocol Shared Service Program are reflected here. The phone system for this program will be installed during FY 2017, but the district awarded the contract during FY 2016 for the installation of the system on behalf of the Borough. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund, the School Age Child Care Program Fund and Tiger Tots Program Fund are included here. The Tiger Tots Program does not begin until September 2016 however the District accepted program fees beginning in FY 2016.

### Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The district use other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

# Tenaflly Board of Education

## Management's Discussion and Analysis (continued)

The district has three kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*- Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- *Fiduciary funds*- The District is the trustee, or fiduciary, for assets that belong to others such as scholarship fund, payroll and payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

### FINANCIAL ANALYSIS OF THE TENAFLY BOARD OF EDUCATION AS A WHOLE

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

The table on the next page provides a summary of the school district's net position for 2016 and 2015.

**Net position.** The district's combined net position were \$79,874 and deficit net position of \$228,702 on June 30, 2016 and June 30, 2015, respectively. The deficit in net position in the Governmental activities is attributable to the unfunded long-term liabilities such as net pension liability, compensated absences and lease purchase agreements for supplies that are reported in the government-wide statements but not on the fund financial statements. This deficit is not an indication that the District is facing financial difficulties as there is currently no mechanism available to fund these liabilities in advance and they are being funded on a pay-as-you go basis.

# Tenafly Board of Education

## Management's Discussion and Analysis (continued)

### Statement of Net Position As of June 30, 2016 and 2015

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 11,719,202	\$ 11,133,191	\$ 433,396	\$ 447,777	\$ 12,152,598	\$ 11,580,968
Capital Assets	<u>44,189,927</u>	<u>45,066,513</u>	<u>38,602</u>	<u>42,195</u>	<u>44,228,529</u>	<u>45,108,708</u>
<b>Total Assets</b>	<u>55,909,129</u>	<u>56,199,704</u>	<u>471,998</u>	<u>489,972</u>	<u>56,381,127</u>	<u>56,689,676</u>
Deferred Amounts of Refunding of Debt	2,763,201	2,816,482	-	-	2,763,201	2,816,482
Deferred Amount of Net Pension Liability	<u>2,825,530</u>	<u>494,110</u>	<u>-</u>	<u>-</u>	<u>2,825,530</u>	<u>494,110</u>
<b>Total Deferred Outflows of Resources</b>	<u>5,588,731</u>	<u>3,310,592</u>	<u>-</u>	<u>-</u>	<u>5,588,731</u>	<u>3,310,592</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>61,497,860</u>	<u>59,510,296</u>	<u>471,998</u>	<u>489,972</u>	<u>61,969,858</u>	<u>60,000,268</u>
Long-Term Liabilities	59,120,079	57,736,400			59,120,079	57,736,400
Other Liabilities	<u>2,360,027</u>	<u>1,447,878</u>	<u>32,920</u>	<u>25,822</u>	<u>2,392,947</u>	<u>1,473,700</u>
<b>Total Liabilities</b>	<u>61,480,106</u>	<u>59,184,278</u>	<u>32,920</u>	<u>25,822</u>	<u>61,513,026</u>	<u>59,210,100</u>
Deferred Amount of Net Pension Liability	<u>376,958</u>	<u>1,018,870</u>	<u>-</u>	<u>-</u>	<u>376,958</u>	<u>1,018,870</u>
<b>Total Deferred Inflows of Resources</b>	<u>376,958</u>	<u>1,018,870</u>	<u>-</u>	<u>-</u>	<u>376,958</u>	<u>1,018,870</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>61,857,064</u>	<u>60,203,148</u>	<u>32,920</u>	<u>25,822</u>	<u>61,889,984</u>	<u>60,228,970</u>
Net Position:						
Net Investment in Capital Assets	10,584,155	9,949,383	38,602	42,195	10,622,757	9,991,578
Restricted	4,675,373	5,536,492			4,675,373	5,536,492
Unrestricted	<u>(15,618,732)</u>	<u>(16,178,727)</u>	<u>400,476</u>	<u>421,955</u>	<u>(15,218,256)</u>	<u>(15,756,772)</u>
<b>Total Net Position (Deficit)</b>	<u>\$ (359,204)</u>	<u>\$ (692,852)</u>	<u>\$ 439,078</u>	<u>\$ 464,150</u>	<u>\$ 79,874</u>	<u>\$ (228,702)</u>

The table on the on the following page shows changes in net position for fiscal years 2016 and 2015.

# Tenafly Board of Education

## Management's Discussion and Analysis (continued)

### Changes in Net Position For the Fiscal Years Ended June 30, 2016 and 2015

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,458,902	\$ 1,202,117	\$ 1,024,054	\$ 1,009,726	\$ 2,482,956	\$ 2,211,843
Operating Grants and Contributions	19,418,155	16,083,705			19,418,155	16,083,705
Capital Grants and Contributions	584,147	497,375			584,147	497,375
General Revenues						
Property Taxes	61,707,367	59,990,128			61,707,367	59,990,128
Investment Earnings	33,236	32,565	319	499	33,555	33,064
Other	638,766	509,306	-	-	638,766	509,306
<b>Total Revenues</b>	<u>83,840,573</u>	<u>78,315,196</u>	<u>1,024,373</u>	<u>1,010,225</u>	<u>84,864,946</u>	<u>79,325,421</u>
<b>Expenses</b>						
Instruction						
Regular	37,467,586	35,358,704			37,467,586	35,358,704
Special Education	11,145,085	10,259,084			11,145,085	10,259,084
Other Instruction	2,666,858	2,382,084			2,666,858	2,382,084
School Sponsored Activities and Athletics	1,800,560	1,605,092			1,800,560	1,605,092
Other Instructional Programs	37,539	30,770			37,539	30,770
Support Services						
Student and Instruction Related Services	12,814,119	11,412,708			12,814,119	11,412,708
General Administrative Services	977,527	1,006,071			977,527	1,006,071
School Administrative Services	5,228,684	5,101,918			5,228,684	5,101,918
Plant Operations and Maintenance	6,833,786	6,668,670			6,833,786	6,668,670
Pupil Transportation	1,282,758	1,204,927			1,282,758	1,204,927
Business and Other Support Services	1,963,307	1,815,707			1,963,307	1,815,707
Food Services			692,228	687,143	692,228	687,143
Child Care			357,217	329,221	357,217	329,221
Interest on Long-Term Debt	1,289,116	1,525,790	-	-	1,289,116	1,525,790
<b>Total Expenses</b>	<u>83,506,925</u>	<u>78,371,525</u>	<u>1,049,445</u>	<u>1,016,364</u>	<u>84,556,370</u>	<u>79,387,889</u>
Change in Net Position	333,648	(56,329)	(25,072)	(6,139)	308,576	(62,468)
Net Position, Beginning of Year	(692,852)	(2,239,113)	464,150	470,289	(228,702)	(1,768,824)
Prior Period Adjustment, Capital Assets	-	1,602,590	-	-	-	1,602,590
Net Position, End of Year	<u>\$ (359,204)</u>	<u>\$ (692,852)</u>	<u>\$ 439,078</u>	<u>\$ 464,150</u>	<u>\$ 79,874</u>	<u>\$ (228,702)</u>

# Tenafly Board of Education

## Management's Discussion and Analysis (continued)

**Governmental Activities.** The district's total revenues were \$83,840,573. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to \$62,379,369 or 74% of total revenues. Funding from state, federal and local sources and capital contributions amounted to \$20,002,302 or 24%. The remaining revenues of \$1,458,902 (2%) were from charges for services (tuition and program fees for Voice IP Shared Service Program with the Borough).

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$53,117,628 (64%) and student and other support services totaled \$29,100,181 (35%) of total expenditures. In addition, interest on long-term debt and other charges totaled \$1,289,116 (1%) of total expenditures.

### Total and Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Cost of Services</u>	<u>Net Cost of Services</u>
Governmental Activities		
Instruction		
Regular	\$ 37,467,586	\$ 25,171,575
Special Education	11,145,085	5,954,053
Other Instruction	2,666,858	1,657,170
School Sponsored Activities and Athletics	1,800,560	1,330,906
Other Instructional Program	37,539	37,539
Support Services		
Student and Instruction Related Svcs.	12,814,119	11,968,739
General Administrative Services	977,527	977,527
School Administrative Services	5,228,684	4,557,310
Plant Operations and Maintenance	6,833,786	6,412,833
Pupil Transportation	1,282,758	1,191,336
Business and Other Support Services	1,963,307	1,716,617
Interest on Long-Term Debt	<u>1,289,116</u>	<u>1,070,116</u>
 Total Governmental Activities	 <u>\$ 83,506,925</u>	 <u>\$ 62,045,721</u>

# Tenafly Board of Education

## Management's Discussion and Analysis (continued)

### Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2016 was \$1,049,445. These costs were funded by charges for services and investment earnings.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

### Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year ended June 30, 2016, its governmental funds reported a combined fund balance of \$9,619,136. At June 30, 2015, the fund balance was \$10,168,118.

Revenues and other financing sources for the District's governmental funds were \$84,813,225, while total expenditures and other financing uses were \$85,362,207 for the fiscal year ended June 30, 2016, thereby resulting in a decrease in fund balance of \$548,982.

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

The following schedule presents a summary of General Fund revenues.

	<b>Fiscal Year Ended June 30, <u>2016</u></b>	<b>Fiscal Year Ended June 30, <u>2015</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources:				
Property Taxes	\$ 59,169,766	\$ 57,527,828	\$ 1,641,938	2.9%
Tuition	1,050,511	1,030,447	20,064	1.9%
Interest Earnings	33,236	32,565	671	2.1%
Miscellaneous	651,665	652,976	(1,311)	-0.2%
Intergovernmental State Sources	<u>9,477,790</u>	<u>8,241,566</u>	<u>1,236,224</u>	15.0%
 Total Revenues	 <u>\$ 70,382,968</u>	 <u>\$ 67,485,382</u>	 <u>\$ 2,897,586</u>	 4.3%

# Tenaflly Board of Education

## Management's Discussion and Analysis (continued)

Total General Fund Revenues increased by \$2,897,586 or 4% over the previous year. Local property taxes increased 3% over the previous year. Miscellaneous revenues decreased less than 1%. Tuition revenues increased by 2% due to higher enrollments in high school students received from Alpine. State aid revenues increased by \$1,236,224 largely due to an increase in State On-Behalf TPAF Pension costs contributed by the State and Extraordinary Aid.

### General Fund Expenditures

The following schedule presents a summary of General Fund expenditures.

	<b>Fiscal Year Ended June 30, 2016</b>	<b>Fiscal Year Ended June 30, 2015</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 43,585,199	\$ 42,064,542	\$ 1,520,657	3.6%
Support Services	24,323,684	23,396,771	926,913	4.0%
Capital Outlay	284,768	512,375	(227,607)	-44.4%
Debt Service	550,946	370,000	180,946	48.9%
Total Expenditures	<u>\$ 68,744,597</u>	<u>\$ 66,343,688</u>	<u>\$ 2,400,909</u>	3.6%

Total General Fund expenditures increased by \$2,400,909 or less than 4% compared to the previous year. The District realized significant increases in instruction and support services. The decrease in Capital Outlay was largely the result of a decline in Administrative Information Technology equipment purchases compared to the prior year. The increase in Debt Service relates to an incline in payments made for obligations under lease purchase agreements.

### General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for:

- Implementing budgets for specially funded projects, which include both federal and state grants, reinstating prior year purchase orders being carried over and appropriating prior year extraordinary aid.
- Funding capital projects by capital reserve funds.

# Tenafly Board of Education

## Management's Discussion and Analysis (continued)

**Capital Assets.** At the end of the fiscal years 2016 and 2015, the school district had invested in land, buildings, land improvements, furniture, machinery and equipment as follows:

### Capital Assets as of June 30, 2016 and 2015

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 222,500	\$ 222,500			\$ 222,500	\$ 222,500
Buildings	54,666,381	54,666,381			54,666,381	54,666,381
Improvements Other Than Buildings	2,093,770	1,421,270			2,093,770	1,421,270
Machinery and Equipment	<u>7,204,729</u>	<u>6,919,961</u>	<u>\$ 249,156</u>	<u>\$ 245,753</u>	<u>7,453,885</u>	<u>7,165,714</u>
 Total	 64,187,380	 63,230,112	 249,156	 245,753	 64,436,536	 63,475,865
 Less: Accumulated Depreciation	 <u>(19,997,453)</u>	 <u>(18,163,599)</u>	 <u>(210,554)</u>	 <u>(203,558)</u>	 <u>(20,208,007)</u>	 <u>(18,367,157)</u>
 Total Capital Assets, Net	 <u>\$ 44,189,927</u>	 <u>\$ 45,066,513</u>	 <u>\$ 38,602</u>	 <u>\$ 42,195</u>	 <u>\$ 44,228,529</u>	 <u>\$ 45,108,708</u>

Additional information about the district's capital assets can be found in Note 4 of this report.

**Debt Administration.** As of June 30, 2016 and 2015 the school district had long-term debt and outstanding long-term liabilities in the amount of \$57,107,674 and \$55,584,356.

### Outstanding Long-Term Liabilities

	<u>2016</u>	<u>2015</u>
Serial Bonds Payable	\$ 34,360,000	\$ 35,785,000
Lease Purchase Agreements Payable	2,171,232	2,721,500
Compensated Absences Payable	1,316,058	1,364,564
Net Pension Liability	<u>19,260,384</u>	<u>15,713,292</u>
 Total	 <u>\$ 57,107,674</u>	 <u>\$ 55,584,356</u>

Additional information about the district's long-term liabilities can be found in Note 4 of this report.



# Tenafly Board of Education

## Management's Discussion and Analysis (continued)

### UNRESTRICTED – UNASSIGNED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES

Beginning with June 30, 2007, the District's fund balance was \$1,315,685 or 2.78% of the operating budget. Since then, the district has maintained a fund balance within the state recommended guidelines. A review of the below Table indicates that as of June 30, 2016, the district unassigned fund balance was \$2,377,409 on a budgetary basis or 3.62%.

### ANALYSIS OF FUND BALANCE – GENERAL FUND FROM 2007 – 2016

	BALANCE, JUNE 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
UNRESTRICTED										
UNASSIGNED YEAR END (GAAP)	\$ 876,111	\$ 950,629	\$ (651,919)	\$ 477,859	\$ 607,687	\$ 577,090	\$ 1,087,841	\$ 1,126,026	\$ 1,144,340	\$ 1,208,586
USED TO OFFSET TAX SUBSEQUENT YEAR		445,854	843,213	855,135	1,596,577	1,601,564	2,719,506	2,450,000	2,450,000	2,395,801
UNRESTRICTED										
UNASSIGNED YEAR END(BUDGETARY)	1,315,685	1,382,989	869,831	1,821,101	1,946,268	1,747,610	2,120,613	2,099,414	2,327,813	2,377,409
MODIFIED BUDGET										
APPROPRIATIONS	47,331,511	51,550,665	55,578,455	56,835,033	57,081,610	60,394,695	61,065,088	63,517,853	65,298,508	65,668,683
PERCENT OF MODIFIED APPROPRIATIONS										
TO BUDGETARY UNRESERVED,										
UNRESTRICTED, UNASSIGNED FUND BALANCE	<u>2.78%</u>	<u>2.68%</u>	<u>1.57%</u>	<u>3.20%</u>	<u>3.41%</u>	<u>2.89%</u>	<u>3.47%</u>	<u>3.31%</u>	<u>3.56%</u>	<u>3.62%</u>

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Currently, the District is in good financial condition. Everyone associated with Tenafly School District is grateful for the community support.

Many factors were considered by the District's administration during the process of developing the fiscal year 2015-2016 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and benefit costs. Another factor was in technology. The District added SMART Boards, Chromebooks, Chromebook carts, and upgraded its network and infrastructure. Some of the expenditures were for the continued preparation for the Partnership for Assessment of Readiness for College and Careers (PARCC). This assessment replaced the state tests used previously to meet the requirements of the federal Elementary and Secondary Education Act (ESEA). Expenditures for Chromebooks and Chromebook carts were made to expand the second stage of the 1:1 Chromebook initiative for the District's Virtual Desktop Infrastructure (VDI) platform.

# **Tenafly Board of Education**

## **Management's Discussion and Analysis (continued)**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Continued)**

These indicators were considered when adopting the budget for fiscal year 2016-2017. Budgeted expenditures in the General Fund increased 1.03 percent to \$67,311,785 in fiscal year 2016-2017. Capital projects funded with Capital Reserve accounted for a total of \$405,855 with the remainder funded through local funds. These projects included repaving the middle school parking and replacing the gym doors at the four elementary schools. The District utilized \$645,562 in Banked Cap which resulted in a tax levy increase of 3.58%. Banked Cap was utilized due to Chromebooks and Chromebook carts to support the 1:1 Chromebook initiative for the VDI platform, and sixth grade science textbooks to align to the Next Generation Science Standards.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Tenafly Board of Education, 500 Tenafly Road, Tenafly, New Jersey 07670.

Telephone: 201-816-4504

Fax: 201-569-3678

**BASIC FINANCIAL STATEMENTS**

**TENAFLY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,920,513	\$ 414,883	\$ 10,335,396
Receivables, net	1,798,689	11,197	1,809,886
Inventory		7,316	7,316
Capital Assets			
Not Being Depreciated	222,500		222,500
Being Depreciated, Net	43,967,427	38,602	44,006,029
Total Assets	<u>55,909,129</u>	<u>471,998</u>	<u>56,381,127</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	2,763,201		2,763,201
Deferred Amount of Net Pension Liability	2,825,530		2,825,530
Total Deferred Outflows of Resources	<u>5,588,731</u>		<u>5,588,731</u>
Total Assets and Deferred Outflows of Resources	<u>61,497,860</u>	<u>471,998</u>	<u>61,969,858</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	338,343	2,138	340,481
Payable to State Government	22,822		22,822
Unearned Revenue	1,530,544	30,782	1,561,326
Accrued Interest Payable	468,318		468,318
Noncurrent Liabilities			
Due Within One Year	2,393,003		2,393,003
Due Beyond One Year	56,727,076		56,727,076
Total Liabilities	<u>61,480,106</u>	<u>32,920</u>	<u>61,513,026</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount of Net Pension Liability	376,958		376,958
Total Deferred Inflows of Resources	<u>376,958</u>	<u>-</u>	<u>376,958</u>
Total Liabilities and Deferred Inflows of Resources	<u>61,857,064</u>	<u>32,920</u>	<u>61,889,984</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,584,155	38,602	10,622,757
Restricted for:			
Debt Service	92,075		92,075
Capital Projects	3,932,948		3,932,948
Maintenance	650,350		650,350
Unrestricted	(15,618,732)	400,476	(15,218,256)
Total Net Position	<u>\$ (359,204)</u>	<u>\$ 439,078</u>	<u>\$ 79,874</u>

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

**TENAFLY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 37,467,586	\$ 1,212,212	\$ 11,083,799		\$ (25,171,575)		\$ (25,171,575)
Special Education	11,145,085		5,191,032		(5,954,053)		(5,954,053)
Other Instruction	2,666,858		1,009,688		(1,657,170)		(1,657,170)
School Sponsored Activities and Athletics							
	1,800,560		469,654		(1,330,906)		(1,330,906)
Other Instructional Programs	37,539		-		(37,539)		(37,539)
Support Services							
Student and Instruction Related Svcs.	12,814,119		845,380		(11,968,739)		(11,968,739)
General Administrative Services	977,527				(977,527)		(977,527)
School Administrative Services	5,228,684		671,374		(4,557,310)		(4,557,310)
Plant Operations and Maintenance	6,833,786		55,806	\$ 365,147	(6,412,833)		(6,412,833)
Pupil Transportation	1,282,758		91,422		(1,191,336)		(1,191,336)
Business Services	1,963,307	246,690			(1,716,617)		(1,716,617)
Interest on Long-Term Debt	1,289,116			219,000	(1,070,116)		(1,070,116)
<b>Total Governmental Activities</b>	<b>83,506,925</b>	<b>1,458,902</b>	<b>19,418,155</b>	<b>584,147</b>	<b>(62,045,721)</b>	<b>-</b>	<b>(62,045,721)</b>
<b>Business-Type Activities</b>							
Food Service	692,228	669,219		-		\$ (23,009)	(23,009)
Child Care	357,217	354,835				(2,382)	(2,382)
<b>Total Business-Type Activities</b>	<b>1,049,445</b>	<b>1,024,054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,391)</b>	<b>(25,391)</b>
<b>Total Primary Government</b>	<b>\$ 84,556,370</b>	<b>\$ 2,482,956</b>	<b>\$ 19,418,155</b>	<b>\$ 584,147</b>	<b>(62,045,721)</b>	<b>(25,391)</b>	<b>(62,071,112)</b>
<b>General Revenues:</b>							
Property Taxes, Levied for General Purposes					59,169,766		59,169,766
Property Taxes, Levied for Debt Service					2,537,601		2,537,601
Investment Earnings					33,236	319	33,555
Miscellaneous Income					638,766		638,766
<b>Total General Revenues</b>					<b>62,379,369</b>	<b>319</b>	<b>62,379,688</b>
Change in Net Position					333,648	(25,072)	308,576
Net Position, Beginning of Year - Restated					(692,852)	464,150	(228,702)
Net Position, End of Year					<u>\$ (359,204)</u>	<u>\$ 439,078</u>	<u>\$ 79,874</u>

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

**FUND FINANCIAL STATEMENTS**

**TENAFLY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 7,363,459	\$ 36,828	\$ 2,429,096	\$ 91,130	\$ 9,920,513
Due From Other Funds	38,569				38,569
Receivables, Net					
Receivables From Other Governments	20,530	67,360	1,386,528		1,474,418
Accounts Receivable	77,345	-	-	-	77,345
	<u>7,499,903</u>	<u>104,188</u>	<u>3,815,624</u>	<u>91,130</u>	<u>11,510,845</u>
Total Assets	<u>\$ 7,499,903</u>	<u>\$ 104,188</u>	<u>\$ 3,815,624</u>	<u>\$ 91,130</u>	<u>\$ 11,510,845</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 156,302	\$ 15,117			\$ 171,419
Compensated Absences Payable	166,924				166,924
Payable to State Government		22,822			22,822
Unearned Revenue	156,020	66,249	\$ 1,308,275	-	1,530,544
	<u>479,246</u>	<u>104,188</u>	<u>1,308,275</u>	<u>-</u>	<u>1,891,709</u>
Total Liabilities	<u>479,246</u>	<u>104,188</u>	<u>1,308,275</u>	<u>-</u>	<u>1,891,709</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for					
Subsequent Year's Expenditures (2016/17 Budget)	946,767				946,767
Excess Surplus	1,228,164				1,228,164
Capital Reserve	1,024,121				1,024,121
Capital Reserve- Designated for Subsequent					
Year's Expenditures (2016/17 Budget)	405,855				405,855
Maintenance Reserve	350,200				350,200
Maintenance Reserve- Designated for					
Subsequent Year's Expenditures (2016/17 Budget)	300,150				300,150
Capital Projects			2,506,404		2,506,404
Debt Service			945	\$ 91,130	92,075
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures (2016/17 Budget)	1,449,034				1,449,034
Year End Encumbrances	107,780				107,780
Unassigned Fund Balance	1,208,586	-	-	-	1,208,586
	<u>7,020,657</u>	<u>-</u>	<u>2,507,349</u>	<u>91,130</u>	<u>9,619,136</u>
Total Fund Balances	<u>7,020,657</u>	<u>-</u>	<u>2,507,349</u>	<u>91,130</u>	<u>9,619,136</u>
Total Liabilities and Fund Balances	<u>\$ 7,499,903</u>	<u>\$ 104,188</u>	<u>\$ 3,815,624</u>	<u>\$ 91,130</u>	<u>\$ 11,510,845</u>

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

**TENAFLY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

Total Fund Balance (Exhibit B-1) \$ 9,619,136

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$64,187,380 and the accumulated depreciation is \$19,997,453. 44,189,927

Long-term liabilities, including bonds payable, lease purchases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2A) (59,120,079)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (468,318)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 2,763,201

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 2,825,530	
Deferred Inflows of Resources	<u>(376,958)</u>	
		2,448,572

The assets and liabilities of the Internal Service Fund is included with Governmental Activities 208,357

**Net Position of Governmental Activities** \$ (359,204)



**TENAFLY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 59,169,766			\$ 2,537,601	\$ 61,707,367
Tuition Charges	1,050,511				1,050,511
Interest	33,236				33,236
Miscellaneous	651,655	\$ 41,398		2,812	695,865
Total - Local Sources	60,905,168	41,398	-	2,540,413	63,486,979
State Sources	9,477,790	322,315	\$ 365,147	365,000	10,530,252
Federal Sources	-	1,027,981			1,027,981
Total Revenues	70,382,958	1,391,694	365,147	2,905,413	75,045,212
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	30,833,197	75,182			30,908,379
Special Education Instruction	9,158,243	734,751			9,892,994
Other Instruction	2,063,335	167,860			2,231,195
School Sponsored Activities and Athletics	1,522,592				1,522,592
Other Instructional Programs	7,832				7,832
Support Services					
Student and Instruction Related Services	10,239,041	413,901	1,702,000		12,354,942
General Administrative Services	941,810				941,810
School Administrative Services	4,749,411				4,749,411
Plant Operations and Maintenance	5,270,205		269,120		5,539,325
Pupil Transportation	1,263,571				1,263,571
Business Services	1,859,646				1,859,646
Debt Service					
Principal	550,268			1,600,000	2,150,268
Interest	678			1,214,283	1,214,961
Bond Issuance Costs				33,000	33,000
Capital Outlay	284,768		672,500		957,268
Total Expenditures	68,744,597	1,391,694	2,643,620	2,847,283	75,627,194
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	1,638,361	-	(2,278,473)	58,130	(581,982)
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bond Proceeds				7,090,000	7,090,000
Payment to Refunding Escrow Agent				(7,057,000)	(7,057,000)
Transfers In	80,621		2,597,392		2,678,013
Transfers Out	(2,597,392)		(80,621)		(2,678,013)
Total Other Financing Sources and Uses	(2,516,771)	-	2,516,771	33,000	33,000
Net Change in Fund Balance	(878,410)	-	238,298	91,130	(548,982)
Fund Balance, Beginning of Year	7,899,067	-	2,269,051		10,168,118
Fund Balance, End of Year	\$ 7,020,657	\$ -	\$ 2,507,349	\$ 91,130	\$ 9,619,136

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

**TENAFLY BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ (548,982)

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlays	\$	957,268	
Depreciation Expense		<u>(1,833,854)</u>	(876,586)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on Statement of Activities.  
(See Note 2B).

2,117,268

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (See Note 2B)

(55,642)

In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Net Decrease in Compensated Absences		48,506	
Net Increase in Pension Expense		(573,760)	

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

Decrease in Accrued Interest		14,487	
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Internal Service Funds are used by the District's management to charge the costs of program/services to other governmental entities. The net revenue of the Internal Service Fund is reported with governmental activities

208,357

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 333,648**

**TENAFLY BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds			Totals	Governmental Internal Service Fund
	Food Service	School Age Child Care	Non-Major Tiger Tots		Voice IP-Shared Service Program
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 46,407	\$ 365,376	\$ 3,100	\$ 414,883	-
Other Receivables		11,197		11,197	\$ 246,690
Inventory	7,316			7,316	-
Total Current Assets	<u>53,723</u>	<u>376,573</u>	<u>3,100</u>	<u>433,396</u>	<u>246,690</u>
Noncurrent Assets					
Furniture, Machinery and Equipment	249,156			249,156	-
Less Accumulated Depreciation	<u>(210,554)</u>			<u>(210,554)</u>	<u>-</u>
Total Capital Assets, Net	<u>38,602</u>	<u>-</u>	<u>-</u>	<u>38,602</u>	<u>-</u>
Total Assets	<u>92,325</u>	<u>376,573</u>	<u>3,100</u>	<u>471,998</u>	<u>246,690</u>
<b>LIABILITIES</b>					
Accounts Payable		2,138		2,138	-
Due to Other Funds					38,333
Unearned Revenue	17,198	10,484	3,100	30,782	-
Total Liabilities	<u>17,198</u>	<u>12,622</u>	<u>3,100</u>	<u>32,920</u>	<u>38,333</u>
<b>NET POSITION</b>					
Investment in Capital Assets	38,602			38,602	-
Unrestricted	<u>36,525</u>	<u>363,951</u>		<u>400,476</u>	<u>208,357</u>
Total Net Position	<u>\$ 75,127</u>	<u>\$ 363,951</u>	<u>\$ -</u>	<u>\$ 439,078</u>	<u>\$ 208,357</u>

**TENAFLY BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Fund			Governmental Internal Service Fund
	Food Service	School Age Child Care	Non-Major Tiger Tots	Totals
<b>OPERATING REVENUES</b>				<b>Voice IP - Shared Service Program</b>
Charges for Services				
Daily Sales	\$ 663,650			\$ 663,650
Special Functions	5,569			5,569
Program Fees	-	\$ 354,835		354,835
Total Operating Revenues	<u>669,219</u>	<u>354,835</u>		<u>1,024,054</u>
				<u>246,690</u>
<b>OPERATING EXPENSES</b>				
Cost of Sales	302,023			302,023
Salaries and Benefits	294,153	342,125		636,278
Management Fee	30,400			30,400
Other Purchased Services	9,984	4,086		14,070
Other Expenses	7,624	5,000		12,624
Supplies and Materials	41,048	6,006		47,054
Depreciation	6,996			6,996
Total Operating Expenses	<u>692,228</u>	<u>357,217</u>		<u>1,049,445</u>
				<u>38,333</u>
Operating Income/(Loss)	<u>(23,009)</u>	<u>(2,382)</u>		<u>(25,391)</u>
				<u>208,357</u>
<b>NONOPERATING REVENUES</b>				
Interest Revenue	319			319
Total Nonoperating Revenues	<u>319</u>	<u>-</u>		<u>319</u>
Change in Net Position	(22,690)	(2,382)		(25,072)
Net Position, Beginning of Year	97,817	366,333		464,150
Net Position, End of Year	<u>\$ 75,127</u>	<u>\$ 363,951</u>	<u>\$ -</u>	<u>\$ 439,078</u>
				<u>\$ 208,357</u>

TENAFLY BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			Total	Governmental Internal Service Fund
	Food Service	School Age Child Care	Non-Major Tiger Tots		Voice IP - Shared Service Program
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers (Net of Refunds)	\$ 665,683	\$ 359,554	\$ 3,100	\$ 1,028,337	
Payments for Employees Salaries and Benefits	(294,153)	(341,036)		(635,189)	
Payments to Suppliers	(394,506)	(15,092)		(409,598)	\$ (38,333)
Net Cash Provided/(Used) by Operating Activities	(22,976)	3,426	3,100	(16,450)	(38,333)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash Advanced from General Fund					38,333
Net Cash Provided by Noncapital Financing Activities					38,333
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of Capital Assets	(3,403)			(3,403)	-
Net Cash Used By Capital and Related Financing Activities	(3,403)	-	-	(3,403)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest	319	-	-	319	-
Net Cash Provided By Investing Activities	319	-	-	319	
Net Increase/(Decrease) in Cash and Cash Equivalents	(26,060)	3,426	3,100	(19,534)	
Cash and Cash Equivalents, Beginning of Year	72,467	361,950		434,417	
Cash and Cash Equivalents, End of Year	\$ 46,407	\$ 365,376	\$ 3,100	\$ 414,883	\$ -
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided/</b>					
<b>(Used) by Operating Activities:</b>					
Operating Income/(Loss)	\$ (23,009)	\$ (2,382)	\$ -	\$ (25,391)	\$ 208,357
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities					
Depreciation	6,996			6,996	
Changes in Assets and Liabilities					
(Increase) Decrease in Accounts Receivable		(2,510)		(2,510)	(246,690)
(Increase) Decrease in Inventories	(2,643)			(2,643)	
Increase (Decrease) in Accounts Payable	-	1,089		1,089	
Increase (Decrease) in Unearned Revenue	(4,320)	7,229	3,100	6,009	
Total Adjustments	33	5,808	3,100	8,941	(246,690)
Net Cash Provided/(Used) by Operating Activities	\$ (22,976)	\$ 3,426	\$ 3,100	\$ (16,450)	\$ (38,333)

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

**TENAFLY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2016**

	<u>Private Purpose Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 139,080	\$ 524,374	\$ 219,831
Total Assets	<u>139,080</u>	<u>524,374</u>	<u>\$ 219,831</u>
<b>LIABILITIES</b>			
Due To Other Funds			\$ 236
Intergovernmental Payable		\$ 4,992	
Payable To Student Groups			193,580
Payroll Deductions and Withholdings			5,737
Accrued Salaries and Wages			908
Flexible Spending (Sect. 125) Plan	<u>-</u>	<u>-</u>	<u>19,370</u>
Total Liabilities	<u>-</u>	<u>4,992</u>	<u>\$ 219,831</u>
<b>NET POSITION</b>			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 139,080</u>	<u>\$ 519,382</u>	

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

**TENAFLY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Private Purpose Trust Funds</b>	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>		
Investment Earnings		
Interest	\$ 556	\$ 1,735
Payroll Deductions		59,699
Donations	69,070	-
	<hr/>	<hr/>
Total Additions	69,626	61,434
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Scholarship	18,500	
Local Contribution	73,976	
Unemployment Claims and Contributions		40,125
	<hr/>	<hr/>
Total Deductions	92,476	40,125
	<hr/>	<hr/>
Change in Net Position	(22,850)	21,309
Net Position, Beginning of Year	161,930	498,073
	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 139,080</u>	<u>\$ 519,382</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**



**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects.

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

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

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

The *School Age Childcare (SACC) fund* accounts for the activities of the District's before and after school childcare program.

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

The *Tiger Tots fund* accounts for the activities of the District's preschool program which provides services to residents of the Borough of Tenafly and non-residents.

Additionally, the government reports the following fund types:

The *internal service fund* accounts for Voice Internet Protocol ("IP") Program services provided to the Borough of Tenafly through a shared service agreement, on a cost-reimbursement basis.

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

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

**1. *Cash, Cash Equivalents and Investments***

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

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

**2. *Receivables***

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

**3. *Inventories***

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

Food Service Fund inventories are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**4. *Capital Assets***

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

**5. *Deferred Outflows/Inflows of Resources***

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

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**5. *Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**6. *Compensated Absences***

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

**7. *Pensions***

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

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

**8. *Long-Term Obligations***

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

TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations (Continued)*

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

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

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes. (See Note 3B)



TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes. (See Note 3C)

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

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, of the school age childcare enterprise fund, of the Tiger Tots enterprise fund and of the government's Voice IP Shared Services Program internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$59,120,079 difference are as follows:

Bonds Payable	\$ 34,360,000
Less:	
Issuance Premium (to be amortized over life of debt)	2,012,405
Lease Purchase Agreement Payable	2,171,232
Compensated Absences	1,316,058
Net Pension Liability	<u>19,260,384</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ 59,120,079</u>

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities (Continued)**

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this \$2,117,268 difference are as follows:

Debt Issued or Incurred:	
Issuance of General Obligation Refunding Bonds	\$ (7,090,000)
Principal Repayments:	
General Obligation Bonds	1,600,000
Lease Purchase Agreement	550,268
General Obligation Bonds Refunded	6,915,000
Payment to Escrow Agent for Refunding bBnd	<u>142,000</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	     <u>\$ 2,117,268</u>

Another element of that reconciliation states that “Governmental funds report the effect or premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$(55,642) difference are as follows:

Amortization of Deferred Charge on Refunding	\$ (222,035)
Amortization of Bond Premiums	<u>166,393</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	     <u>\$ (55,642)</u>

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 25, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original general fund budget by \$1,164,703. The increase was funded by the appropriation of the prior year extraordinary aid and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board also authorized and approved additional fund balance appropriations of \$475,000 from the Capital Reserve approved on January 19, February 9 and May 24, 2016. The Board increased the Special Revenue Fund by \$400,880. The increase was funded by additional grant awards.

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

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

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$ 2,670,723
Increased by:		
Interest Earnings	\$ 2,500	
Return of Unexpended Capital Reserve Funds	80,621	
Deposit Approved by Board Resolution	<u>950,000</u>	
		<u>1,033,121</u>
		3,703,844
Withdrawals		
Approved by Adopted Budget	(1,798,868)	
Approved by Board Resolution	<u>(475,000)</u>	
		<u>(2,273,868)</u>
Balance, June 30, 2016		<u>\$ 1,429,976</u>
Designated for Subsequent Year's Expenditures (2016/17 Budget)	\$ 405,855	
Available Capital Reserve	<u>1,024,121</u>	
		<u>\$ 1,429,976</u>

The withdrawals from the capital reserve were for use in department approved facilities projects, consistent with the district's Long Range Facilities Plan.

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 600,150
Increased by:	
Interest Earnings	\$ 200
Deposit Approved by Board Resolution	<u>350,000</u>
	<u>350,200</u>
	950,350
Withdrawals	
Approved by District Budget	<u>(300,000)</u>
Balance, June 30, 2016	<u>\$ 650,350</u>
Designated for Subsequent Year's Expenditures (2016/17 Budget)	\$ 300,150
Available Maintenance Reserve	<u>350,200</u>
	<u>\$ 650,350</u>

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,483,205. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$2,174,931. Of this amount, \$946,767 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$1,228,164 will be appropriated in the 2017/2018 original budget certified for taxes.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$11,218,681 and bank and brokerage firm balances of the Board's deposits amounted to \$12,272,372. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured

Cash and Cash Equivalents	\$ <u>12,272,372</u>
	<u>\$ 12,272,372</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

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

As of June 30, 2016, the Board had no outstanding investments.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major funds and internal service fund, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>School Age Child Care</u>	<u>Internal Service- Voice IP Program</u>	<u>Total</u>
Receivables:						
Accounts	\$ 77,345			\$ 11,197		\$ 88,542
Intergovernmental						
Federal		\$ 67,360				67,360
State	20,530		\$ 1,386,528			1,407,058
Local	-	-	-	-	\$ 246,690	246,690
Gross Receivables	97,875	67,360	1,386,528	11,197	246,690	1,809,650
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 97,875</u>	<u>\$ 67,360</u>	<u>\$ 1,386,528</u>	<u>\$ 11,197</u>	<u>\$ 246,690</u>	<u>\$ 1,809,650</u>

**C. Unearned Revenue**

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

General Fund	
Summer School Program Fees	\$ 156,020
Special Revenue Fund	
Unencumbered Grant Draw Downs	66,249
Capital Projects Fund	
Unrealized School Facilities Grants	<u>1,308,275</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,530,544</u>



**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance, July 1, 2015 (Restated)	Increases	Decreases	Balance, June 30, 2016
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 222,500	-	-	\$ 222,500
Total Capital Assets, Not Being Depreciated	<u>222,500</u>	<u>-</u>	<u>-</u>	<u>222,500</u>
Capital Assets, Being Depreciated:				
Buildings	54,666,381			54,666,381
Improvements Other Than Buildings	1,421,270	\$ 672,500		2,093,770
Machinery and Equipment	6,919,961	284,768	-	7,204,729
Total Capital Assets Being Depreciated	<u>63,007,612</u>	<u>957,268</u>	<u>-</u>	<u>63,964,880</u>
Less Accumulated Depreciation For:				
Buildings	(12,659,062)	(1,219,938)		(13,879,000)
Improvements Other Than Buildings	(580,381)	(131,185)		(711,566)
Machinery and Equipment	(4,924,156)	(482,731)	-	(5,406,887)
Total Accumulated Depreciation	<u>(18,163,599)</u>	<u>(1,833,854)</u>	<u>-</u>	<u>(19,997,453)</u>
Total Capital Assets, Being Depreciated, net	<u>44,844,013</u>	<u>(876,586)</u>	<u>-</u>	<u>43,967,427</u>
Governmental Activities Capital Assets, net	<u>\$ 45,066,513</u>	<u>\$ (876,586)</u>	<u>\$ -</u>	<u>\$ 44,189,927</u>
	Balance, July 1, 2015	Increases	Decreases	Balance, June 30, 2016
<b>Business-Type Activities</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 245,753	\$ 3,403	-	\$ 249,156
Total Capital Assets Being Depreciated	<u>245,753</u>	<u>3,403</u>	<u>-</u>	<u>249,156</u>
Less Accumulated Depreciation For:				
Machinery and Equipment	(203,558)	(6,996)	-	(210,554)
Total Accumulated Depreciation	<u>(203,558)</u>	<u>(6,996)</u>	<u>-</u>	<u>(210,554)</u>
Total Capital Assets, Being Depreciated, net	<u>42,195</u>	<u>(3,593)</u>	<u>-</u>	<u>38,602</u>
Business-Type Activities Capital Assets, net	<u>\$ 42,195</u>	<u>\$ (3,593)</u>	<u>\$ -</u>	<u>\$ 38,602</u>

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

**Governmental Activities**

Instruction

Regular	\$ 513,478
Special Education	55,016
School-Sponsored/Other Instructional	<u>18,339</u>
Total Instruction	<u>586,833</u>

Support Services

Student and Instruction Related Services	18,339
General Administrative Services	18,339
Operations and Maintenance of Plant	1,192,005
Pupil Transportation	<u>18,338</u>
Total Support Services	<u>1,247,021</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,833,854</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 6,996</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 6,996</u>

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction Commitments**

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Remaining Commitment</u>
Capital Projects Fund:	
Voice Internet Protocol Program	\$ 624,089
Cooling Tower Replacement	300,200
Roof Replacement at Middle School	<u>1,754,000</u>
	2,678,289
Internal Service Fund:	
Voice System Upgrade	<u>176,970</u>
 Total	 <u>\$ 2,855,259</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund - Payroll	\$ 236
General Fund	Voice IP - Shared Service Program Internal Service Fund	<u>38,333</u>
 Total		 <u>\$ 38,569</u>

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

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

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

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

**Interfund transfers**

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
General Fund		\$ 2,597,392	\$ 2,597,392
Capital Projects Fund	\$ 80,621	-	80,621
Total Transfers Out	<u>\$ 80,621</u>	<u>\$ 2,597,392</u>	<u>\$ 2,678,013</u>

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

**F. Leases**

**Lease Purchase Agreements**

The District is leasing digital desktop software and hardware totaling \$3,091,500 under lease purchase agreements. The leases are for a term of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Governmental Activities</u>
2017	\$ 550,946
2018	550,946
2019	550,946
2020	<u>550,946</u>
Total minimum lease payments	2,203,784
Less: amount representing interest	<u>(32,552)</u>
Present value of minimum lease payments	<u>\$ 2,171,232</u>

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2016 are comprised of the following issues:

\$7,511,000, 2007 Bonds, due in an annual installment of \$175,000 through April 1, 2017, interest at 4.375%	\$ 175,000
\$21,690,000, 2012 Refunding Bonds, due in annual installments of \$660,000 to \$2,430,000 through July 15, 2030, interest at 2.00% to 5.00%	21,485,000
\$5,715,000, 2015 Refunding Bonds, due in annual installments of \$25,000 to \$690,000 through April 1, 2031, interest at 2.00% to 4.00%	5,655,000
\$7,090,000, 2016 Refunding Bonds, due in annual installments of \$610,000 to \$795,000 through April 1, 2026, interest at 1.790%	<u>7,045,000</u>
	<u>\$34,360,000</u>

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

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,655,000	\$ 1,151,687	\$ 2,806,687
2018	1,715,000	1,102,938	2,817,938
2019	1,775,000	1,052,665	2,827,665
2020	1,840,000	998,551	2,838,551
2021	1,910,000	939,594	2,849,594
2022-2026	10,840,000	3,569,607	14,409,607
2027-2031	<u>14,625,000</u>	<u>1,265,105</u>	<u>15,890,105</u>
Total	<u>\$ 34,360,000</u>	<u>\$ 10,080,147</u>	<u>\$ 44,440,147</u>

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 170,655,054
Less: Net Debt	<u>34,360,000</u>
Remaining Borrowing Power	<u>\$ 136,295,054</u>

**Advance and Current Refundings of Debt**

On January 20, 2016 the District issued \$7,090,000 in School District Refunding Bonds having an interest rate of 1.790%. These Bonds were issued in order to currently refund certain principal maturities of various school district bonds. The total principal currently refunded was \$6,915,000. The reacquisition price exceeded the net carrying amount of the old debt by \$142,000. This amount has been reported as Deferred Outflows of Resources on the financial statements and will be amortized over the new debt's life, which is shorter than the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next 11 years by \$850,705 and resulted in an economic gain of \$780,556.

**Prior-Year Defeasance of Debt**

In prior years, the District defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. On June 30, 2016, \$5,366,000 of bonds outstanding are considered defeased.

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2016</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 35,785,000	\$ 7,090,000	\$ 8,515,000	\$ 34,360,000	\$ 1,655,000
Unamortized Premium	2,178,798		166,393	2,012,405	
Unamortized Discount	(26,754)	-	(26,754)	-	-
Total Bonds Payable	<u>37,937,044</u>	<u>7,090,000</u>	<u>8,654,639</u>	<u>36,372,405</u>	<u>1,655,000</u>
Compensated Absences	1,364,564		48,506	1,316,058	200,000
Lease Purchase Agreements	2,721,500		550,268	2,171,232	538,003
Net Pension Liability	<u>15,713,292</u>	<u>4,284,742</u>	<u>737,650</u>	<u>19,260,384</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 57,736,400</u>	<u>\$ 11,374,742</u>	<u>\$ 9,991,063</u>	<u>\$ 59,120,079</u>	<u>\$ 2,393,003</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, the liabilities for compensated absences, lease purchase agreements and net pension liability are generally liquidated by the general fund.

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

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

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 59,699	\$ 40,125	\$ 519,382
2015	58,521	25,950	498,073
2014	35,312	48,437	463,881

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

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

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

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



**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Basis of Accounting**

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

**Investment Valuation**

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

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

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.9 percent and \$22.4 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2016	\$ 737,650	\$ 2,240,825	\$ 59,609
2015	691,876	1,511,508	45,767
2014	651,311	1,167,985	42,194

For fiscal years 2015/2016 and 2014/2015, the state contributed \$2,240,825 and \$1,511,508, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,167,985 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,061,942 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$19,260,384 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .08580 percent, which was an increase of .00188 percent from its proportionate share measured as of June 30, 2014 of .08392 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,311,410 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 459,485	
Changes of Assumptions	2,068,411	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 309,670
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>297,634</u>	<u>67,288</u>
Total	<u>\$ 2,825,530</u>	<u>\$ 376,958</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 452,918
2018	452,918
2019	452,918
2020	687,025
2021	<u>402,793</u>
	<u>\$ 2,448,572</u>

**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%



**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

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

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,789,496 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$176,706,054. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .02796 percent, which was an increase of .00035 percent from its proportionate share measured as of June 30, 2014 of .02761 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%



**TENAFLY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 210,008,540</u>	<u>\$ 176,706,054</u>	<u>\$ 148,013,969</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2016, 2015 and 2014 were \$2,668,204, \$2,399,521 and \$1,915,056, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 6 RESTATEMENT**

The District had previously conducted an update of its capital asset inventory. During the 2015/16 fiscal year, it was discovered that the report contained a duplicate building improvement value and accumulated depreciation. The District has restated its July 1, 2015 capital asset values, including accumulated depreciation, to reflect these items. The net effect of this restatement was an increase to governmental net position of \$1,602,590.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 59,169,766		\$ 59,169,766	\$ 59,169,766	
Other Local Sources					
Tuition - Other LEA's	1,014,940		1,014,940	1,032,424	\$ 17,484
Tuition from Other Sources				18,087	18,087
Interest Earned on Capital Reserve Funds	2,500		2,500	2,500	-
Interest Earned on Maintenance Reserve	200		200	200	
Interest	38,000	-	38,000	30,536	(7,464)
Summer School Fees	140,000	-	140,000	161,701	21,701
Miscellaneous	311,530	-	311,530	489,954	178,424
<b>Total Local Sources</b>	<b>60,676,936</b>	<b>-</b>	<b>60,676,936</b>	<b>60,905,168</b>	<b>228,232</b>
State Sources					
Special Education Aid	1,202,460		1,202,460	1,202,460	
Security Aid	55,484		55,484	55,484	
Transportation Aid	70,484		70,484	70,484	
PARCC Readiness Aid	36,070		36,070	36,070	
Per Pupil Growth Aid	36,070		36,070	36,070	
Non Public Transportation Reimbursement				20,530	20,530
Extraordinary Aid				1,071,071	1,071,071
TPAF Pension Contribution - Normal Costs and Accrued Liability (Non-Budget)				2,134,498	2,134,498
TPAF Pension Contribution- NCGI (Non-Budget)				106,327	106,327
TPAF Pension Contribution - Post Retirement (Non-Budget)				2,668,204	2,668,204
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,061,942	2,061,942
<b>Total State Sources</b>	<b>1,400,568</b>	<b>-</b>	<b>1,400,568</b>	<b>9,463,140</b>	<b>8,062,572</b>
<b>Total Revenues</b>	<b>62,077,504</b>	<b>-</b>	<b>62,077,504</b>	<b>70,368,308</b>	<b>8,290,804</b>
<b>EXPENDITURES</b>					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	864,073	\$ (67,430)	796,643	778,965	17,678
Grades 1-5	6,009,662	-	6,009,662	5,924,979	84,683
Grades 6-8	4,683,381	-	4,683,381	4,561,966	121,415
Grades 9-12	7,343,933	-	7,343,933	7,173,273	170,660
Regular Programs - Home Instruction					
Salaries of Teachers	1,000	4,525	5,525	5,525	-
Purchased Professional/Educational Services	2,000	5,000	7,000	6,712	288
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,011,502	66,780	1,078,282	1,051,007	27,275
Rentals		550,946	550,946	550,946	-
Purchased Professional/Educational Services	4,000	-	4,000	3,885	115
Other Purchased Services	1,093,850	(608,048)	485,802	442,554	43,248
General Supplies	1,339,328	99,714	1,439,042	1,235,650	203,392
Textbooks	193,595	(11,957)	181,638	153,009	28,629
Other Objects	33,000	4,991	37,991	34,776	3,215
<b>Total Regular Programs</b>	<b>22,579,324</b>	<b>44,521</b>	<b>22,623,845</b>	<b>21,923,247</b>	<b>700,598</b>
Learning and / or Language Disabled					
Salaries of Teachers	113,557	2,481	116,038	116,038	-
Other Salaries for Instruction	137,316	(18,481)	118,835	117,138	1,697
General Supplies	4,100	-	4,100	2,420	1,680
Textbooks	9,800	-	9,800	7,449	2,351
<b>Total Learning and/or Language Disabled</b>	<b>264,773</b>	<b>(16,000)</b>	<b>248,773</b>	<b>243,045</b>	<b>5,728</b>

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
<b>Multiple Disabled</b>					
Salaries of Teachers	\$ 130,410	\$ (60,236)	\$ 70,174	\$ 65,285	\$ 4,889
Other Salaries for Instruction	200,679	6,095	206,774	202,272	4,502
General Supplies	15,400	(12,900)	2,500	1,137	1,363
<b>Total Multiple Disabled</b>	<b>346,489</b>	<b>(67,041)</b>	<b>279,448</b>	<b>268,694</b>	<b>10,754</b>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	2,812,223	(47,375)	2,764,848	2,764,748	100
Other Salaries for Instruction	4,500	8,695	13,195	13,195	-
General Supplies	34,130	(285)	33,845	27,629	6,216
Textbooks	16,430	412	16,842	5,429	11,413
<b>Total Resource Room/Resource Center</b>	<b>2,867,283</b>	<b>(38,553)</b>	<b>2,828,730</b>	<b>2,811,001</b>	<b>17,729</b>
<b>Autism</b>					
Salaries of Teachers	74,181	(17,413)	56,768	55,388	1,380
Other Salaries for Instruction	205,329	(139,133)	66,196	58,580	7,616
General Supplies	3,000	9,900	12,900	11,198	1,702
<b>Total Autism</b>	<b>282,510</b>	<b>(146,646)</b>	<b>135,864</b>	<b>125,166</b>	<b>10,698</b>
<b>Preschool Disabilities - Part-Time</b>					
Salaries of Teachers	110,791	46,411	157,202	151,785	5,417
Other Salaries for Instruction	74,440	(6,986)	67,454	58,899	8,555
General Supplies	1,000	-	1,000	726	274
<b>Total Preschool Disabilities - Part-Time</b>	<b>186,231</b>	<b>39,425</b>	<b>225,656</b>	<b>211,410</b>	<b>14,246</b>
<b>Preschool Disabilities - Full-Time</b>					
Salaries of Teachers	-	71,827	71,827	63,261	8,566
Other Salaries for Instruction	-	202,335	202,335	193,738	8,597
Supplies and Materials	-	3,000	3,000	1,059	1,941
<b>Total Preschool Disabilities - Part-Time</b>	<b>-</b>	<b>277,162</b>	<b>277,162</b>	<b>258,058</b>	<b>19,104</b>
<b>Home Instruction</b>					
Salaries of Teachers	5,000	10,263	15,263	15,263	-
Purchased Professional-Educational Services	48,000	(15,262)	32,738	14,929	17,809
<b>Total Home Instruction</b>	<b>53,000</b>	<b>(4,999)</b>	<b>48,001</b>	<b>30,192</b>	<b>17,809</b>
<b>Total Special Education</b>	<b>4,000,286</b>	<b>43,348</b>	<b>4,043,634</b>	<b>3,947,566</b>	<b>96,068</b>
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	506,980	2,354	509,334	509,334	-
General Supplies	3,200	(286)	2,914	2,594	320
Textbooks	550	100	650	346	304
<b>Total Basic Skills/Remedial</b>	<b>510,730</b>	<b>2,168</b>	<b>512,898</b>	<b>512,274</b>	<b>624</b>
<b>Bilingual Education</b>					
Salaries of Teachers	900,030	-	900,030	895,591	4,439
Purchased Professional-Educational Services	100	-	100	-	100
Other Purchased Services	100	-	100	-	100
General Supplies	6,080	103	6,183	3,452	2,731
Textbooks	5,620	(103)	5,517	2,642	2,875
Other Objects	500	-	500	-	500
<b>Total Bilingual Education</b>	<b>912,430</b>	<b>-</b>	<b>912,430</b>	<b>901,685</b>	<b>10,745</b>



**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 304,138	\$ 13,744	\$ 317,882	\$ 315,053	\$ 2,829
Purchased Services	30,299	(1,120)	29,179	28,309	870
Travel	-	2,099	2,099	1,953	146
Supplies and Materials	1,500	(823)	677	382	295
Other Objects	4,000	(3,000)	1,000	1,000	-
Miscellaneous Expenditures	-	4,808	4,808	4,163	645
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<b>339,937</b>	<b>15,708</b>	<b>355,645</b>	<b>350,860</b>	<b>4,785</b>
School Sponsored Athletics					
Salaries	502,446	22,247	524,693	522,199	2,494
Purchased Services	190,154	(14,719)	175,435	168,512	6,923
Travel	-	500	500	135	365
Supplies and Materials	46,040	8,382	54,422	53,669	753
Other Objects	33,485	7,010	40,495	40,228	267
<b>Total School Sponsored Athletics</b>	<b>772,125</b>	<b>23,420</b>	<b>795,545</b>	<b>784,743</b>	<b>10,802</b>
Other Instructional Programs - Instruction					
Purchased Services	12,800	(54)	12,746	4,841	7,905
Supplies and Materials	4,750	(635)	4,115	2,189	1,926
Other Objects	-	89	89	-	89
<b>Total Other Instructional Programs</b>	<b>17,550</b>	<b>(600)</b>	<b>16,950</b>	<b>7,030</b>	<b>9,920</b>
Before/After School Programs					
Supplies and Materials	-	802	802	802	-
<b>Total Before/After School Programs</b>	<b>-</b>	<b>802</b>	<b>802</b>	<b>802</b>	<b>-</b>
<b>Total Instruction</b>	<b>29,132,382</b>	<b>129,367</b>	<b>29,261,749</b>	<b>28,428,207</b>	<b>833,542</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	1,268,009	(223,370)	1,044,639	853,212	191,427
Tuition to County Voc. School District-Regular	314,280	-	314,280	296,820	17,460
Tuition to CSSD and Regional Day Schools	332,960	104,727	437,687	437,075	612
Tuition to Priv. Sch. for the Disabled - w/i state	1,242,223	363,863	1,606,086	1,274,306	331,780
Tuition to Priv. Sch. Disabled & Other LEAs					
SpI, O/S State	421,496	215,325	636,821	612,139	24,682
Tuition - Other	203,438	39,456	242,894	242,594	300
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,782,406</b>	<b>500,001</b>	<b>4,282,407</b>	<b>3,716,146</b>	<b>566,261</b>
Attendance and Social Work					
Salaries	124,246	(12,299)	111,947	108,572	3,375
<b>Total Attendance and Social Work</b>	<b>124,246</b>	<b>(12,299)</b>	<b>111,947</b>	<b>108,572</b>	<b>3,375</b>
Health Services					
Salaries	512,070	12,299	524,369	520,490	3,879
Purchased Professional and Technical Services	10,500	(2,868)	7,632	191	7,441
Other Purchased Services	6,525	140	6,665	1,668	4,997
Supplies and Materials	16,115	3,259	19,374	14,445	4,929
<b>Total Health Services</b>	<b>545,210</b>	<b>12,830</b>	<b>558,040</b>	<b>536,794</b>	<b>21,246</b>
Speech, OT, PT & Related Services					
Salaries	541,288	34,456	575,744	575,417	327
Purchased Professional-Educational Services	580,355	213,144	793,499	566,124	227,375
Supplies and Materials	50	244	294	294	-
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>1,121,693</b>	<b>247,844</b>	<b>1,369,537</b>	<b>1,141,835</b>	<b>227,702</b>

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	\$ 602,350	\$ (468,115)	\$ 134,235	\$ 134,235	-
Other Salaries for Instruction		508,878	508,878	456,458	\$ 52,420
Purchased Professional/Educational Services	1,071,850	229,817	1,301,667	1,195,910	105,757
Supplies and Materials	2,500	3,911	6,411	2,555	3,856
Other Objects	-	1,600	1,600	1,530	70
<b>Total Other Supp.Serv. Student - Extra Services</b>	<b>1,676,700</b>	<b>276,091</b>	<b>1,952,791</b>	<b>1,790,688</b>	<b>162,103</b>
Guidance					
Salaries of Other Professional Staff	1,117,396	-	1,117,396	1,047,203	70,193
Salaries of Secretarial & Clerical Assistants	186,681	-	186,681	177,746	8,935
Unused Vacation Payment to Terminated/Retired Staff	5,612	63	5,675	5,675	
Purchased Professional/Educational Services	-	720	720	150	570
Other Purchased Professional and Technical Svc	57,031	-	57,031	57,031	-
Other Purchased Services	6,000	165	6,165	5,480	685
Travel		1,280	1,280		1,280
Supplies and Materials	11,980	(2,162)	9,818	7,075	2,743
Other Objects	-	30	30	30	-
<b>Total Guidance</b>	<b>1,384,700</b>	<b>96</b>	<b>1,384,796</b>	<b>1,300,390</b>	<b>84,406</b>
Child Study Teams					
Salaries of Other Professional Staff	1,158,845	-	1,158,845	1,154,512	4,333
Salaries of Secretarial & Clerical Assistants	186,231	-	186,231	185,996	235
Purchased Professional- Educational Services	68,250	-	68,250	57,313	10,937
Other Purchased Services	200	-	200	200	-
Supplies and Materials	59,850	(1,655)	58,195	57,068	1,127
Other Objects	2,500	-	2,500	2,288	212
<b>Total Child Study Teams</b>	<b>1,475,876</b>	<b>(1,655)</b>	<b>1,474,221</b>	<b>1,457,177</b>	<b>17,044</b>
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	576,095	(10,004)	566,091	566,091	
Salaries of Secretarial & Clerical Assistants	35,085	2,240	37,325	37,325	-
Other Salaries	40,000	(40,000)			-
Salaries of Facilitators, Math & Literacy Coaches	146,822	58,596	205,418	205,418	
Purchased Professional-Educational Services		842	842		842
Supplies and Materials	33,000	(9,632)	23,368	2,197	21,171
Miscellaneous Expenditures	2,000	458	2,458	2,363	95
<b>Total Other Support Services - Improvement of Inst. Svcs.</b>	<b>833,002</b>	<b>2,500</b>	<b>835,502</b>	<b>813,394</b>	<b>22,108</b>
Educational Media/School Library					
Salaries	733,883	367	734,250	724,794	9,456
Unused Vacation Payment to Terminated/Retired Staff	4,305	2,261	6,566	6,566	
Other Purchased Services	2,000	(1,720)	280	280	-
Supplies and Materials	119,950	(20,772)	99,178	88,425	10,753
<b>Total Educational Media/School Library</b>	<b>860,138</b>	<b>(19,864)</b>	<b>840,274</b>	<b>820,065</b>	<b>20,209</b>
Instructional Staff Training Services					
Other Salaries	130,000	-	130,000	67,730	62,270
Purchased Professional/Educational Services	117,020	11,294	128,314	45,773	82,541
Other Purchased Services	41,280	(7,583)	33,697	23,915	9,782
Supplies and Materials	2,000	-	2,000	-	2,000
<b>Total Instructional Staff Training Services</b>	<b>290,300</b>	<b>3,711</b>	<b>294,011</b>	<b>137,418</b>	<b>156,593</b>

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 356,290	\$ (1,700)	\$ 354,590	\$ 351,281	\$ 3,309
Unused Vacation Payment to Terminated/Retired Staff		19,330	19,330	5,700	13,630
Legal Services	135,000	1,000	136,000	103,297	32,703
Audit Fees	47,000	-	47,000	44,251	2,749
Other Purchased Professional Service	2,500	750	3,250	3,045	205
Architectural/Engineering Services	4,000	37,250	41,250	2,051	39,199
Communications/Telephone	113,000	30,000	143,000	118,552	24,448
Miscellaneous Purchased Services	116,650	18,263	134,913	107,371	27,542
Travel		4,200	4,200	1,692	2,508
BOE Other Purchased Services	8,400	-	8,400	1,567	6,833
General Supplies	7,000	(430)	6,570	3,219	3,351
Miscellaneous Expenditures	14,000	(1,620)	12,380	10,412	1,968
BOE Membership Dues and Fees	26,000	1,286	27,286	27,286	-
<b>Total Support Services General Administration</b>	<b>829,840</b>	<b>108,329</b>	<b>938,169</b>	<b>779,724</b>	<b>158,445</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	1,343,578	39,150	1,382,728	1,196,857	185,871
Salaries of Other Professional Staff	1,425,235	3,610	1,428,845	1,409,941	18,904
Salaries of Secretarial and Clerical Assistants	788,743	2,241	790,984	775,731	15,253
Unused Vacation Payment to Terminated/Retired Staff		40,585	40,585	40,585	-
Supplies and Materials	4,226	-	4,226	1,929	2,297
Other Objects	17,500	-	17,500	12,057	5,443
<b>Total Support Services School Administration</b>	<b>3,579,282</b>	<b>85,586</b>	<b>3,664,868</b>	<b>3,437,100</b>	<b>227,768</b>
Central Services					
Salaries	730,166	1,000	731,166	728,884	2,282
Unused Vacation Payment to Terminated/Retired Staff		20,000	20,000		20,000
Purchased Professional Services	5,500	(1,500)	4,000		4,000
Purchased Technical Services	46,700	15,000	61,700	44,003	17,697
Travel		7,250	7,250	2,987	4,263
Misc. Purchased Services	12,050	(7,250)	4,800	4,176	624
Supplies and Materials	7,800	806	8,606	8,495	111
Miscellaneous Expenditures	13,600	(306)	13,294	2,953	10,341
<b>Total Central Services</b>	<b>815,816</b>	<b>35,000</b>	<b>850,816</b>	<b>791,498</b>	<b>59,318</b>
Admin. Info. Technology					
Salaries	586,810	39,611	626,421	591,571	34,850
Unused Vacation Payment to Terminated/Retired Staff		10,847	10,847	10,847	
Purchased Technical Services	57,700	(4,560)	53,140	2,400	50,740
Other Purchased Services	2,000	-	2,000	1,450	550
Supplies and Materials	1,800	-	1,800	1,622	178
Other Objects	500	1,150	1,650	1,650	-
<b>Total Admin. Info. Technology</b>	<b>648,810</b>	<b>47,048</b>	<b>695,858</b>	<b>609,540</b>	<b>86,318</b>
Required Maintenance for School Facilities					
Salaries	461,725	1,211	462,936	440,323	22,613
Cleaning, Repair and Maintenance	245,100	18,811	263,911	247,096	16,815
General Supplies	110,390	6,580	116,970	109,920	7,050
Other Objects	1,360	340	1,700	1,700	-
<b>Total Required Maintenance for School Facilities</b>	<b>818,575</b>	<b>26,942</b>	<b>845,517</b>	<b>799,039</b>	<b>46,478</b>

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 1,614,857	\$ 11,166	\$ 1,626,023	\$ 1,615,949	\$ 10,074
Salaries of Non-Instructional Aides	195,282	13,688	208,970	208,940	30
Unused Vacation Payment to Terminated/Retired Staff	9,104	-	9,104	5,788	3,316
Purchased Professional and Technical Services	2,000	(166)	1,834	-	1,834
Cleaning, Repair and Maintenance	23,500	(11,853)	11,647	9,484	2,163
Other Purchased Property Services	318,600	-	318,600	302,683	15,917
Insurance	301,410	(16,945)	284,465	280,823	3,642
Miscellaneous Purchased Services	500	166	666	666	-
General Supplies	112,500	4,605	117,105	106,867	10,238
Energy (Natural Gas)	606,000	(2,304)	603,696	198,209	405,487
Energy (Electricity)	620,000	-	620,000	501,096	118,904
<b>Total Custodial Services</b>	<b>3,803,753</b>	<b>(1,643)</b>	<b>3,802,110</b>	<b>3,230,505</b>	<b>571,605</b>
Care & Upkeep of Grounds					
Salaries	275,872	(23,999)	251,873	248,661	3,212
Purchased Professional and Technical Services	500	-	500	-	500
Cleaning, Repair and Maintenance	41,000	(10,729)	30,271	29,283	988
General Supplies	45,000	(979)	44,021	43,869	152
Other Objects	-	-	-	-	-
<b>Total Care &amp; Upkeep of Grounds</b>	<b>362,372</b>	<b>(35,707)</b>	<b>326,665</b>	<b>321,813</b>	<b>4,852</b>
Security					
Purchased Professional and Technical Services	120	-	120	31	89
Cleaning, Repair and Maintenance	11,449	(5,600)	5,849	520	5,329
General Supplies	8,000	2,800	10,800	4,486	6,314
<b>Total Security</b>	<b>19,569</b>	<b>(2,800)</b>	<b>16,769</b>	<b>5,037</b>	<b>11,732</b>
Student Transportation Services					
Sal. For Pupil Trans (Other than Bet. Home & School)	14,000	8,201	22,201	10,101	12,100
Sal. For Pupil Trans (Bet. Home & School)	7,028	48	7,076	7,076	-
Cleaning, Repair and Maintenance Services	3,000	(48)	2,952	1,185	1,767
Contracted Services (Between Home and School) - Vendors	100,000	(920)	99,080	83,198	15,882
Contracted Services (Other Than Between Home and School) - Vendors	126,544	(147)	126,397	126,397	-
Contracted Services (Special Ed. Students) - Joint Agreements	952,000	(7,905)	944,095	922,958	21,137
Contracted Services-Aid In Lieu of Payments- Non-Public Schools	99,080	16,538	115,618	105,358	10,260
Transportation Supplies	5,000	-	5,000	1,332	3,668
<b>Total Student Transportation Services</b>	<b>1,306,652</b>	<b>15,767</b>	<b>1,322,419</b>	<b>1,257,605</b>	<b>64,814</b>
Unallocated Benefits- Employee Benefits					
Social Security Contributions	769,000	62,471	831,471	831,471	-
Other Retirement Contributions - PERS	810,000	(72,350)	737,650	737,650	-
Other Retirement Contributions - Regular	50,000	14,095	64,095	59,609	4,486
Workmen's Compensation	337,720	(33,000)	304,720	274,282	30,438
Health Benefits	8,297,102	(484,701)	7,812,401	7,602,764	209,637
Tuition Reimbursement	41,000	-	41,000	-	41,000
Unused Sick Payment to Terminated/Retired Staff	383,525	(802)	382,723	161,201	221,522
Other Employee Benefits	236,529	(76,728)	159,801	149,927	9,874
<b>Total Unallocated Benefits</b>	<b>10,924,876</b>	<b>(591,015)</b>	<b>10,333,861</b>	<b>9,816,904</b>	<b>516,957</b>

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
TPAF Pension Contribution - Normal Costs and Accrued Liability (Non-Budget)				\$ 2,134,498	\$ (2,134,498)
TPAF Pension Contribution - NCGI (Non-Budgeted)				106,327	(106,327)
TPAF Pension Contribution - Post Retirement (Non-Budgeted)				2,668,204	(2,668,204)
TPAF Social Security Reimbursements (Non-Budgeted)	-	-	-	2,061,942	(2,061,942)
<b>Total On-Behalf TPAF Contributions and Reimbursements</b>	-	-	-	6,970,971	(6,970,971)
<b>Total Undistributed Expenditures</b>	\$ 35,203,816	\$ 696,762	\$ 35,900,578	39,842,215	(3,941,637)
Interest Earned on Maintenance Reserve	200	-	200	-	200
<b>Total Current Expenditures</b>	64,336,398	826,129	65,162,527	68,270,422	(3,107,895)
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Instruction</b>					
Grades 1-5		43,271	43,271	43,013	258
Grades 6-8		19,518	19,518	19,518	-
Grades 9-12		87,058	87,058	84,988	2,070
Undistributed Expenditures		-			-
Extraordinary Services		5,007	5,007	5,007	-
Educational Media/Library Services		18,943	18,943	18,943	-
Admin Info Technology		96,948	96,948	92,477	4,471
Operations and Maintenance		19,864	19,864	13,574	6,290
Custodial Services		7,248	7,248	7,248	-
Care and Upkeep of Grounds		-	-	-	-
<b>Total Equipment</b>	-	297,857	297,857	284,768	13,089
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	-	40,717	40,717	40,717	-
Interest Deposit on Capital Reserve	2,500	-	2,500	-	2,500
Assessment for Debt Service on SDA Funding	40,082	-	40,082	40,082	-
<b>Total Facilities Acquisition and Construction Services</b>	42,582	40,717	83,299	80,799	2,500
<b>Total Capital Outlay</b>	42,582	338,574	381,156	365,567	15,589
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers	112,000	(2,110)	109,890	95,801	14,089
Purchased Professional and Technical Services	1,000	-	1,000	-	1,000
Other Purchased Services	1,000	-	1,000	-	1,000
General Supplies	8,000	(1,220)	6,780	6,477	303
Other Objects	3,000	3,330	6,330	6,330	-
<b>Total Summer School</b>	125,000	-	125,000	108,608	16,392
<b>Total Special Schools</b>	125,000	-	125,000	108,608	16,392
<b>Total General Fund Expenditures</b>	64,503,980	1,164,703	65,668,683	68,744,597	(3,075,914)
<b>Excess (Deficiency) of Revenues</b>					
Over/(Under) Expenditures	(2,426,476)	(1,164,703)	(3,591,179)	1,623,711	5,214,890
<b>Other Financing Sources (Uses)</b>					
Transfers Out - Capital Outlay Transfer to Capital Projects	(323,524)	-	(323,524)	(323,524)	-
Transfers Out - Capital Reserve Transfer to Capital Projects	(1,798,868)	(475,000)	(2,273,868)	(2,193,247)	80,621
<b>Total Other Financing Sources</b>	(2,122,392)	(475,000)	(2,597,392)	(2,516,771)	80,621

TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (4,548,868)	\$ (1,639,703)	\$ (6,188,571)	\$ (893,060)	\$ 5,295,511
Fund Balance, Beginning of Year	<u>9,082,540</u>	-	<u>9,082,540</u>	<u>9,082,540</u>	-
Fund Balance, End of Year	<u>\$ 4,533,672</u>	<u>\$ (1,639,703)</u>	<u>\$ 2,893,969</u>	<u>\$ 8,189,480</u>	<u>\$ 5,295,511</u>
<b>Recapitulation of Fund Balance</b>					
Restricted Fund Balance					
Capital Reserve				\$ 1,024,121	
Maintenance Reserve				350,200	
Excess Surplus				1,228,164	
Excess Surplus Designated for Subsequent Year's Expenditures Designated for Subsequent Year's Expenditures				946,767	
Capital Reserve				405,855	
Maintenance Reserve				300,150	
Assigned Fund Balance					
Year End Encumbrances				107,780	
Designated for Subsequent Year's Expenditures				1,449,034	
Unassigned Fund Balance				<u>2,377,409</u>	
Fund Balance - Budgetary Basis				8,189,480	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2015/16 Extraordinary Aid Not Recognized on a GAAP Basis				(1,071,071)	
2015/16 State Aid Payments Not Recognized on a GAAP Basis				<u>(97,752)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,020,657</u>	

**TENAFLY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**EXHIBIT C-2**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
State Sources	\$ 869,739	\$ (524,602)	\$ 345,137	\$ 322,315	\$ (22,822)
Federal Sources	215,362	937,037	1,152,399	1,027,981	(124,418)
Local Sources	<u>120,000</u>	<u>(11,555)</u>	<u>108,445</u>	<u>43,017</u>	<u>(65,428)</u>
Total Revenues	<u>1,205,101</u>	<u>400,880</u>	<u>1,605,981</u>	<u>1,393,313</u>	<u>(212,668)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers		111,019	111,019	101,167	9,852
Other Purchased Services		5,825	5,825	5,825	-
Purchased Prof. and Tech. Svcs.	684,877	68,059	752,936	751,111	1,825
Supplies and Materials	203,553	(61,543)	142,010	55,066	86,944
Textbooks	<u>27,216</u>	<u>40,928</u>	<u>68,144</u>	<u>66,243</u>	<u>1,901</u>
Total Instruction	<u>915,646</u>	<u>164,288</u>	<u>1,079,934</u>	<u>979,412</u>	<u>100,522</u>
Support Services					
Salaries of Other Professional Staff		8,520	8,520	8,520	-
Personnel Services - Employee Benefits		31,594	31,594	24,034	7,560
Purchased Professional and Tech. Svc.	1,530	85,438	86,968	71,815	15,153
Purchased Prof./Educ. Svcs.	230,043	107,436	337,479	295,584	41,895
Purchased Technical Services		2,975	2,975		2,975
Cleaning, Repairs & Maintenance Services	2,500	-	2,500		2,500
Other Purchased Services		10,000	10,000	6,250	3,750
Supplies and Materials	<u>3,905</u>	<u>35,802</u>	<u>39,707</u>	<u>7,698</u>	<u>32,009</u>
Total Support Services	<u>237,978</u>	<u>281,765</u>	<u>519,743</u>	<u>413,901</u>	<u>105,842</u>
Facilities Acquisition and Construction					
Buildings	49,209	(49,209)			
Instructional Equipment	<u>2,268</u>	<u>4,036</u>	<u>6,304</u>	<u>-</u>	<u>6,304</u>
Total Facilities Acquisition and Construction	<u>51,477</u>	<u>(45,173)</u>	<u>6,304</u>	<u>-</u>	<u>6,304</u>
Total Expenditures	<u>1,205,101</u>	<u>400,880</u>	<u>1,605,981</u>	<u>1,393,313</u>	<u>212,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**TENAFLY BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

		<b>General Fund</b>		<b>Special Revenue Fund</b>
		<u>Fund</u>		<u>Fund</u>
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$	70,368,308	(C-2) \$	1,393,313
Difference - Budget to GAAP				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				
Encumbrances, June 30, 2016				(1,619)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2014/2015)		105,857		
Extraordinary aid payment not recognized for budgetary purposes recognized for GAAP statements. (2014/2015)		1,077,616		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2015/2016)		(97,752)		
Extraordinary aid payment recognized for budgetary purposes not recognized for GAAP statements. (2015/2016)		<u>(1,071,071)</u>		<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$	<u>70,382,958</u>		<u>\$ 1,391,694</u>
<b>Uses/Outflows of Resources</b>				
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$	68,744,597	(C-2) \$	1,393,313
Difference - Budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2016		<u>-</u>		<u>(1,619)</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$	<u>68,744,597</u>	(B-2) \$	<u>1,391,694</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Public Employees Retirement System**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.08580	0.08392	0.08443
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,260,384	\$ 15,713,292	\$ 16,137,574
District's Covered-Employee Payroll	\$ 5,797,000	\$ 5,739,226	\$ 5,752,976
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	332%	274%	281%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

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

**Public Employees Retirement System**

**Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 737,650	\$ 691,876	\$ 651,311
Contributions in Relation to the Contractually Required Contribution	<u>737,650</u>	<u>691,876</u>	<u>651,311</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 5,797,000	\$ 5,739,226	\$ 5,752,976
Contributions as a Percentage of Covered-Employee Payroll	13%	12%	11%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

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

**Teachers Pension and Annuity Fund**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 176,706,054</u>	<u>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
Total	<u>\$ 176,706,054</u>	<u>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
District's Covered-Employee Payroll	\$ 28,386,187	\$ 28,042,968	\$ 27,157,331
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**TENAFLY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Change of Benefit Terms:** None.

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

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**



**TENAFLY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES	IDEA Pre- School	IDEA Part B- Basic	Title II	Title III	Title I	Other Local Projects	Subtotal Page 2	Total
Intergovernmental								
State							\$ 322,315	\$ 322,315
Federal	\$ 41,779	\$ 746,406	\$ 25,506	\$ 71,458	\$ 142,832		-	1,027,981
Local	-	-	-	-	-	43,017	-	43,017
Total Revenues	<u>\$ 41,779</u>	<u>\$ 746,406</u>	<u>\$ 25,506</u>	<u>\$ 71,458</u>	<u>\$ 142,832</u>	<u>\$ 43,017</u>	<u>\$ 322,315</u>	<u>\$ 1,393,313</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries of Teachers					\$ 101,167		-	\$ 101,167
Purchased Prof. & Tech. Svcs.	\$ 35,929	\$ 693,227		\$ 20,780	1,175		-	751,111
Other Purchased Services							5,825	5,825
Supplies and Materials	4,905	690		6,449		\$ 30,492	12,530	55,066
Textbooks	-	-	-	21,939	16,350	-	27,954	66,243
Total Instruction	<u>40,834</u>	<u>693,917</u>	<u>-</u>	<u>49,168</u>	<u>118,692</u>	<u>30,492</u>	<u>46,309</u>	<u>979,412</u>
Support Services								
Salaries of Other Professional Staff				8,520			-	8,520
Personnel Services - Employee Benefits					24,034		-	24,034
Purchased Prof. & Tech. Svcs.	945	52,489	\$ 1,530	13,770	106		2,975	71,815
Purchased Prof. & Educ. Svcs.			21,299			1,775	272,510	295,584
Other Purchased Services						6,250	-	6,250
Supplies and Materials	-	-	2,677	-	-	4,500	521	7,698
Total Support Services	<u>945</u>	<u>52,489</u>	<u>25,506</u>	<u>22,290</u>	<u>24,140</u>	<u>12,525</u>	<u>276,006</u>	<u>413,901</u>
Facilities Acquisition and Construction								
Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 41,779</u>	<u>\$ 746,406</u>	<u>\$ 25,506</u>	<u>\$ 71,458</u>	<u>\$ 142,832</u>	<u>\$ 43,017</u>	<u>\$ 322,315</u>	<u>\$ 1,393,313</u>

TENAFLY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Non Public Aid									Subtotal Page 2
	Comp. Education	English Second Lang.	Exam. and Class.	Corrective Speech	Supp. Instruction	Security	Textbooks	Nursing	Technology	
<b>REVENUES</b>										
Intergovernmental										
State	\$ 103,216	\$ 4,314	\$ 46,692	\$ 47,489	\$ 25,841	\$ 9,321	\$ 27,954	\$ 44,958	\$ 12,530	\$ 322,315
Federal										-
Local	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 103,216</u>	<u>\$ 4,314</u>	<u>\$ 46,692</u>	<u>\$ 47,489</u>	<u>\$ 25,841</u>	<u>\$ 9,321</u>	<u>\$ 27,954</u>	<u>\$ 44,958</u>	<u>\$ 12,530</u>	<u>\$ 322,315</u>
<b>EXPENDITURES</b>										
Instruction										
Other Purchased Services						\$ 5,825				\$ 5,825
Supplies and Materials									\$ 12,530	12,530
Textbooks	-	-	-	-	-	-	\$ 27,954	-	-	27,954
Total Instruction	-	-	-	-	-	5,825	27,954	-	12,530	46,309
Support Services										
Salaries of Other Professional Staff										-
Personnel Services - Employee Benefits										-
Employee Benefits										-
Purchased Prof. & Tech. Svcs.						2,975				2,975
Purchased Prof. & Educ. Svcs.	\$ 103,216	\$ 4,314	\$ 46,692	\$ 47,489	\$ 25,841			\$ 44,958		272,510
Other Purchased Services										-
Supplies and Materials	-	-	-	-	-	521	-	-	-	521
Total Support Services	<u>103,216</u>	<u>4,314</u>	<u>46,692</u>	<u>47,489</u>	<u>25,841</u>	<u>3,496</u>	<u>-</u>	<u>44,958</u>	<u>-</u>	<u>276,006</u>
Facilities Acquisition and Construction										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>\$ 103,216</u>	<u>\$ 4,314</u>	<u>\$ 46,692</u>	<u>\$ 47,489</u>	<u>\$ 25,841</u>	<u>\$ 9,321</u>	<u>\$ 27,954</u>	<u>\$ 44,958</u>	<u>\$ 12,530</u>	<u>\$ 322,315</u>

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**TENAFLY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Project Description</u>	<u>Expenditures to Date</u>			<u>Cancelled</u>	<u>Balance June 30, 2016</u>
	<u>Appropriation</u>	<u>Prior Years</u>	<u>Current Year</u>		
Construct additions and alterations to the High School to provide additional educational space and core facilities, reconfigure/upgrade the facility and undertake site improvements; Construct additions and alterations to the Middle School to provide additional educational space and a new gym, reconfigure/upgrade the facility and undertake site improvements	\$ 33,400,000	\$ 33,396,568			\$ 3,432
Geissinger Field Project	1,386,000	1,353,116			32,884
Roof Replacement- Smith Elementary School	961,105	109,505	\$ 682,109	\$ 134,368	35,123
Boiler Replacement- Stillman Elementary School	109,562	90,732			18,830
Lease Purchase-Hardware	3,091,500	1,389,500	1,702,000	-	-
Roof Replacement- Tenafly Middle School	2,548,320		167,488		2,380,832
Phone System- District-Wide	960,600		29,910		930,690
Parking Lot- Tenafly Middle School	45,500		24,517		20,983
Cooling Tower	412,500		27,496		385,004
Gym Door Replacement-Elementary Schools	<u>17,000</u>	<u>-</u>	<u>10,100</u>	<u>-</u>	<u>6,900</u>
	<u>\$ 38,948,167</u>	<u>\$ 36,339,421</u>	<u>\$ 2,643,620</u>	<u>\$ 134,368</u>	<u>\$ 3,814,678</u>
		SDA Grant		\$ 53,747	
		Capital Reserve		<u>80,621</u>	
				<u>\$ 134,368</u>	
Project Balances, June 30, 2016					\$ 3,814,678
Add: Reserve for Debt Service					945
Less: Unrealized SDA Grants					<u>(1,308,274)</u>
Fund Balance, June 30, 2016 - GAAP Basis					<u>\$ 2,507,349</u>

**Recapitulation of Fund Balance:**

Restricted for Capital Projects:	
Designated for Capital Projects	\$ (308,409)
Year End Encumbrances	<u>2,814,813</u>
Total Restricted for Capital Projects	2,506,404
Restricted for Debt Service:	
Available for Future Debt Service Expenditures	<u>945</u>
Total Fund Balance - GAAP Basis	<u>\$ 2,507,349</u>

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Revenues and Other Financing Sources**

State-SDA Grant	\$ 1,332,781
Transfer from General Fund - Capital Reserve	2,273,868
Transfer from General Fund - Capital Outlay	<u>323,524</u>
Total Revenues and Other Financing sources	<u>3,930,173</u>

**Expenditures and Other Financing Uses**

Architectural / Engineering Services	261,672
Construction Services	672,500
Supplies and Materials (Computers)	1,702,000
Purchased Professional Services	7,448
Transfer to General Fund - Return Unexpended Capital Reserve	<u>80,621</u>
Total Expenditures and Other Financing Uses	<u>2,724,241</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,205,932
Fund Balance, Beginning of Year	<u>2,609,691</u>
Fund Balance, End of Year	<u>\$ 3,815,623</u>

**Reconciliation to GAAP Basis:**

Fund Balance (Budgetary Basis)	\$ 3,815,623
Less:	
Unrealized Revenue (SDA Grants)	<u>(1,308,274)</u>
Fund Balance (GAAP Basis)	<u>\$ 2,507,349</u>

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ADDITIONS AND ALTERATIONS TO TENAFLY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Bond Proceeds and Transfers	\$ 17,334,492	-	\$ 17,334,492	\$ 17,334,492
Total Revenues	<u>17,334,492</u>	<u>-</u>	<u>17,334,492</u>	<u>17,334,492</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Salaries	127,577		127,577	127,577
Purchased Professional and Technical Services	1,574,106		1,574,106	1,574,106
Construction Services	14,283,904		14,283,904	14,283,904
Supplies and Materials	713,504		713,504	713,504
Other	583,462		583,462	583,462
Transfer to Reserve for Debt Service	<u>48,507</u>	<u>-</u>	<u>48,507</u>	<u>48,507</u>
Total Expenditures and Other Financing Sources	<u>17,331,060</u>	<u>-</u>	<u>17,331,060</u>	<u>17,331,060</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 3,432</u>	<u>\$ -</u>	<u>\$ 3,432</u>	<u>\$ 3,432</u>

## Additional Project Information:

Project Number	SP# 5160-050-05-1000
Bond Authorization Date	12/15/2005
Bonds Authorized	\$ 14,504,300
Bonds Issued	14,504,300
Original Authorized Cost	14,504,300
Additional Authorized Cost	2,830,192
Revised Authorized Cost	17,334,492

## Percentage Increase over Original Authorized

Cost	20%
Percentage Completion	100%
Original Target Completion Date	May-08
Revised Target Completion Date	2011/12

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
GEISSINGER FIELD LIGHTING AND TURF PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Local Sources- Borough Contribution	\$ 692,723		\$ 692,723	\$ 692,723
Transfer from Capital Reserve	290,777		290,777	290,777
Transfer from Capital Outlay	402,500	-	402,500	402,500
	<u>1,386,000</u>	<u>-</u>	<u>1,386,000</u>	<u>1,386,000</u>
<b>Total Revenues</b>				
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	125,103		125,103	125,103
Construction Services	1,228,013	-	1,228,013	1,228,013
	<u>1,353,116</u>	<u>-</u>	<u>1,353,116</u>	<u>1,353,116</u>
<b>Total Expenditures and Other Financing Sources</b>				
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 32,884</u>	<u>\$ -</u>	<u>\$ 32,884</u>	<u>\$ 32,884</u>

## Additional Project Information:

Project Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 569,500
Additional Authorized Cost	816,500
Revised Authorized Cost	1,386,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2015/2016



**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
ROOF REPLACEMENT AT SMITH ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources- SDA	\$ 374,292	\$ (53,747)	\$ 320,545	\$ 320,545
Transfer from General Fund- Capital Outlay	193,736		193,736	193,736
Transfer from General Fund- Capital Reserve	393,077	(80,621)	312,456	312,456
	<u>961,105</u>	<u>(134,368)</u>	<u>826,737</u>	<u>826,737</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	43,005	9,609	52,614	73,875
Construction Services	66,500	672,500	739,000	752,862
	<u>109,505</u>	<u>682,109</u>	<u>791,614</u>	<u>826,737</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 851,600</u>	<u>\$ (816,477)</u>	<u>\$ 35,123</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	961,105
Additional Authorized Cost	(134,368)
Revised Authorized Cost	\$ 826,737

## Percentage Increase over Original Authorized

Cost	0%
Percentage Completion	96%
Original Target Completion Date	2015/16
Revised Target Completion Date	2015/2016

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
BOILER REPLACEMENT- STILLMAN ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources- SDA Grant	\$ 34,040		\$ 34,040	\$ 34,040
Transfer from General Fund- Capital Outlay	<u>70,762</u>	-	<u>70,762</u>	<u>70,762</u>
Total Revenues	<u>104,802</u>	-	<u>104,802</u>	<u>104,802</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	18,178		18,178	18,178
Construction Services	<u>67,794</u>	-	<u>67,794</u>	<u>86,624</u>
Total Expenditures and Other Financing Sources	<u>85,972</u>	-	<u>85,972</u>	<u>104,802</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 18,830</u>	<u>\$ -</u>	<u>\$ 18,830</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 51,362
Additional Authorized Cost	53,440
Revised Authorized Cost	104,802
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	82%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2016/2016

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
VMW DIGITAL DESKTOP LEASE PURCHASE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Lease Proceeds	\$ 3,091,500	-	\$ 3,091,500	\$ 3,091,500
Total Revenues	<u>3,091,500</u>	<u>-</u>	<u>3,091,500</u>	<u>3,091,500</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	1,389,500	-	1,389,500	1,389,500
Supplies and Materials (Computers)	<u>-</u>	<u>\$ 1,702,000</u>	<u>1,702,000</u>	<u>1,702,000</u>
Total Expenditures and Other Financing Sources	<u>1,389,500</u>	<u>1,702,000</u>	<u>3,091,500</u>	<u>3,091,500</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 1,702,000</u>	<u>\$ (1,702,000)</u>	<u>\$ -</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Lease Purchase Proceeds	\$ 3,091,500
Original Authorized Cost	\$ 3,091,500
Percentage Completion	100%
Original Target Completion Date	2015/16
Revised Target Completion Date	2015/16

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ROOF REPLACEMENT- TENAFLY MIDDLE SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources- SDA Grants	\$ -	\$ 1,019,328	\$ 1,019,328	\$ 1,019,328
Transfer from General Fund- Capital Reserve	-	1,528,992	1,528,992	1,528,992
<b>Total Revenues</b>	<b>-</b>	<b>2,548,320</b>	<b>2,548,320</b>	<b>2,548,320</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	-	1,751	1,751	45,500
Architectural/Engineering Services	-	165,737	165,737	210,200
Construction Services	-	-	-	2,292,620
<b>Total Expenditures and Other Financing Sources</b>	<b>-</b>	<b>167,488</b>	<b>167,488</b>	<b>2,548,320</b>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 2,380,832	\$ 2,380,832	\$ -

**Additional Project Information:**

Project Number	Original Authorized Cost
Area "A" 5160-095-14-1002-G04	\$ 246,291
Area "B" 5160-095-14-1003-G04	446,477
Area "C" 5160-095-14-1004-G04	326,560
	<u>\$ 1,019,328</u>
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 2,548,320
Revised Authorized Cost	N/A
Percentage Completion	7%
Original Target Completion Date	2016/17
Revised Target Completion Date	

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
PHONE SYSTEM- DISTRICT WIDE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources- SDA Grants	\$ -	\$ 367,200	\$ 367,200	\$ 367,200
Transfer from General Fund- Capital Outlay		323,524	323,524	323,524
Transfer from General Fund- Capital Reserve	-	269,876	269,876	269,876
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	960,600	960,600	960,600
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	-	2,968	2,968	14,000
Architectural/Engineering Services	-	26,942	26,942	85,300
Construction Services	-	-	-	860,384
Supplies	-	-	-	916
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Sources	-	29,910	29,910	960,600
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 930,690	\$ 930,690	\$ -

**Additional Project Information:**

Project Number	<u>Original Authorized Cost</u>
Malcolm Mackay Elementary School	5160-080-14-1011-G04 \$ 29,040
Ralph Maugham Elementary School	5160-090-14-1012-G04 29,040
J. Spencer Smith Elementary School	5160-070-14-1008-G04 29,040
Walter Stillman Elementary School	5160-100-14-1016-G04 29,040
Tenaflly Middle School	5160-095-14-1015-G04 84,720
Tenaflly High School	5160-050-14-2007-G04 166,320
	<hr/>
	\$ 367,200
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 960,600
Revised Authorized Cost	N/A
Percentage Increase over Original Authorized Cost	
Percentage Completion	3%
Original Target Completion Date	2016/17
Revised Target Completion Date	

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
PARKING LOT- TENAFLY MIDDLE SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from General Fund- Capital Reserve	-	\$ 45,500	\$ 45,500	\$ 45,500
Total Revenues	-	45,500	45,500	45,500
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	-	690	690	1,500
Architectural/Engineering Services	-	23,827	23,827	44,000
Construction Services	-	-	-	-
Total Expenditures and Other Financing Sources	-	24,517	24,517	45,500
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 20,983	\$ 20,983	\$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 45,500
Revised Authorized Cost	N/A
Percentage Completion	54%
Original Target Completion Date	2016/17
Revised Target Completion Date	

**TENAFLY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
COOLING TOWER  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from General Fund- Capital Reserve	-	\$ 412,500	\$ 412,500	\$ 412,500
Total Revenues	-	412,500	412,500	412,500
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	-	884	884	4,045
Architectural/Engineering Services	-	26,612	26,612	37,155
Construction Services	-	-	-	371,300
Total Expenditures and Other Financing Sources	-	27,496	27,496	412,500
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 385,004	\$ 385,004	\$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 412,500
Revised Authorized Cost	N/A
Percentage Completion	7%
Original Target Completion Date	2016/17
Revised Target Completion Date	

**TENAFLY BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS**  
**GYM DOOR REPLACEMENT- ELEMENTARY SCHOOLS**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from General Fund- Capital Reserve	-	\$ 17,000	\$ 17,000	\$ 17,000
Total Revenues	-	17,000	17,000	17,000
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	-	1,155	1,155	1,155
Architectural/Engineering Services	-	8,945	8,945	15,845
Construction Services	-	-	-	-
Total Expenditures and Other Financing Sources	-	10,100	10,100	17,000
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 6,900	\$ 6,900	\$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 17,000
Revised Authorized Cost	N/A
Percentage Completion	59%
Original Target Completion Date	2016/17
Revised Target Completion Date	



**ENTERPRISE FUNDS**

**EXHIBIT G-1**

**TENAFLY BOARD OF EDUCATION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**INTERNAL SERVICE FUND**

TENAFLY BOARD OF EDUCATION  
 INTERNAL SERVICE FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016

	<b>Voice IP Shared Service Program</b>
<b>ASSETS</b>	
Current Assets	
Other Receivables	\$ <u>246,690</u>
Total Assets	<u>246,690</u>
<b>LIABILITIES</b>	
Due to Other Funds	<u>38,333</u>
<b>NET POSITION</b>	
Unrestricted	<u>208,357</u>
Total Net Position	<u>\$ 208,357</u>

**TENAFLY BOARD OF EDUCATION  
INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Voice IP Shared Service <u>Program</u></b>
<b>OPERATING REVENUES</b>	
Charges and Fees	\$ <u>246,690</u>
Total Operating Revenues	<u>246,690</u>
 <b>OPERATING EXPENSES</b>	
Professional Services	<u>38,333</u>
Total Operating Expenses	<u>38,333</u>
Operating Income	208,357
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u>\$ 208,357</u>

**TENAFLY BOARD OF EDUCATION  
INTERNAL SERVICE FUND  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Voice IP Shared Service <u>Program</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	
Cash Payments for Salaries and Benefits	
Cash Payments to Suppliers for Goods and Services	\$ (38,333)
Net Cash Used by Operating Activities	<u>(38,333)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash Advanced from General Fund	<u>38,333</u>
Net Cash Provided by Noncapital Financing Activities	<u>38,333</u>
Net Increase in Cash and Cash Equivalents	-
Cash Beginning of Year	<u>-</u>
Cash End of Year	<u>\$ -</u>
<b>Reconciliation of Operating Income to Net Cash Used by Operating Activities</b>	
Operating Income	\$ <u>208,357</u>
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities	
( Increase) in Other Accounts Receivable	<u>(246,690)</u>
Total Adjustments	<u>(246,690)</u>
Net Cash Used by Operating Activities	<u>\$ (38,333)</u>

**FIDUCIARY FUNDS**

**TENAFLY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 193,580	\$ 26,251	\$ 219,831
Total Assets	<u>\$ 193,580</u>	<u>\$ 26,251</u>	<u>\$ 219,831</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 5,737	\$ 5,737
Accrued Salaries and Wages		908	908
Due to Student Groups	\$ 193,580		193,580
Due to Other Funds	-	236	236
Flexible Spending (Sect. 125) Plan	<u>-</u>	<u>19,370</u>	<u>19,370</u>
Total Liabilities	<u>\$ 193,580</u>	<u>\$ 26,251</u>	<u>\$ 219,831</u>



**TENAFLY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Private Purpose Trust Funds		
	<u>TEF Funds</u>	<u>Scholarship Funds</u>	<u>Total</u>
<b>ADDITIONS</b>			
Investment Earnings			
Interest	\$ 34	\$ 522	\$ 556
Donations	58,120	10,950	69,070
	<u>58,154</u>	<u>11,472</u>	<u>69,626</u>
Total Additions			
	<u>58,154</u>	<u>11,472</u>	<u>69,626</u>
<b>DEDUCTIONS</b>			
Scholarship Payments		18,500	18,500
Local Contributions	73,976	-	73,976
	<u>73,976</u>	<u>18,500</u>	<u>92,476</u>
Total Deductions			
	<u>73,976</u>	<u>18,500</u>	<u>92,476</u>
Change in Net Position	(15,822)	(7,028)	(22,850)
Net Position, Beginning of Year	<u>17,065</u>	<u>144,865</u>	<u>161,930</u>
Net Position, End of Year	<u>\$ 1,243</u>	<u>\$ 137,837</u>	<u>\$ 139,080</u>

**TENAFLY BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>School</u>	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
ELEMENTARY SCHOOLS	\$ 41,305	\$ 9,247	\$ 9,651	\$ 40,901
MIDDLE SCHOOL	40,433	249,367	264,374	25,426
HIGH SCHOOL				
Class Accounts	33,972	70,574	88,230	16,316
Student Organization Accounts	135,735	275,091	301,404	109,422
Athletic Account	579	78,203	77,267	1,515
Total	<u>\$ 252,024</u>	<u>\$ 682,482</u>	<u>\$ 740,926</u>	<u>\$ 193,580</u>

**PAYROLL AGENCY FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance, July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2016</u>
Due to Other Funds	\$ 269	\$ 2,249	\$ 2,282	\$ 236
Payroll Deductions and Withholdings	2,641	19,792,010	19,788,914	5,737
Flexible Spending (Sect. 125) Plan	16,213	85,057	81,900	19,370
Accrued Salaries and Wages	411	24,028,978	24,028,481	908
	<u>\$ 19,534</u>	<u>\$ 43,908,294</u>	<u>\$ 43,901,577</u>	<u>\$ 26,251</u>

**LONG-TERM DEBT**

TENAFLY BOARD OF EDUCATION  
 SCHEDULE OF BONDS PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
Refunding School Bonds	4/1/2006	\$ 10,000,000				\$ 7,600,000		\$ 7,600,000	-
School Bonds	12/15/2005	25,889,000				610,000		610,000	-
School Bonds	5/23/2007	7,511,000	4/1/2017	\$ 175,000	4.125 %	350,000		175,000	\$ 175,000
Refunding School Bonds	9/20/2012	21,690,000	7/15/2016	660,000	4.000				
			7/15/2017	100,000	2.000				
			7/15/2017	630,000	4.000				
			7/15/2018	200,000	2.500				
			7/15/2018	595,000	4.000				
			7/15/2019	860,000	4.000				
			7/15/2020	940,000	4.000				
			7/15/2021	1,015,000	5.000				
			7/15/2022	1,095,000	5.000				
			7/15/2023	1,200,000	5.000				
			7/15/2024	1,300,000	5.000				
			7/15/2025	1,395,000	4.500				
			7/15/2026	2,165,000	4.000				
			7/15/2027	2,235,000	4.000				
			7/15/2028	2,290,000	3.000				
			7/15/2029	570,000	3.000				
			7/15/2029	1,805,000	3.750				
			7/15/2030	2,430,000	4.000	21,510,000	-	25,000	21,485,000
Refunding School Bonds	6/11/2015	\$ 5,715,000	4/1/2017	25,000	2.000				
			4/1/2018	210,000	4.000				
			4/1/2019	225,000	4.000				
			4/1/2020	245,000	4.000				
			4/1/2021	250,000	4.000				
			4/1/2022	280,000	4.000				
			4/1/2023	300,000	3.000				
			4/1/2024	310,000	3.000				
			4/1/2025	330,000	3.000				
			4/1/2026	350,000	3.000				
			4/1/2027	560,000	3.000				
			4/1/2028	595,000	3.000				
			4/1/2029	635,000	3.000				
			4/1/2030	650,000	3.000				
			4/1/2031	690,000	3.000	5,715,000	-	60,000	5,655,000

TENAFLY BOARD OF EDUCATION  
 SCHEDULE OF BONDS PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
Refunding School Bonds	1/29/2016	\$ 7,090,000	4/1/2017	\$ 795,000	1.790	%			
			4/1/2018	775,000	1.790				
			4/1/2019	755,000	1.790				
			4/1/2020	735,000	1.790				
			4/1/2021	720,000	1.790				
			4/1/2022	695,000	1.790				
			4/1/2023	675,000	1.790				
			4/1/2024	655,000	1.790				
			4/1/2025	630,000	1.790				
			4/1/2026	610,000	1.790				
						-	\$ 7,090,000	\$ 45,000	\$ 7,045,000
						\$ 35,785,000	\$ 7,090,000	\$ 8,515,000	\$ 34,360,000
								\$ 1,600,000	
								6,915,000	
								\$ 8,515,000	

**TENAFLY BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR JUNE 30, 2016**

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2015</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
Digital Desktop - Licensed Software and Services	\$ 1,389,500	\$ 1,389,500	\$ 277,900	\$ 1,111,600
Digital Desktop - Hardware	<u>1,702,000</u>	<u>1,332,000</u>	<u>272,368</u>	<u>1,059,632</u>
	<u>\$ 3,091,500</u>	<u>\$ 2,721,500</u>	<u>\$ 550,268</u>	<u>\$ 2,171,232</u>
			<u>Paid by Budget Appropriation</u>	<u>\$ 550,268</u>

**TENAFLY BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 2,537,601		\$ 2,537,601	\$ 2,537,601	
Miscellaneous					
Prior Year Cost of Issuance Refund				2,812	\$ 2,812
State Source					
State Aid - Type II	365,000		365,000	365,000	
Total Revenues	<u>2,902,601</u>	<u>-</u>	<u>2,902,601</u>	<u>2,905,413</u>	<u>2,812</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Redemption of Principal	1,495,000	\$ 105,000	1,600,000	1,600,000	-
Interest	1,407,601	(105,000)	1,302,601	1,214,283	88,318
Cost of Issuance on Refunding Bonds	-	-	-	33,000	(33,000)
Total Expenditures	<u>2,902,601</u>	<u>-</u>	<u>2,902,601</u>	<u>2,847,283</u>	<u>55,318</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	58,130	58,130
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bond Proceeds				7,090,000	7,090,000
Payment to Refunding Escrow Agent				(7,057,000)	(7,057,000)
Total Other Financing Sources (Uses)				<u>33,000</u>	<u>33,000</u>
Net Change in Fund Balance	-	-	-	91,130	91,130
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,130</u>	<u>\$ 91,130</u>

**Recapitulation of Fund Balance:**

Restricted for Debt Service:	
Available for Debt Service Expenditures	\$ 91,130
Total Fund Balance -	
Restricted for Debt Service	\$ 91,130

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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



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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011 (Restated)	2012	2013	2014 (Restated)	2015 (Restated)	2016
Governmental Activities										
Investment in Capital Assets	\$ 4,673,313	\$ 3,473,397	\$ 1,957,267	\$ 2,467,267	\$ 3,599,085	\$ 4,505,354	\$ 4,152,656	\$ 7,441,887	\$ 8,346,793	\$ 10,584,155
Restricted	1,765,430	1,579,923	650,952	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492	4,675,373
Unrestricted	(982,083)	(981,052)	(1,368,883)	(820,236)	173,688	2,761,743	3,481,958	(13,505,241)	(16,178,727)	(15,618,732)
Total Governmental Activities Net Position	\$ 5,456,660	\$ 4,072,268	\$ 1,239,336	\$ 2,120,877	\$ 4,279,616	\$ 8,266,214	\$ 9,305,232	\$ (2,239,113)	\$ (2,295,442)	\$ (359,204)
Business-Type Activities										
Investment in Capital Assets	\$ 16,804	\$ 21,702	\$ 18,919	\$ 41,370	\$ 38,992	\$ 37,093	\$ 40,668	\$ 43,996	\$ 42,195	\$ 38,602
Restricted										
Unrestricted	683,777	662,915	606,486	523,671	452,784	467,329	493,608	426,293	421,955	400,476
Total Business-Type Activities Net Position	\$ 700,581	\$ 684,617	\$ 625,405	\$ 565,041	\$ 491,776	\$ 504,422	\$ 534,276	\$ 470,289	\$ 464,150	\$ 439,078
District-Wide										
Investment in Capital Assets	\$ 4,690,117	\$ 3,495,099	\$ 1,976,186	\$ 2,508,637	\$ 3,638,077	\$ 4,542,447	\$ 4,193,324	\$ 7,485,883	\$ 8,388,988	\$ 10,622,757
Restricted	1,765,430	1,579,923	650,952	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492	4,675,373
Unrestricted	(298,306)	(318,137)	(762,397)	(296,565)	626,472	3,229,072	3,975,566	(13,078,948)	(15,756,772)	(15,218,256)
Total District Net Position	\$ 6,157,241	\$ 4,756,885	\$ 1,864,741	\$ 2,685,918	\$ 4,771,392	\$ 8,770,636	\$ 9,839,508	\$ (1,768,824)	\$ (1,831,292)	\$ 79,874

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

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

Note 3 - Net Position at June 30, 2015 is restated to adjust capital asset values, including accumulated depreciation as disclosed in Note 6 of the Notes to the Financial Statements.

Source: District's financial statements

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

	Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 25,708,415	\$ 27,491,886	\$ 28,660,085	\$ 27,985,048	\$ 27,929,141	\$ 28,034,634	\$ 29,612,216	\$ 29,657,538	\$ 35,358,704	\$ 37,467,586
Special Education	6,406,452	7,525,110	7,686,017	8,327,025	8,861,354	8,822,053	8,958,381	9,341,120	10,259,084	11,145,085
Other Instruction	1,638,772	2,429,615	2,419,401	2,127,521	1,997,649	1,942,642	2,135,580	2,083,255	2,382,084	2,666,858
School Sponsored Activities And Athletics	1,098,256	1,234,556	1,353,729	1,241,373	1,209,328	1,232,990	1,263,021	1,305,116	1,605,092	1,800,560
Other Instructional Programs						8,694	7,741	7,091	30,770	37,539
Community Services										
<b>Support Services:</b>										
Student & Instruction Related Services	6,728,297	7,538,838	7,159,455	8,400,229	7,355,685	7,594,498	8,722,193	9,466,929	11,412,708	12,814,119
School Administrative Services	3,695,775	4,012,001	1,379,168	4,789,042	4,377,208	4,631,725	4,969,181	4,408,156	5,101,918	5,228,684
General Administration	1,120,187	1,316,671	3,970,308	656,614	1,206,499	1,082,148	1,190,942	1,366,283	1,006,071	977,527
Plant Operations And Maintenance	5,119,180	5,786,103	5,643,316	5,707,258	5,344,993	5,507,613	7,513,429	6,713,229	6,668,670	6,833,786
Pupil Transportation	1,178,135	1,224,650	1,278,214	1,108,733	1,013,923	1,112,729	1,049,857	995,730	1,204,927	1,282,758
Other Support Services	904,991	1,121,060	1,057,151	1,142,588	1,178,922	1,326,849	1,132,397	1,611,780	1,815,707	1,963,307
<b>Special Schools</b>										
Interest On Long-Term Debt	1,735,440	1,960,434	1,891,099	1,835,994	1,782,896	1,768,513	1,433,612	1,538,470	1,525,790	1,289,116
<b>Total Governmental Activities Expenses</b>	<b>55,333,900</b>	<b>61,640,924</b>	<b>62,497,941</b>	<b>63,321,425</b>	<b>62,257,598</b>	<b>63,065,088</b>	<b>67,988,550</b>	<b>68,494,695</b>	<b>78,371,525</b>	<b>83,506,925</b>
<b>Business-Type Activities:</b>										
Food Service	673,455	675,996	670,517	627,700	683,234	680,768	705,738	722,465	687,143	692,228
Child Care	247,998	254,054	274,826	293,629	306,305	309,747	282,243	396,282	329,221	357,217
<b>Total Business-Type Activities Expense</b>	<b>921,453</b>	<b>930,050</b>	<b>945,343</b>	<b>921,329</b>	<b>989,539</b>	<b>990,515</b>	<b>987,981</b>	<b>1,118,747</b>	<b>1,016,364</b>	<b>1,049,445</b>
<b>Total District Expenses</b>	<b>\$ 56,255,353</b>	<b>\$ 62,570,974</b>	<b>\$ 63,443,284</b>	<b>\$ 64,242,754</b>	<b>\$ 63,247,137</b>	<b>\$ 64,055,603</b>	<b>\$ 68,976,531</b>	<b>\$ 69,613,442</b>	<b>\$ 79,387,889</b>	<b>\$ 84,556,370</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Instruction (Tuition)	\$ 1,057,457	\$ 913,682	\$ 891,423	\$ 790,786	\$ 992,304	\$ 1,043,013	\$ 1,116,602	\$ 1,161,307	\$ 1,202,117	\$ 1,458,902
School Sponsored Activities and Athletics					133,692	123,831	96,356	82,583	-	-
Special Schools										
Community Services										
Operating Grants And Contributions	8,469,149	8,725,875	6,846,041	8,713,095	6,550,845	8,247,559	9,443,278	8,588,388	16,083,705	19,418,155
Capital Grants And Contributions	-	634,111	626,022	485,430	439,758	456,799	380,735	915,675	497,375	584,147
<b>Total Governmental Activities Program Revenues</b>	<b>9,526,606</b>	<b>10,273,668</b>	<b>8,365,486</b>	<b>9,989,311</b>	<b>8,116,599</b>	<b>9,871,202</b>	<b>11,036,971</b>	<b>10,745,953</b>	<b>17,783,197</b>	<b>21,461,204</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services:</b>										
Food Service	596,356	617,699	596,397	568,396	587,234	605,928	594,204	627,312	648,766	669,219
Child Care	238,169	228,360	220,584	225,680	253,355	319,359	341,454	325,690	360,960	354,855
Operating Grants And Contributions	66,660	62,935	67,341	65,618	74,512	77,381	71,871	89,319	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>921,385</b>	<b>908,994</b>	<b>884,322</b>	<b>859,694</b>	<b>915,101</b>	<b>1,002,668</b>	<b>1,007,529</b>	<b>1,042,321</b>	<b>1,009,726</b>	<b>1,024,054</b>
<b>Total District Program Revenues</b>	<b>\$ 10,447,991</b>	<b>\$ 11,182,662</b>	<b>\$ 9,249,808</b>	<b>\$ 10,849,005</b>	<b>\$ 9,031,700</b>	<b>\$ 10,873,870</b>	<b>\$ 12,044,500</b>	<b>\$ 11,788,274</b>	<b>\$ 18,792,923</b>	<b>\$ 22,485,258</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (45,807,294)	\$ (51,367,256)	\$ (54,134,455)	\$ (53,332,114)	\$ (54,140,999)	\$ (53,195,886)	\$ (56,951,579)	\$ (57,748,742)	\$ (60,588,328)	\$ (62,045,721)
Business-Type Activities	(68)	(21,056)	(61,021)	(61,635)	(74,438)	12,153	19,548	(76,426)	(6,638)	(25,391)
<b>Total District-Wide Net Expense</b>	<b>\$ (45,807,362)</b>	<b>\$ (51,388,312)</b>	<b>\$ (54,195,476)</b>	<b>\$ (53,393,749)</b>	<b>\$ (54,215,437)</b>	<b>\$ (53,183,733)</b>	<b>\$ (56,932,031)</b>	<b>\$ (57,825,168)</b>	<b>\$ (60,594,966)</b>	<b>\$ (62,071,112)</b>

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

	Fiscal Year Ended June 30.									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 44,941,361	\$ 48,769,527	\$ 51,886,885	\$ 53,782,022	\$ 56,048,259	\$ 56,805,637	\$ 57,887,796	\$ 58,953,614	\$ 59,990,128	\$ 61,707,367
Unrestricted Grants And Contributions	447,003	513,891	12,186							
Investment Earnings	1,511,504	644,804	68,656	53,640	63,125	39,467	44,604	43,477	32,565	33,236
Miscellaneous Income	380,936	167,984	385,266	377,993	238,630	331,972	309,110	596,176	509,306	638,766
Loss on Disposal of Capital Assets	(75)	(27,600)	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>47,280,729</b>	<b>50,068,606</b>	<b>52,352,993</b>	<b>54,213,655</b>	<b>56,350,014</b>	<b>57,177,076</b>	<b>58,241,510</b>	<b>59,593,267</b>	<b>60,531,999</b>	<b>62,379,369</b>
Business-Type Activities:										
Investment Earnings	7,536	5,092	1,809	1,271	1,173	493	606	657	499	319
<b>Total Business-Type Activities</b>	<b>7,536</b>	<b>5,092</b>	<b>1,809</b>	<b>1,271</b>	<b>1,173</b>	<b>493</b>	<b>606</b>	<b>657</b>	<b>499</b>	<b>319</b>
<b>Total District-Wide</b>	<b>\$ 47,288,265</b>	<b>\$ 50,073,698</b>	<b>\$ 52,354,802</b>	<b>\$ 54,214,926</b>	<b>\$ 56,351,187</b>	<b>\$ 57,177,569</b>	<b>\$ 58,242,116</b>	<b>\$ 59,593,924</b>	<b>\$ 60,532,498</b>	<b>\$ 62,379,688</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,473,435	\$ (1,298,650)	\$ (1,781,462)	\$ 881,541	\$ 2,209,015	\$ 3,983,190	\$ 1,289,931	\$ 1,844,525	\$ (56,329)	\$ 333,648
Business-Type Activities	7,468	(15,964)	(59,212)	(60,364)	(73,265)	12,646	20,154	(75,769)	(6,139)	(25,072)
<b>Total District Wide</b>	<b>\$ 1,480,903</b>	<b>\$ (1,314,614)</b>	<b>\$ (1,840,674)</b>	<b>\$ 821,177</b>	<b>\$ 2,135,750</b>	<b>\$ 3,995,836</b>	<b>\$ 1,310,085</b>	<b>\$ 1,768,756</b>	<b>\$ (62,468)</b>	<b>\$ 308,576</b>

Sources: District's financial statements

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 933,143	\$ 829,818	\$ 1,857,682	\$ 1,782,685						
Unreserved	876,111	1,396,483	191,294	477,859						
Restricted					\$ 2,333,856	\$ 4,775,177	\$ 4,732,304	\$ 5,215,987	\$ 5,183,117	\$ 4,255,257
Committed					38,500	558,440	489,500			
Assigned					1,413,210	322,225	749,275	1,641,275	1,571,610	1,556,814
Unassigned	-	-	-	-	607,687	577,090	1,087,841	1,126,026	1,144,340	1,208,586
<b>Total General Fund</b>	<b><u>\$ 1,809,254</u></b>	<b><u>\$ 2,226,301</u></b>	<b><u>\$ 2,048,976</u></b>	<b><u>\$ 2,260,544</u></b>	<b><u>\$ 4,393,253</u></b>	<b><u>\$ 6,232,932</u></b>	<b><u>\$ 7,058,920</u></b>	<b><u>\$ 7,983,288</u></b>	<b><u>\$ 7,899,067</u></b>	<b><u>\$ 7,020,657</u></b>
All Other Governmental Funds										
Reserved	\$ 15,173,780	\$ 1,337,160	\$ 133,649	\$ 59,044						
Unreserved	5,547,532	2,600,666	532,175	102,326						
Restricted					\$ 17,363	\$ 17,321	\$ 77,473	\$ 537,435	\$ 2,269,051	\$ 2,598,479
Committed										
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b><u>\$ 20,721,312</u></b>	<b><u>\$ 3,937,826</u></b>	<b><u>\$ 665,824</u></b>	<b><u>\$ 161,370</u></b>	<b><u>\$ 17,363</u></b>	<b><u>\$ 17,321</u></b>	<b><u>\$ 77,473</u></b>	<b><u>\$ 537,435</u></b>	<b><u>\$ 2,269,051</u></b>	<b><u>\$ 2,598,479</u></b>

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

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 44,941,361	\$ 48,769,527	\$ 51,886,885	\$ 53,782,022	\$ 56,048,259	\$ 56,805,637	\$ 57,887,796	\$ 58,953,614	\$ 59,990,128	\$ 61,707,367
Tuition Charges	1,057,457	913,682	891,423	790,786	813,030	869,043	936,982	1,011,177	1,030,447	1,050,511
Interest Earnings	1,511,504	644,804	68,656	53,640	63,125	39,467	44,604	43,477	32,565	33,236
Miscellaneous	597,656	170,484	385,266	413,362	606,797	693,940	695,047	1,435,641	962,870	695,865
State Sources	7,692,011	8,723,375	6,537,468	7,756,610	5,789,462	7,633,612	8,880,214	7,981,206	8,941,717	10,530,252
Federal Sources	957,587	1,073,554	880,281	1,387,801	1,107,300	930,373	833,838	836,196	900,736	1,027,981
<b>Total Revenue</b>	<b>56,757,576</b>	<b>60,295,426</b>	<b>60,649,979</b>	<b>64,184,221</b>	<b>64,427,973</b>	<b>66,972,072</b>	<b>69,278,481</b>	<b>70,261,311</b>	<b>71,858,463</b>	<b>75,045,212</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	25,233,946	26,980,634	28,155,908	27,395,217	27,383,273	27,374,992	29,109,156	28,969,431	30,191,190	30,908,379
Special Education Instruction	6,334,917	7,477,117	7,629,306	8,263,320	8,777,305	8,725,095	8,938,253	9,264,156	9,344,858	9,892,994
Other Instruction	1,642,652	2,392,158	2,401,299	2,094,229	1,974,898	1,946,674	2,151,728	2,079,479	2,062,903	2,231,195
School Sponsored Activities and Athletics	1,076,497	1,234,556	1,353,729	1,241,373	1,209,328	1,232,990	1,238,272	1,280,354	1,396,868	1,522,592
Other Instructional Programs						8,694	7,741	7,091	8,780	7,832
Community Services										
<b>Support Services</b>										
Student and Inst. Related Services	6,747,560	7,455,597	7,154,389	8,312,881	7,445,708	7,540,515	8,669,666	9,429,992	11,601,075	12,354,942
General Administration	1,102,188	1,070,754	1,382,860	909,871	1,153,097	1,078,885	1,038,465	1,342,109	981,112	941,810
School Administrative Services	3,724,210	3,903,317	3,994,773	4,792,361	4,294,492	4,877,185	5,084,880	4,399,746	4,794,942	4,749,411
Plant Operations And Maintenance	5,049,810	5,797,431	5,628,015	5,604,865	5,322,895	5,478,121	6,050,483	5,227,826	5,176,949	5,539,325
Pupil Transportation	1,165,552	1,213,789	1,267,053	1,097,270	1,001,139	1,099,061	1,055,544	972,930	1,182,039	1,263,571
Other Support Services	932,586	1,140,257	1,060,363	1,114,440	1,156,870	1,187,742	1,187,742	1,608,650	1,780,810	1,859,646
Capital Outlay	12,674,666	14,607,722	1,212,782	507,177	601,136	404,705	978,814	1,388,169	1,879,879	957,268
<b>Debt Service</b>										
Payments to Refunding Escrow Agent							2,653,896	-	387,734	
Cost of Issuance of Refunding of Bonds							187,386	-	99,457	
Principal	539,475	1,478,909	1,280,729	1,276,631	1,442,597	2,304,055	1,430,000	1,385,000	1,435,000	2,150,268
Interest and Other Charges	1,771,416	1,909,624	1,887,828	1,833,924	1,781,092	1,766,497	1,471,597	1,522,048	1,466,163	1,214,961
<b>Total Expenditures</b>	<b>67,995,475</b>	<b>76,661,865</b>	<b>64,409,034</b>	<b>64,443,559</b>	<b>63,543,830</b>	<b>65,132,435</b>	<b>71,233,623</b>	<b>68,876,981</b>	<b>73,789,759</b>	<b>75,627,194</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(11,237,899)	(16,366,439)	(3,759,055)	(259,338)	884,143	1,839,637	(1,955,142)	1,384,330	(1,931,296)	(581,982)
<b>Other Financing Sources (Uses)</b>										
Proceeds From Borrowing	7,511,054									
Capital Leases / Lease Purchase Proceeds (Non-Budgeted)			309,728		1,104,559				3,091,500	
Proceeds From Refunding							21,690,000		5,715,000	7,090,000
Payments To Escrow Agent							(21,264,000)		(5,366,000)	(7,057,000)
Premium on Refunding Bonds							2,415,282		138,191	
Transfers In	1,169,472	473,152	21,743	42	48,521			124,937	2,451,361	
Transfers Out	(1,169,472)	(473,152)	(21,743)	(42)	(48,521)			(124,937)	(2,451,361)	
<b>Total Other Financing Sources (Uses)</b>	<b>7,511,054</b>	<b>-</b>	<b>309,728</b>	<b>-</b>	<b>1,104,559</b>	<b>-</b>	<b>2,841,282</b>	<b>-</b>	<b>3,578,691</b>	<b>33,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,726,845)</b>	<b>\$ (16,366,439)</b>	<b>\$ (3,449,327)</b>	<b>\$ (259,338)</b>	<b>\$ 1,988,702</b>	<b>\$ 1,839,637</b>	<b>\$ 886,140</b>	<b>\$ 1,384,330</b>	<b>\$ 1,647,395</b>	<b>\$ (548,982)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	4.18%	5.46%	5.01%	4.87%	5.12%	6.29%	4.13%	4.31%	4.03%	4.51%

\* Noncapital expenditures are total expenditures less capital outlay.

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30</b>	<b><u>Tuition</u></b>	<b><u>Summer School Fees</u></b>	<b><u>Interest on Deposits</u></b>	<b><u>Extracurricular Activities Fees</u></b>	<b><u>Solar Panel Project Escrow</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2007	\$ 804,716	\$ 252,741	\$ 342,086			\$ 331,102	\$ 1,730,645
2008	913,682	88,980	171,652			45,456	1,219,770
2009	891,423	117,180	46,913			268,086	1,323,602
2010	790,786	149,275	53,598			228,718	1,222,377
2011	813,030	179,274	63,111	\$ 133,692		237,630	1,426,737
2012	869,043	173,970	39,467	123,831		331,972	1,538,283
2013	936,982	179,620	44,503	96,356		309,110	1,566,571
2014	1,011,177	150,130	43,477	82,583	\$ 152,000	444,176	1,883,543
2015	1,030,447	143,670	32,565	35,500	-	473,806	1,715,988
2016	1,050,511	161,701	33,236	43,437	-	446,517	1,735,402

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 25,324,900	\$ 2,721,651,500	\$ 177,192,100	\$ 8,507,700	\$ 27,835,300	\$ 2,960,511,500	\$ 1,169,775	\$ 2,961,681,275	\$ 4,049,366,990	\$ 1.571
2008	26,820,700	2,764,805,400	177,302,800	8,610,300	27,835,300	3,005,374,500	1,203,270	3,006,577,770	4,203,946,806	1.682
2009	25,301,600	2,796,948,000	177,825,000	8,673,600	27,835,300	3,036,583,500	1,244,311	3,037,827,811	4,348,984,662	1.750
2010	19,819,300	2,846,449,200	175,538,600	8,673,600	27,835,300	3,078,316,000	1,244,394	3,079,560,394	4,152,155,937	1.775
2011 (1)	25,504,400	3,527,700,500	232,556,100	11,905,100	36,741,000	3,834,407,100	1,442,056	3,835,849,159	4,003,014,657	1.471
2012	35,379,100	3,521,404,100	231,623,200	11,905,100	36,741,000	3,837,052,500	1,340,485	3,838,392,985	4,090,505,003	1.495
2013	32,146,300	3,537,322,000	232,377,500	11,905,100	36,741,000	3,850,491,900	1,272,258	3,851,764,158	4,103,014,129	1.517
2014	34,048,000	3,549,449,900	231,976,200	10,462,000	36,741,000	3,862,677,100	920,920	3,863,598,020	4,348,838,200	1.539
2015	41,311,500	3,563,099,200	229,885,000	10,462,000	36,741,000	3,881,498,700	920,647	3,882,419,347	4,253,872,872	1.567
2016	43,105,700	3,588,686,800	241,749,500	10,462,000	36,741,000	3,920,745,000		3,920,745,000	4,435,733,680	1.600

Source: County Abstract of Ratables

a Tax rates are per \$100

(1) The Borough underwent a revaluation of real property effective in 2011

Note- Beginning in calendar year 2016, public utilities are no longer taxed in accordance with NJ state legislation

**TENAFLY BOARD OF EDUCATION  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u> (2)	<u>County</u>	<u>County Open Space</u>
2007	\$ 2.430	\$ 1.571	\$ 0.614	\$ 0.235	\$ 0.010
2008	2.585	1.682	0.644	0.245	0.014
2009	2.680	1.750	0.654	0.261	0.015
2010	2.752	1.775	0.704	0.269	0.004
2011 (1)	2.256	1.471	0.569	0.213	0.003
2012	2.297	1.495	0.569	0.230	0.003
2013	2.332	1.517	0.571	0.241	0.003
2014	2.373	1.539	0.580	0.251	0.003
2015	2.418	1.567	0.588	0.260	0.003
2016	2.473	1.600	0.595	0.275	0.003

(1) The Borough underwent a revaluation of real property effective in 2011

(2) Includes Municipal Open Space Tax and Library Tax

Source: Tax Duplicate, Borough of Tenafly



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

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Marlborough Co-Op Corporation			\$ 18,000,000	0.61%
Clinton Lodging, LLC			9,558,500	0.32%
Knickerbocker Country Club			9,751,000	0.33%
Individual Taxpayer			8,129,700	0.27%
Tenaflly Shopping Center LP			7,445,700	0.25%
Tenaflly Associates, LLC			7,105,400	0.24%
Reduce Rentals, LLC			5,430,500	0.18%
Individual Taxpayer			4,200,000	0.14%
Stonegarth Equities, LLC			4,135,100	0.14%
Individual Taxpayer			3,975,600	0.13%
Marlborough Co-Op Corporation	\$ 22,510,300	0.57%		
A.S.D.D.J LLC	11,830,100	0.30%		
145 Dean Drive LLC	9,747,700	0.25%		
Knickerbocker Country Club	8,227,200	0.21%		
Tenaflly Shopping Center LP	7,209,400	0.18%		
Quirk Properties Tenaflly, LLC	6,696,400	0.17%		
30 Engle Street-Tenaflly Realty	6,524,200	0.17%		
Resident	4,653,100	0.12%		
Resident	4,506,800	0.11%		
TRC Property LLC	4,485,600	0.11%		
	\$ 86,390,800	2.20%	\$ 77,731,500	2.62%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 44,941,361	\$ 44,941,361	100.00%	N/A
2008	48,769,527	48,769,527	100.00%	N/A
2009	51,886,885	51,886,885	100.00%	N/A
2010	53,782,022	53,782,022	100.00%	N/A
2011	56,048,259	56,048,259	100.00%	N/A
2012	56,805,637	56,805,637	100.00%	N/A
2013	57,887,796	57,887,796	100.00%	N/A
2014	58,953,614	58,953,614	100.00%	N/A
2015	59,990,128	59,990,128	100.00%	N/A
2016	61,707,367	61,707,367	100.00%	N/A

N/A = Not Applicable

Source: District records.

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income	Population	Per Capita
	General Obligation Bonds	Capital Lease/Lease Purchase Agreements				
2007	\$ 45,400,000	\$ 142,892	\$ 45,542,892	0.15%	14,097	\$ 3,231
2008	43,985,000	78,983	44,063,983	0.15%	14,158	3,112
2009	42,875,000	303,724	43,178,724	0.15%	14,593	2,959
2010	41,710,000	192,093	41,902,093	0.16%	14,681	2,854
2011	40,510,000	1,054,055	41,564,055	0.16%	14,523	2,862
2012	39,260,000	-	39,260,000	0.17%	14,645	2,681
2013	38,256,000	-	38,256,000	0.18%	14,737	2,596
2014	36,871,000		36,871,000	0.19%	14,802	2,491
2015	35,785,000	2,721,500	38,506,500	0.18%	14,857	2,592
2016	34,360,000	2,171,232	36,531,232	0.20%	14,880 (E)	2,455

Source: District records

(E) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2007	\$ 45,400,000		\$ 45,400,000	1.53 %	\$ 3,174
2008	43,985,000		43,985,000	1.46	3,107
2009	42,875,000		42,875,000	1.41	2,938
2010	41,710,000		41,710,000	1.35	2,841
2011	40,510,000		40,510,000	1.06	2,793
2012	39,260,000		39,260,000	1.02	2,692
2013	38,256,000		38,256,000	0.99	2,614
2014	36,871,000		36,871,000	0.95	2,519
2015	35,785,000		35,785,000	0.92	2,445
2016	34,360,000		34,360,000	0.88	2,348

Source: District records

**TENAFLY BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Unaudited)**

	<u>Net Debt</u>
Tenafly Board of Education (June 30, 2016)	
Municipal Debt: (1)	\$ 34,360,000
Borough of Tenafly	<u>20,747,378</u>
	55,107,378
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) and (3)	
County of Bergen (A)	24,924,327
Bergen County Utilities Authority - Water Pollution (B)	<u>4,598,185</u>
	<u>29,522,512</u>
 Total Direct and Overlapping Debt	 <u>\$ 84,629,890</u>

(A) The debt for this entity was apportioned to the Borough of Tenafly by dividing the Municipality's 2015 equalized value by the total 2015 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Tenafly Annual Debt Statement
- (2) BCUA 2015 audit.
- (3) Bergen County Debt Statement December 31, 2015

**TENAFLY BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 139,657,232	\$ 154,050,238	\$ 165,262,172	\$ 168,673,106	\$ 168,926,498	\$ 166,051,265	\$ 164,148,939	\$ 164,565,255	\$ 166,512,867	\$ 170,655,054
Total Net Debt Applicable to Limit	45,400,000	43,985,000	42,875,000	41,710,000	40,510,000	39,260,000	38,256,000	36,871,000	35,785,000	34,360,000
Legal Debt Margin	<u>\$ 94,257,232</u>	<u>\$ 110,065,238</u>	<u>\$ 122,387,172</u>	<u>\$ 126,963,106</u>	<u>\$ 128,416,498</u>	<u>\$ 126,791,265</u>	<u>\$ 125,892,939</u>	<u>\$ 127,694,255</u>	<u>\$ 130,727,867</u>	<u>\$ 136,295,054</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	32.51%	28.55%	25.94%	24.73%	23.98%	23.64%	23.31%	22.41%	21.49%	20.13%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,  
Department of Treasury, Division of Taxation

Equalized Valuation Basis	
2013	\$ 4,182,135,223
2014	4,225,661,416
2015	4,391,332,391
	<u>\$ 12,799,129,030</u>
Average Equalized Valuation of Taxable Property	<u>\$ 4,266,376,343</u>
Debt Limit (4 % of Average Equalization Value)	\$ 170,655,054
Total Net Debt Applicable to Limit	34,360,000
Legal Debt Margin	<u>\$ 136,295,054</u>

**TENAFLY BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population(2)</u>
2006	3.7	\$ 57,674	14,133
2007	3.3	68,147	14,158
2008	4.3	68,548	14,593
2009	7.8	64,571	14,681
2010	8	65,275	14,524
2011	7.8	68,244	14,617
2012	8	71,380	14,680
2013	7.3	70,498	14,802
2014	4.0	70,498	14,857
2015	3.4	73,536 (E)	14,880

Source: New Jersey Department of Labor  
United States Bureau of Census  
School District Records

- (E) Estimated  
(1) County of Bergen  
(2) Estimated

TENAFLY BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND TEN YEARS AGO  
(Unaudited)

<u>Employer</u>	<u>2016</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

· INFORMATION NOT AVAILABLE



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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	165.10	178.00	187.10	183.90	174.90	174.70	177.30	177.90	179.50	179.30
Special Education	28.80	31.40	32.80	33.40	32.80	34.80	37.00	39.30	40.30	43.70
Other Special Education	16.70	17.10	17.50	18.55	17.15	18.20	19.20	19.60	19.80	20.30
Other Instruction	101.10	114.00	119.94	112.61	102.15	103.40	101.60	101.00	100.70	105.00
Support Services:										
Student and Instruction Related Services	88.20	88.20	66.94	71.56	69.60	76.10	73.78	86.00	103.30	106.40
General Administration	43.48	43.48	43.48	45.90	37.50	37.50	38.50	39.00	41.00	41.00
School Administrative Services	19.90	20.20	20.20	27.30	23.70	24.20	25.20	25.40	25.40	25.40
Other Administrative Services										
Plant Operations And Maintenance	34.00	40.00	38.00	38.00	36.00	36.00	36.00	36.00	36.00	36.00
Total	<u>497.28</u>	<u>532.38</u>	<u>525.96</u>	<u>531.22</u>	<u>493.80</u>	<u>504.90</u>	<u>508.58</u>	<u>524.20</u>	<u>546.00</u>	<u>557.10</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	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				
2007	3,388	\$ 53,009,918	\$ 15,646	2.64%	266.20	19.80	24.2	18.7	3,382	3,280.50	4.41%	97.00%
2008	3,461	58,665,610	16,950	8.33%	293.10	19.70	20.0	18.3	3,470	3,348.60	2.60%	96.50%
2009	3,477	60,027,695	17,264	1.85%	307.00	20.10	17.9	17.5	3,503	3,377.00	0.95%	96.40%
2010	3,486	60,825,827	17,449	1.07%	296.50	20.50	17.5	19.0	3,557	3,433.60	1.54%	96.53%
2011	3,560	59,719,005	16,775	-3.86%	277.05	20.40	20.8	20.0	3,594	3,469.90	1.03%	96.56%
2012	3,584	60,657,178	16,924	0.89%	276.60	21.20	21.9	19.6	3,619	3,491.80	0.71%	96.49%
2013	3,604	64,511,930	17,900	5.76%	278.90	21.50	20.4	18.7	3,612	3,479.00	-0.19%	96.32%
2014	3,587	64,581,764	18,004	6.38%	278.90	21.60	20.6	18.0	3,585	3,508.91	-0.75%	97.88%
2015	3,535	68,151,529	19,279	7.70%	280.20	21.80	20	17.6	3,610	3,484.93	0.70%	96.54%
2016	3,598	71,271,697	19,809	10.02%	284.30	22.00	17	17.8	3,609	3,479.94	-0.03%	96.43%

Sources: District records

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

**TENAFLY BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b><u>Mackay</u></b>										
Square Feet	36,344	36,334	36,334	36,334	36,334	36,334	36,334	36,334	36,334	36,334
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	334	370	366	356	376	390	385	393	409	400
<b><u>Maugham</u></b>										
Square Feet	41,450	41,450	41,450	41,450	41,450	41,450	41,450	41,450	41,450	41,450
Capacity (students)	319	319	319	319	319	319	319	319	319	319
Enrollment	408	388	388	380	385	390	405	409	402	403
<b><u>Smith</u></b>										
Square Feet	38,125	38,125	38,125	38,125	38,125	38,125	38,125	38,125	38,125	38,125
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	345	368	366	367	365	365	371	376	391	380
<b><u>Stillman</u></b>										
Square Feet	40,780	40,780	40,780	40,780	40,780	40,780	40,780	40,780	40,780	40,780
Capacity (students)	338	338	338	338	338	338	338	338	338	338
Enrollment	374	352	381	401	384	395	408	409	414	392
<b><u>Middle School</u></b>										
Square Feet	139,500	182,258	182,258	182,258	182,258	182,258	182,258	182,258	182,258	182,258
Capacity (students)	736	950	950	950	950	950	950	950	950	950
Enrollment	777	850	828	802	827	847	831	852	842	891
<b><u>High School</u></b>										
Square Feet	221,500	260,715	260,715	260,715	260,715	260,715	260,715	260,715	260,715	260,715
Capacity (students)	975	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
Enrollment	990	1,138	1,182	1,183	1,236	1,232	1,212	1,152	1,151	1,142
<b><u>Administration Building</u></b>										
Square Feet	9,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280	9,280

Number of Schools at June 30, 2016

- Elementary = 4
- Middle School = 1
- Senior High School = 1
- Administration = 1

Source: District Records

**TENAFLY BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES</b>										
<b>* School Facilities</b>										
Mackay Elementary School	\$ 93,071	\$ 80,956	\$ 88,573	\$ 67,186	\$ 71,644	\$ 83,475	\$ 86,162	\$ 43,752	\$ 52,353	\$ 48,508
Maugham Elementary School	118,118	102,743	112,409	85,267	90,925	105,940	109,351	50,050	59,719	54,976
Smith Elementary School	157,598	137,084	149,981	113,766	121,314	141,348	145,899	46,036	54,896	50,933
Stillman Elementary School	53,076	46,167	50,511	38,314	40,856	47,603	49,136	49,241	58,754	54,167
Middle School	161,804	140,743	153,984	116,802	124,552	145,121	149,793	220,074	262,465	241,731
High School	<u>245,685</u>	<u>213,706</u>	<u>233,810</u>	<u>177,354</u>	<u>189,121</u>	<u>209,362</u>	<u>216,102</u>	<u>314,810</u>	<u>375,413</u>	<u>346,022</u>
Total School Facilities	829,352	721,399	789,268	598,689	638,412	732,849	756,443	723,963	863,600	796,337
<b>Other Facilities</b>										
Administration Building	<u>68,698</u>	<u>59,756</u>	<u>65,378</u>	<u>49,591</u>	<u>52,881</u>	<u>10,990</u>	<u>11,343</u>	<u>11,206</u>	<u>13,329</u>	<u>2,702</u>
<b>Grand Total</b>	<u>\$ 898,050</u>	<u>\$ 781,155</u>	<u>\$ 854,646</u>	<u>\$ 648,280</u>	<u>\$ 691,293</u>	<u>\$ 743,839</u>	<u>\$ 767,786</u>	<u>\$ 735,169</u>	<u>\$ 876,929</u>	<u>\$ 799,039</u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Source: School District's records

**TENAFLY BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property-Blanket Building/Contents	\$ 105,692,113	\$ 5,000
Comprehensive General Liability (each occurrence)	1,000,000	N/A
Public Employee Dishonesty	\$100,000 / employee	5,000
Public Employee Dishonesty (per loss)	400,000	
Forgery Alteration	50,000	1,000
Umbrella Liability - American Alternate Insurance Company	9,000,000	
Commercial Umbrella Excess - Fireman's Fund	50,000,000	N/A
Educator's Professional Liability - Darwin National Assurance	1,000,000	
Pollution Coverage - ACE American Insurance Company	4,000,000	15,000
Group Aggregate Limit - Pollution Coverage	20,000,000	
Per Pollution Condition	2,000,000	15,000
Aggregate Sublimit per Named Insured	4,000,000	
Per Fungi or Legionella Pneumophila Condition		20,000
Group Aggregate	20,000,000	

Source: School Insurance Records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

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

### INDEPENDENT AUDITOR’S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Tenafly Board of Education’s basic financial statements and have issued our report thereon dated October 5, 2016.

#### Internal Control Over Financial Reporting

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

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

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

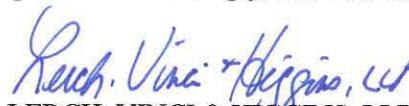
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tenafly Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Office of School Finance, Department of Education, State of New Jersey.

However, we noted a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the Tenafly Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 5, 2016.

### 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 Tenafly Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tenafly Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
 Gary J. Vinci  
 Public School Accountant  
 PSA Number CR00829

Fair Lawn, New Jersey  
 October 5, 2016





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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GARY W. HIGGINS, CPA, RMA, PSA  
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ROBERT AMPONSAH, CPA

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

**INDEPENDENT AUDITOR’S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Tenafly Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Tenafly Board of Education’s major federal and state programs for the fiscal year ended June 30, 2016. The Tenafly Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Tenafly Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 Tenafly Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Tenafly Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of the Tenafly Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Tenafly Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Tenafly Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated October 5, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary J. Vinci  
Public School Accountant  
PSA Number CR00829

Fair Lawn, New Jersey  
October 5, 2016

TENAFLY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at	Unearned	Accounts	Funds Released		Balance at June 30, 2016			Memo			
						June 30, 2016	Revenue	Receivable	Adjustment	Adjustment	(Account Receivable)	Unearned Revenue	Due to Grantor				
						Unearned Revenue/ (Account Receivable)	Carryover Amount	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Accounts Receivable	Unearned Revenue	(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable
U.S. Department of Education Passed-through State Department of Education																	
Special Revenue Fund:																	
I.D.E.A. Part B, Basic	84.027	H027A150100	IDEA5160-16	9/1/15-6/30/16	\$ 736,539		\$ 9,873	\$ (9,873)	\$ 736,821	\$ 746,406				\$ (9,591)	\$ 6		\$ (9,585)
I.D.E.A. Part B, Basic	84.027		IDEA5160-15	9/1/14-6/30/15	709,238	\$ (106,882)	(9,873)	9,873	106,882					-	-		-
I.D.E.A. Part B, Preschool	84.173	H173A150114	IDEA5160-16	9/1/15-6/30/16	36,874		5,364	(5,364)	36,698	41,779				(5,540)	459		(5,081)
I.D.E.A. Part B, Preschool	84.173		IDEA5160-15	9/1/14-6/30/15	35,985	(202)	(5,364)	5,364	202	-	-	-	-	-	-	\$ -	-
Total Special Education Cluster (IDEA)						(107,084)	-	-	880,603	788,185	-	-	-	(15,131)	465	-	(14,666)
Title I, Part A	84.010A	S010A150030	NCLB516016	9/1/15-6/30/16	194,963				104,957	142,832				(90,006)	52,131		(37,875)
Title II, Part A	84.367	S367A150029	NCLB516016	9/1/15-6/30/16	46,232		34,677	(34,677)	20,006	25,506		\$ 9,921	\$ (9,921)	(50,982)	45,482		(5,500)
Title II, Part A	84.367		NCLB516015	9/1/14-6/30/15	46,847	(3,720)	(34,677)	34,677	5,720					-	-		-
Title III-Immigrant	84.365	S365A150030	NCLB516016	9/1/15-6/30/16	77,173		5,386	(5,386)				5,386	(5,386)	-	-		-
Title III-Immigrant	84.365		NCLB516015	9/1/14-6/30/15	77,173	(19,533)	(5,386)	5,386	19,533					-	-		-
Title III	84.365	S365A150030	NCLB516016	9/1/15-6/30/16	72,151		10,340	(10,340)	62,139	71,458				(20,352)	11,033		(9,319)
Title III	84.365		NCLB516014	9/1/14-6/30/15	45,757	(20,481)	(10,340)	10,340	20,681		\$ (200)			-	-		-
Total U.S. Department of Education						(150,818)	-	-	1,111,639	1,027,981	(200)	15,307	(15,307)	(176,471)	109,111	-	(67,360)
Total Federal Financial Awards						\$ (150,818)	\$ -	\$ -	\$ 1,111,639	\$ 1,027,981	\$ (200)	\$ 15,307	\$ (15,307)	\$ (176,471)	\$ 109,111	\$ -	\$ (67,360)

Note- FAIN numbers are only applicable for current year grant awards

TENAFLY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance June 30, 2016		GAAP Receivable	MEMO Cumulative Total Expenditures
				Unearned Revenue/ (Accts Rec)	Due to Grantor				(Accounts Receivable)	Unearned Revenue		
<b>State Department of Education</b>												
<b>General Fund:</b>												
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 1,202,460			\$ 1,118,535	\$ 1,202,460		\$ (83,925)		*	\$ 1,202,460
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,202,460	\$ (90,884)		90,884					*	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	55,484			51,612	55,484		(3,872)		*	55,484
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	55,484	(4,194)		4,194					*	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	36,070			33,552	36,070		(2,518)		*	36,070
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	36,070	(2,726)		2,726					*	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	36,070			33,552	36,070		(2,518)		*	36,070
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	36,070	(2,726)		2,726					*	
Total State Aid- Public Cluster				(100,530)		1,337,781	1,330,084		(92,833)		*	1,330,084
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	70,484			65,565	70,484		(4,919)		*	70,484
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	70,484	(5,327)		5,327					*	
Other State Aid - Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	1,071,071				1,071,071		(1,071,071)		*	1,071,071
Other State Aid - Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	1,077,616	(1,077,616)		1,077,616					*	
Other State Aid - Non Public Transportation	N/A	7/1/15-6/30/16	20,530				20,530		(20,530)		*	\$ (20,530) 20,530
Other State Aid - Non Public Transportation	N/A	7/1/14-6/30/15	17,916	(17,916)		17,916					*	
<b>TPAF In-Behalf Contributions</b>												
TPAF Pension Contribution-Normal Costs	16-495-034-5094-006	7/1/15-6/30/16	2,134,498			2,134,498	2,134,498				*	2,134,498
TPAF Pension Contribution -NCGI	16-495-034-5094-007	7/1/15-6/30/16	106,327			106,327	106,327				*	106,327
TPAF Pension Contribution - Post Retirement Cost	16-495-034-5094-001	7/1/15-6/30/16	2,668,204			2,668,204	2,668,204				*	2,668,204
Total On-Behalf TPAF Contribution Cluster						4,909,029	4,909,029				*	4,909,029
TPAF Social Security Reimbursements	16-495-034-5094-003	7/1/15-6/30/16	2,061,942			2,061,942	2,061,942				*	2,061,942
TPAF Social Security Reimbursements	15-495-034-5094-003	7/1/14-6/30/15	2,044,522	(101,078)		101,078					*	
Total General Fund				(1,302,467)		9,576,254	9,463,140		(1,189,353)		*	(20,530) 9,463,140
<b>Special Revenue Fund:</b>												
<b>New Jersey Nonpublic Aid</b>												
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	29,691			29,691	27,954			\$ 1,737	*	27,954
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	30,147		\$ 1,010			\$ 1,010			*	
<b>Auxiliary Services</b>												
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	105,331			105,331	103,216			2,115	*	103,216
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	4,659			4,659	4,314			345	*	4,314
Total Nonpublic Auxiliary Services Aid (Chap. 192) Cluster						109,990	107,530			2,460	*	135,484
<b>Handicapped Services</b>												
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	52,320			52,320	46,692			5,628	*	46,692
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	35,482		4,863			4,863			*	
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	47,823			47,823	47,489			334	*	47,489
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	43,822		3,004			3,004			*	
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	31,188			31,188	25,841			5,347	*	25,841
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	22,757		1,021			1,021			*	
Total Nonpublic Handicapped Services Aid (Chap. 193) Cluster					8,888	131,331	120,022		8,888		*	120,022
<b>Technology</b>												
Technology	16-100-034-5120-373	7/1/15-6/30/16	13,520			13,520	12,530			990	*	12,530
Technology	15-100-034-5120-373	7/1/14-6/30/15	16,192		4,258			4,258			*	
Nursing	16-100-034-5120-070	7/1/15-6/30/16	47,430			47,430	44,958			2,472	*	44,958
Nursing	15-100-034-5120-070	7/1/14-6/30/15	48,184		2,140			2,140			*	
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	13,175			13,175	9,321			3,854	*	9,321
Total Special Revenue Fund					16,296	345,137	322,315		16,296		*	322,315

TENAFLY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title Debt Service Fund	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance June 30, 2016			MEMO	
				Unearned Revenue/ (Accts Rec)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Type II Debt Service State Aid	16-495-034-5120-075	7/1/15-6/30/16	\$ 365,000	-	-	\$ 365,000	\$ 365,000	-	-	-	-	-	\$ 365,000
Total State Department of Education				\$ (1,302,467)	\$ 16,296	10,286,391	10,150,455	\$ 16,296	\$ (1,189,353)	-	\$ 22,822	\$ (20,530)	10,150,455
<b>State of New Jersey Schools Development Authority:</b>													
Capital Projects Fund													
SDA Grant Project	5160-070-14-G1HR	7/1/14-6/30/15	374,292	(33,652)	-	320,545	286,893	-	-	-	-	-	320,545
SDA Grant Project	5160-080-14-G04	7/1/15-6/30/16	29,040	-	-	-	1,028	-	(29,040)	\$ 28,012	-	(29,040)	1,028
SDA Grant Project	5160-090-14-G04	7/1/15-6/30/16	29,040	-	-	-	1,028	-	(29,040)	28,012	-	(29,040)	1,028
SDA Grant Project	5160-070-14-G04	7/1/15-6/30/16	29,040	-	-	-	1,028	-	(29,040)	28,012	-	(29,040)	1,028
SDA Grant Project	5160-100-14-G04	7/1/15-6/30/16	29,040	-	-	-	1,028	-	(29,040)	28,012	-	(29,040)	1,028
SDA Grant Project	5160-095-14-G04	7/1/15-6/30/16	84,720	-	-	-	2,489	-	(84,720)	82,231	-	(84,720)	2,489
SDA Grant Project	5160-050-14-2007-G04	7/1/15-6/30/16	166,320	-	-	-	4,659	-	(166,320)	161,661	-	(166,320)	4,659
SDA Grant Project	5160-095-14-1002-G04	7/1/15-6/30/16	246,291	-	-	-	17,866	-	(246,291)	228,425	-	(246,291)	17,866
SDA Grant Project	5160-095-14-1003-G04	7/1/15-6/30/16	446,477	-	-	-	29,856	-	(446,477)	416,621	-	(446,477)	29,856
SDA Grant Project	5160-095-14-1004-G04	7/1/15-6/30/16	326,560	-	-	-	19,272	-	(326,560)	307,288	-	(326,560)	19,272
Total SDA Cluster				(33,652)	-	320,545	365,147	-	(1,386,528)	1,308,274	-	(1,386,528)	398,799
Total State Financial Assistance Subject to Single Audit Determination				(1,336,119)	16,296	10,606,936	10,515,602	16,296	(2,575,881)	1,308,274	22,822	(1,407,058)	10,549,254
<b>State Financial Assistance Not Subject to Major Program Determination</b>													
General Fund													
On-Behalf TPAF Pension System Contributions	16-495-034-5094-006/007	7/1/15-6/30/16	(2,240,825)	-	-	(2,240,825)	(2,240,825)	-	-	-	-	-	(2,240,825)
On-Behalf TPAF Post-Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	(2,668,204)	-	-	(2,668,204)	(2,668,204)	-	-	-	-	-	(2,668,204)
Total State Financial Assistance for Major Program Determination				\$ (1,336,119)	\$ 16,296	\$ 5,697,907	\$ 5,606,573	\$ 16,296	\$ (2,575,881)	\$ 1,308,274	\$ 22,822	\$ (1,407,058)	\$ 5,640,225

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid”. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$14,650 for the general fund and a decrease of \$1,619 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 9,477,790	\$ 9,477,790
Special Revenue Fund	\$ 1,027,981	322,315	1,350,296
Capital Projects Fund		365,147	365,147
Debt Service Fund	-	365,000	365,000
	<u>\$ 1,027,981</u>	<u>\$ 10,530,252</u>	<u>\$ 11,558,233</u>
Total Financial Assistance	<u>\$ 1,027,981</u>	<u>\$ 10,530,252</u>	<u>\$ 11,558,233</u>

**TENAFLY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$2,061,942 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$2,240,825 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,668,204 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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



**TENAFLY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?            yes   X   no

2) Significant deficiency(ies) identified?            yes   X   none reported

Noncompliance material to basic financial statements noted?            yes   X   no

**Federal Awards Section**

Internal control over compliance:

1) Material weakness(es) identified?            yes   X   no

2) Significant deficiency(ies) identified?            yes   X   none reported

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number (s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B, Basic</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA Part B Preschool</u>

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

Auditee qualified as low-risk auditee?   X   yes            no



**TENAFLY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**TENAFLY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**TENAFLY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2015-1**

Our audit of the general ledger account balances revealed numerous adjusting journal entries were required to reconcile the Board records to agree with subsidiaries records and supporting documentation. We noted instances where state aid deductions were not properly reflected in the General and Special Revenue funds and the transfer of Capital Outlay funds were erroneously applied as budget offsets rather than revenues in the Capital Projects fund. In addition, several duplicate postings were noted. It was also noted that certain year-end receivables were not accrued such as Extraordinary Aid, Non- Public Transportation Aid and Tuition from other LEA's. In addition, the reserve for encumbrances year end reports were not in agreement with the June 30, 2015 Board Secretary Report.

**Current Status**

Corrective action has been taken.