



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



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2017**

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, 2017

Prepared by

Business Office

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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 31, 2017

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

Members of the Board of Education:

Mr. Mark Aronson
Ms. Natalie Barbanel
Mr. Sam A. Bruno
Ms. Janet I. Horan
Ms. Sherri Rothstein
Mr. Edward J. Salaski
Ms. Jocelyn Schwarz

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, 2017.

Annual Financial Report
Tenaflly Board of Education
Fiscal Year Ended June 30, 2017

This report consists of management's representations concerning the finances of the Tenaflly 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 Tenaflly 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 Tenaflly Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Tenaflly 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 Tenaflly 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 Tenaflly Board of Education for the fiscal year ended June 30, 2017, 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 Tenaflly Board of Education's financial statements for the fiscal year ended June 30, 2017, 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 Tenaflly 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 Tenaflly Board of Education's CAFR. GAAP requires that management provide a narrative introduction, overview, and

Annual Financial Report
 Tenafly Board of Education
 Fiscal Year Ended June 30, 2017

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 Tenafly Board of Education's MD&A can be found immediately following the report of the independent auditor.

1) REPORTING ENTITY AND ITS SERVICES: Tenafly 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 Tenafly 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 2016-2017 school year increased by 26 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
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)
2016-2017	3,633	0.72

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 2016-2017

GOAL 1

Sustain a dynamic learning environment that prepares each and every student to succeed in the 21st century

GOAL 2

Monitor and revise curriculum and instruction to ensure its rigor and relevance

GOAL 3

Continue to improve communication among the Board of Education, administration, teachers, students, parents and community

GOAL 4

Ensure fiscal responsibility including cost saving and revenue generating opportunities

GOAL 5

Foster a culture and environment that respects and values staff and nurtures their professional growth

GOAL 6

Support each student in finding their optimal balance among their intellectual, social and emotional self

GOAL 7

Inspire and support instructional innovation among staff

GOAL 8

Infuse a respect of diverse people in our culture

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 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 reservations of fund balance at June 30, 2017.

6) DEBT ADMINISTRATION: At June 30, 2017, the District's outstanding debt issues were \$32,705,000 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 2016-2017 budget reflects a 3.58% general fund school tax levy increase from the previous school year budget.

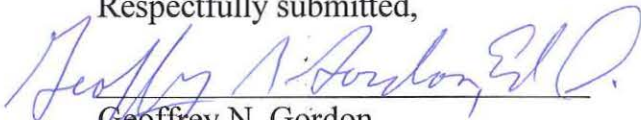
10) OTHER INFORMATION:

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.

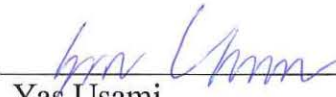
Annual Financial Report
Tenafly Board of Education
Fiscal Year Ended June 30, 2017

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,



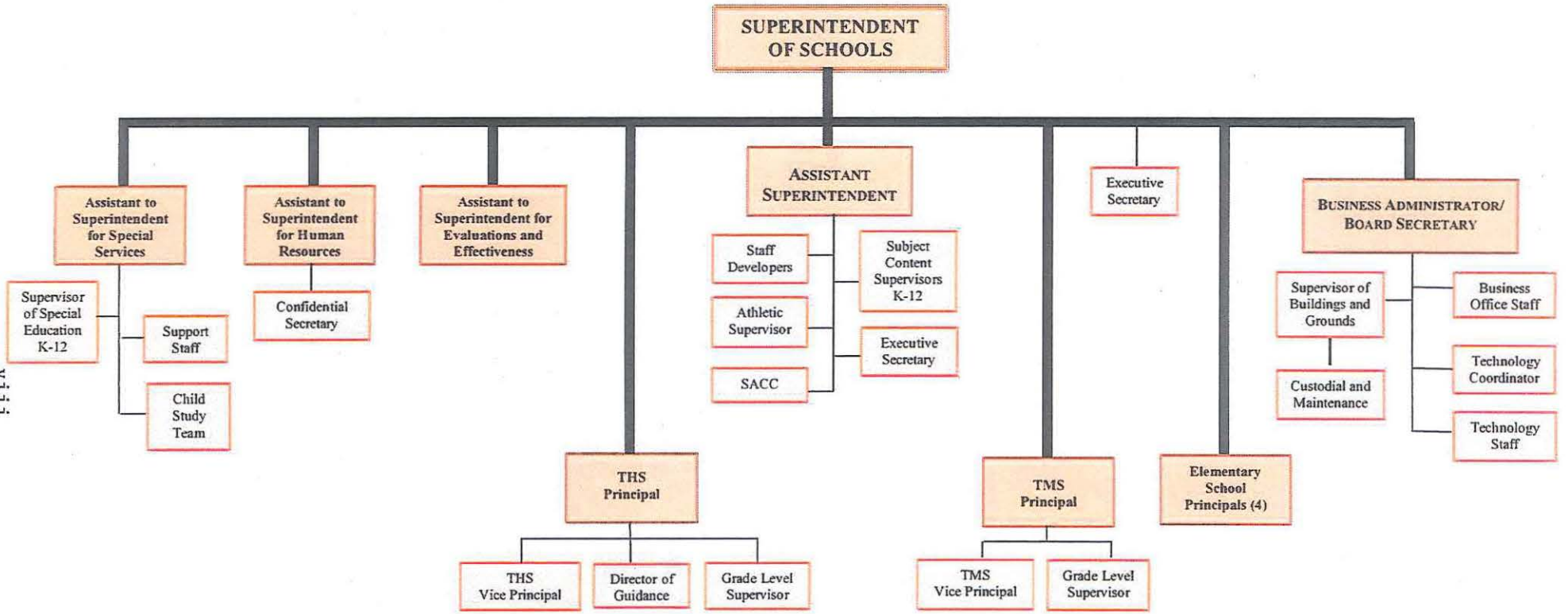
Geoffrey N. Gordon
Interim Superintendent of Schools



Yas Usami
Business Administrator/Board Secretary

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

TTTA



Updated July 22, 2013

Board Approved 9-10-2013

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

**ROSTER OF OFFICIALS
JULY 1, 2016 to JUNE 30, 2017**

<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
Mark Aronson	Dec. 2019
Natalie Barbanel	Dec. 2018
Sam A. Bruno	Dec. 2019
Janet I. Horan	Dec. 2017
Sherri Rothstein	Dec. 2018
Edward J. Salaski	Dec. 2017
Jocelyn Schwarz	Dec. 2019

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
2016-17

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, PSA

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, 2017 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 from 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, 2017, 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 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 31, 2017 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 the effectiveness of the Tenafly Board of Education's 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.

Leach, Vinci & Higgins, LLP

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

Donna L. Japhet

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
October 31, 2017

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, 2017. 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 2016-2017 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 \$1,090,920 (net position).
- General revenues of \$64,103,023 accounted for 69 percent of all revenues. Program revenues of \$28,954,384 accounted for 31 percent of total revenues of \$93,057,407.
- The school district had \$90,773,483 in expenses for governmental activities; only \$27,766,459 of these expenses were offset by program specific charges, grants or contributions. General revenues net of transfers (predominantly property taxes) of \$64,062,646 were adequate to provide for these programs.
- Among major funds, the General Fund had \$73,990,945 in revenues and other financing sources and \$72,207,554 in expenditures and other financing uses. The General Fund's fund balance increased by \$1,783,391.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$9,050,909.

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. Property taxes and state aids finance most of these activities. In addition, fees charged for the Voice Internet Protocol Shared Service Program are reflected here.
- *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.

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 2017 and 2016.

Net position. The district's combined net position were \$1,090,920 and net position of \$79,874 on June 30, 2017 and June 30, 2016, respectively. The deficit in unrestricted 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, 2017 and 2016

	Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$ 9,575,114	\$ 11,719,202	\$ 392,500	\$ 433,396	\$ 9,967,614	\$ 12,152,598
Capital Assets	<u>45,465,244</u>	<u>44,189,927</u>	<u>43,030</u>	<u>38,602</u>	<u>45,508,274</u>	<u>44,228,529</u>
Total Assets	<u>55,040,358</u>	<u>55,909,129</u>	<u>435,530</u>	<u>471,998</u>	<u>55,475,888</u>	<u>56,381,127</u>
Deferred Outflows of Resources						
Deferred Amounts of Refunding of Debt	2,505,023	2,763,201	-	-	2,505,023	2,763,201
Deferred Amount of Net Pension Liability	<u>6,687,115</u>	<u>2,825,530</u>	<u>-</u>	<u>-</u>	<u>6,687,115</u>	<u>2,825,530</u>
Total Deferred Outflows of Resources	<u>9,192,138</u>	<u>5,588,731</u>	<u>-</u>	<u>-</u>	<u>9,192,138</u>	<u>5,588,731</u>
Total Assets and Deferred Outflows of Resources	<u>64,232,496</u>	<u>61,497,860</u>	<u>435,530</u>	<u>471,998</u>	<u>64,668,026</u>	<u>61,969,858</u>
Liabilities						
Long-Term Liabilities	61,982,346	59,120,079			61,982,346	59,120,079
Other Liabilities	<u>974,223</u>	<u>2,360,027</u>	<u>41,028</u>	<u>32,920</u>	<u>1,015,251</u>	<u>2,392,947</u>
Total Liabilities	<u>62,956,569</u>	<u>61,480,106</u>	<u>41,028</u>	<u>32,920</u>	<u>62,997,597</u>	<u>61,513,026</u>
Deferred Inflows of Resources						
Deferred Amount of Net Pension Liability	<u>579,509</u>	<u>376,958</u>	<u>-</u>	<u>-</u>	<u>579,509</u>	<u>376,958</u>
Total Deferred Inflows of Resources	<u>579,509</u>	<u>376,958</u>	<u>-</u>	<u>-</u>	<u>579,509</u>	<u>376,958</u>
Total Liabilities and Deferred Inflows of Resources	<u>63,536,078</u>	<u>61,857,064</u>	<u>41,028</u>	<u>32,920</u>	<u>63,577,106</u>	<u>61,889,984</u>
Net Position:						
Net Investment in Capital Assets	13,430,340	10,584,155	43,030	38,602	13,473,370	10,622,757
Restricted	4,102,698	4,675,373			4,102,698	4,675,373
Unrestricted	<u>(16,836,620)</u>	<u>(15,618,732)</u>	<u>351,472</u>	<u>400,476</u>	<u>(16,485,148)</u>	<u>(15,218,256)</u>
Total Net Position	<u>\$ 696,418</u>	<u>\$ (359,204)</u>	<u>\$ 394,502</u>	<u>\$ 439,078</u>	<u>\$ 1,090,920</u>	<u>\$ 79,874</u>

The table on the on the following page shows changes in net position for fiscal years 2017 and 2016.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Changes in Net Position For the Fiscal Years Ended June 30, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,154,999	\$ 1,458,902	\$ 1,187,925	\$ 1,024,054	\$ 2,342,924	\$ 2,482,956
Operating Grants and Contributions	25,455,999	19,418,155			25,455,999	19,418,155
Capital Grants and Contributions	1,155,461	584,147			1,155,461	584,147
General Revenues						
Property Taxes	63,737,435	61,707,367			63,737,435	61,707,367
Investment Earnings	33,079	33,236	285	319	33,364	33,555
Other	332,224	638,766	-	-	332,224	638,766
Total Revenues	<u>91,869,197</u>	<u>83,840,573</u>	<u>1,188,210</u>	<u>1,024,373</u>	<u>93,057,407</u>	<u>84,864,946</u>
Expenses						
Instruction						
Regular	41,889,707	37,467,586			41,889,707	37,467,586
Special Education	12,141,526	11,145,085			12,141,526	11,145,085
Other Instruction	3,083,645	2,666,858			3,083,645	2,666,858
School Sponsored Activities and Athletics	2,015,311	1,800,560			2,015,311	1,800,560
Other Instructional Programs	48,487	37,539			48,487	37,539
Support Services						
Student and Instruction Related Services	12,910,400	12,814,119			12,910,400	12,814,119
General Administrative Services	979,519	977,527			979,519	977,527
School Administrative Services	5,792,404	5,228,684			5,792,404	5,228,684
Plant Operations and Maintenance	7,035,256	6,833,786			7,035,256	6,833,786
Pupil Transportation	1,304,784	1,282,758			1,304,784	1,282,758
Business and Other Support Services	2,341,269	1,963,307			2,341,269	1,963,307
Food Services Program			700,170	692,228	700,170	692,228
Child Care Program			438,450	357,217	438,450	357,217
Tiger Tots Program			134,258		134,258	
Interest on Long-Term Debt	1,231,175	1,289,116	-	-	1,231,175	1,289,116
Total Expenses	<u>90,773,483</u>	<u>83,506,925</u>	<u>1,272,878</u>	<u>1,049,445</u>	<u>92,046,361</u>	<u>84,556,370</u>
Increase/(Decrease) in Net Position						
Before Transfers	1,095,714	333,648	(84,668)	(25,072)	1,011,046	308,576
Transfers	<u>(40,092)</u>	<u>-</u>	<u>40,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,055,622	333,648	(44,576)	(25,072)	1,011,046	308,576
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 696,418</u>	<u>\$ (359,204)</u>	<u>\$ 394,502</u>	<u>\$ 439,078</u>	<u>\$ 1,090,920</u>	<u>\$ 79,874</u>

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Governmental Activities. The district's total revenues were \$91,869,197. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to \$64,102,738 or 70% of total revenues. Funding from state, federal and local sources and capital contributions amounted to \$26,611,460 or 29%. The remaining revenues of \$1,154,999 (1%) 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 \$59,178,676 (65%) and student and other support services totaled \$30,363,632 (33%) of total expenditures. In addition, interest on long-term debt and other charges totaled \$1,231,175 (2%) of total expenditures.

Total and Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Cost of Services</u>	<u>Net Cost/(Revenue) of Services</u>
Governmental Activities		
Instruction		
Regular	\$ 41,889,707	\$ 26,158,466
Special Education	12,141,526	6,253,605
Other Instruction	3,083,645	1,800,969
School Sponsored Activities and Athletics	2,015,311	1,387,458
Other Instructional Program	48,487	(16,804)
Support Services		
Student and Instruction Related Svcs.	12,910,400	11,129,950
General Administrative Services	979,519	979,519
School Administrative Services	5,792,404	4,858,176
Plant Operations and Maintenance	7,035,256	5,894,077
Pupil Transportation	1,304,784	1,206,997
Business and Other Support Services	2,341,269	2,338,055
Interest on Long-Term Debt	<u>1,231,175</u>	<u>1,016,556</u>
 Total Governmental Activities	 <u>\$ 90,773,483</u>	 <u>\$ 63,007,024</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, 2017 was \$1,272,878. 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, 2017, its governmental funds reported a combined fund balance of \$9,050,909. At June 30, 2016, the fund balance was \$9,619,136.

Revenues and other financing sources for the District's governmental funds were \$79,817,239, while total expenditures and other financing uses were \$80,385,466 for the fiscal year ended June 30, 2017, thereby resulting in a decrease in fund balance of \$568,227.

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.

	Fiscal Year Ended June 30, <u>2017</u>	Fiscal Year Ended June 30, <u>2016</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 61,288,447	\$ 59,169,766	\$ 2,118,681	3.6%
Tuition	994,660	1,050,511	(55,851)	-5.3%
Interest Earnings	33,079	33,236	(157)	-0.5%
Miscellaneous	489,349	651,665	(162,316)	-24.9%
Intergovernmental				
State Sources	<u>10,355,812</u>	<u>9,477,790</u>	<u>878,022</u>	9.3%
 Total Revenues	 <u>\$ 73,161,347</u>	 <u>\$ 70,382,968</u>	 <u>\$ 2,778,379</u>	 3.9%

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Total General Fund Revenues increased by \$2,778,379 or 3.9% over the previous year. Local property taxes increased 3.6% over the previous year. Miscellaneous revenues decreased by 24.9% due to lower extracurricular activities fees and onetime revenues such as cancellation of prior year payables and refunds on prior year expenditures. Tuition revenues decreased by 5.3% due to lower enrollments in high school students received from Alpine. State aid revenues increased by \$878,022 largely due to an increase in State On-Behalf TPAF Pension costs contributed by the State.

General Fund Expenditures

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended June 30, <u>2017</u>	Fiscal Year Ended June 30, <u>2016</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 45,515,421	\$ 43,585,199	\$ 1,930,222	4.4%
Support Services	25,315,579	24,323,684	991,895	4.1%
Capital Outlay	226,765	284,768	(58,003)	-20.4%
Debt Service	<u>550,947</u>	<u>550,946</u>	<u>1</u>	0.0%
Total Expenditures	<u>\$ 71,608,712</u>	<u>\$ 68,744,597</u>	<u>\$ 2,864,115</u>	4.2%

Total General Fund expenditures increased by \$2,864,115 or 4.2% 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 equipment purchases compared to the prior year.

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 2017 and 2016, the school district had invested in land, buildings, land improvements, furniture, machinery and equipment as follows:

Capital Assets as of June 30, 2017 and 2016

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 222,500	\$ 222,500			\$ 222,500	\$ 222,500
Buildings	56,441,181	54,666,381			56,441,181	54,666,381
Improvements Other Than Buildings	2,284,555	2,093,770			2,284,555	2,093,770
Machinery and Equipment	<u>8,348,315</u>	<u>7,204,729</u>	\$ 260,326	\$ 249,156	<u>8,608,641</u>	<u>7,453,885</u>
 Total	 67,296,551	 64,187,380	 260,326	 249,156	 67,556,877	 64,436,536
 Less: Accumulated Depreciation	 <u>(21,831,307)</u>	 <u>(19,997,453)</u>	 <u>(217,296)</u>	 <u>(210,554)</u>	 <u>(22,048,603)</u>	 <u>(20,208,007)</u>
 Total Capital Assets, Net	 <u>\$ 45,465,244</u>	 <u>\$ 44,189,927</u>	 <u>\$ 43,030</u>	 <u>\$ 38,602</u>	 <u>\$ 45,508,274</u>	 <u>\$ 44,228,529</u>

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

Debt Administration. As of June 30, 2017 and 2016 the school district had long-term debt and outstanding long-term liabilities in the amount of \$60,143,987 and \$57,107,674.

Outstanding Long-Term Liabilities

	<u>2017</u>	<u>2016</u>
Serial Bonds Payable	\$ 32,705,000	\$ 34,360,000
Lease Purchase Agreements Payable	1,633,228	2,171,232
Compensated Absences Payable	1,352,696	1,316,058
Net Pension Liability	<u>24,453,063</u>	<u>19,260,384</u>
 Total	 <u>\$ 60,143,987</u>	 <u>\$ 57,107,674</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, 2008, the District's fund balance was \$1,382,989 or 2.68% 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, 2017, the district unassigned fund balance was \$2,208,492 on a budgetary basis or 3.25%.

ANALYSIS OF FUND BALANCE – GENERAL FUND FROM 2008 – 2017

	BALANCE, JUNE 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
UNRESTRICTED										
UNASSIGNED YEAR END (GAAP)	\$ 950,629	\$ (651,919)	\$ 477,859	\$ 607,687	\$ 577,090	\$ 1,087,841	\$ 1,126,026	\$ 1,144,340	\$ 1,181,815	
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	2,392,774	
UNRESTRICTED										
UNASSIGNED YEAR END(BUDGETARY)	1,382,989	869,831	1,821,101	1,946,268	1,747,610	2,120,613	2,099,414	2,327,813	2,208,492	
MODIFIED BUDGET										
APPROPRIATIONS	51,550,665	55,578,455	56,835,033	57,081,610	60,394,695	61,065,088	63,517,853	65,298,508	68,037,794	
PERCENT OF MODIFIED APPROPRIATIONS TO BUDGETARY UNRESERVED,										
UNRESTRICTED, UNASSIGNED FUND BALANCE	<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>3.25%</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 2016-2017 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 2017-2018. Budgeted expenditures in the General Fund increased 2.35 percent to \$68,894,515 in fiscal year 2017-2018. Capital projects funded with Capital Reserve accounted for a total of \$576,000. The projects included the tennis court replacement at the high school and the exterior door replacement at Maugham Elementary School. Debt service obligations had decreased due to the May 2015 and January 2016 bond refundings. An additional \$91,130 was subtracted from the debt service obligation in 2017-2018 due to residual savings and interest earned related to the refundings.

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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 9,231,850	\$ 377,589	\$ 9,609,439
Receivables, net	343,264	10,337	353,601
Inventory		4,574	4,574
Capital Assets			
Not Being Depreciated	222,500		222,500
Being Depreciated, Net	45,242,744	43,030	45,285,774
Total Assets	<u>55,040,358</u>	<u>435,530</u>	<u>55,475,888</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	2,505,023		2,505,023
Deferred Amount of Net Pension Liability	6,687,115		6,687,115
Total Deferred Outflows of Resources	<u>9,192,138</u>		<u>9,192,138</u>
Total Assets and Deferred Outflows of Resources	<u>64,232,496</u>	<u>435,530</u>	<u>64,668,026</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	225,963	641	226,604
Payable to State Government	32,090		32,090
Unearned Revenue	265,439	40,387	305,826
Accrued Interest Payable	450,731		450,731
Noncurrent Liabilities			
Due Within One Year	2,456,181		2,456,181
Due Beyond One Year	59,526,165		59,526,165
Total Liabilities	<u>62,956,569</u>	<u>41,028</u>	<u>62,997,597</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	579,509		579,509
Total Deferred Inflows of Resources	<u>579,509</u>	<u>-</u>	<u>579,509</u>
Total Liabilities and Deferred Inflows of Resources	<u>63,536,078</u>	<u>41,028</u>	<u>63,577,106</u>
NET POSITION			
Net Investment in Capital Assets	13,430,340	43,030	13,473,370
Restricted for:			
Debt Service	92,075		92,075
Capital Projects	3,010,273		3,010,273
Other Purposes	300,000		300,000
Maintenance	700,350		700,350
Unrestricted	(16,836,620)	351,472	(16,485,148)
Total Net Position	<u>\$ 696,418</u>	<u>\$ 394,502</u>	<u>\$ 1,090,920</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, 2017**

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
Governmental Activities							
Instruction							
Regular	\$ 41,889,707	\$ 1,151,785	\$ 14,579,456		\$ (26,158,466)		\$ (26,158,466)
Special Education	12,141,526		5,887,921		(6,253,605)		(6,253,605)
Other Instruction	3,083,645		1,278,144	\$ 4,532	(1,800,969)		(1,800,969)
School Sponsored Activities and Athletics							
	2,015,311		627,853		(1,387,458)		(1,387,458)
Other Instructional Programs	48,487		65,291		16,804		16,804
Support Services							
Student and Instruction Related Svcs.	12,910,400		1,780,450		(11,129,950)		(11,129,950)
General Administrative Services	979,519				(979,519)		(979,519)
School Administrative Services	5,792,404		934,228		(4,858,176)		(4,858,176)
Plant Operations and Maintenance	7,035,256		204,869	936,310	(5,894,077)		(5,894,077)
Pupil Transportation	1,304,784		97,787		(1,206,997)		(1,206,997)
Business Services	2,341,269	3,214			(2,338,055)		(2,338,055)
Interest on Long-Term Debt	1,231,175		-	214,619	(1,016,556)	-	(1,016,556)
Total Governmental Activities	90,773,483	1,154,999	25,455,999	1,155,461	(63,007,024)	-	(63,007,024)
Business-Type Activities							
Food Service	700,170	677,739		-		\$ (22,431)	(22,431)
Child Care	438,450	372,286				(66,164)	(66,164)
Tiger Tots	134,258	137,900				3,642	3,642
Total Business-Type Activities	1,272,878	1,187,925	-	-	-	(84,953)	(84,953)
Total Primary Government	\$ 92,046,361	\$ 2,342,924	\$ 25,455,999	\$ 1,155,461	(63,007,024)	(84,953)	(63,091,977)
General Revenues:							
Property Taxes, Levied for General Purposes					61,288,447		61,288,447
Property Taxes, Levied for Debt Service					2,448,988		2,448,988
Investment Earnings					33,079	285	33,364
Miscellaneous Income					332,224		332,224
Transfers					(40,092)	40,092	-
Total General Revenues and Transfers					64,062,646	40,377	64,103,023
Change in Net Position					1,055,622	(44,576)	1,011,046
Net Position, Beginning of Year					(359,204)	439,078	79,874
Net Position, End of Year					\$ 696,418	\$ 394,502	\$ 1,090,920

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, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 8,984,989		\$ 155,731	\$ 91,130	\$ 9,231,850
Due From Other Funds	14,054				14,054
Receivables, Net					
Receivables From Other Governments	19,299	\$ 140,881			160,180
Accounts Receivable	170,494	-	-	-	170,494
 Total Assets	 <u>\$ 9,188,836</u>	 <u>\$ 140,881</u>	 <u>\$ 155,731</u>	 <u>\$ 91,130</u>	 <u>\$ 9,576,578</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 134,966	\$ 14,430			\$ 149,396
Compensated Absences Payable	76,567				76,567
Payable to State Government		32,090			32,090
Due to Other Funds		2,177			2,177
Unearned Revenue	173,255	92,184	-	-	265,439
 Total Liabilities	 <u>384,788</u>	 <u>140,881</u>	 <u>-</u>	 <u>-</u>	 <u>525,669</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for					
Subsequent Year's Expenditures (2017/18 Budget)	1,228,164				1,228,164
Excess Surplus	1,289,274				1,289,274
Capital Reserve	2,282,919				2,282,919
Capital Reserve- Designated for Subsequent					
Year's Expenditures (2017/18 Budget)	576,000				576,000
Maintenance Reserve	350,350				350,350
Maintenance Reserve- Designated for					
Subsequent Year's Expenditures (2017/18 Budget)	350,000				350,000
Emergency Reserve	300,000				300,000
Capital Projects			\$ 154,786		154,786
Debt Service			945	\$ 91,130	92,075
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures (2017/18 Budget)	1,164,610				1,164,610
Year End Encumbrances	80,916				80,916
Unassigned Fund Balance	1,181,815	-	-	-	1,181,815
 Total Fund Balances	 <u>8,804,048</u>	 <u>-</u>	 <u>155,731</u>	 <u>91,130</u>	 <u>9,050,909</u>
 Total Liabilities and Fund Balances	 <u>\$ 9,188,836</u>	 <u>\$ 140,881</u>	 <u>\$ 155,731</u>	 <u>\$ 91,130</u>	 <u>\$ 9,576,578</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, 2017**

Total Fund Balance (Exhibit B-1) \$ 9,050,909

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 \$67,296,551 and the accumulated depreciation is \$21,831,307. 45,465,244

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) (61,982,346)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (450,731)

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. 2,505,023

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	\$ 6,687,115	
Deferred Inflows of Resources	<u>(579,509)</u>	
		6,107,606

The assets and liabilities of the Internal Service Fund is included with Governmental Activities 713

Net Position of Governmental Activities **\$ 696,418**

**TENAFLY BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	\$ 61,288,447			\$ 2,448,988	\$ 63,737,435
Tuition Charges	994,660				994,660
Interest	33,079				33,079
Miscellaneous	489,349	\$ 33,471			522,820
Total - Local Sources	62,805,535	33,471	-	2,448,988	65,287,994
State Sources	10,355,812	333,475	\$ 936,310	357,699	11,983,296
Federal Sources	-	1,157,601			1,157,601
Total Revenues	73,161,347	1,524,547	936,310	2,806,687	78,428,891
EXPENDITURES					
Current					
Instruction					
Regular Instruction	32,183,647	102,070			32,285,717
Special Education Instruction	9,527,316	694,027			10,221,343
Other Instruction	2,197,373	211,989			2,409,362
School Sponsored Activities and Athletics	1,599,890				1,599,890
Other Instructional Programs	7,195				7,195
Support Services					
Student and Instruction Related Services	10,875,891	511,929			11,387,820
General Administrative Services	916,355				916,355
School Administrative Services	4,911,583				4,911,583
Plant Operations and Maintenance	5,371,612		139,206		5,510,818
Pupil Transportation	1,284,271				1,284,271
Business Services	1,955,867				1,955,867
Debt Service					
Principal	538,004			1,655,000	2,193,004
Interest	12,943			1,151,687	1,164,630
Capital Outlay	226,765	4,532	2,877,874		3,109,171
Total Expenditures	71,608,712	1,524,547	3,017,080	2,806,687	78,957,026
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,552,635	-	(2,080,770)	-	(528,135)
OTHER FINANCING SOURCES (USES)					
Transfers In	829,598		558,750		1,388,348
Transfers Out	(598,842)		(829,598)		(1,428,440)
Total Other Financing Sources and Uses	230,756	-	(270,848)	-	(40,092)
Net Change in Fund Balance	1,783,391	-	(2,351,618)	-	(568,227)
Fund Balance, Beginning of Year	7,020,657	-	2,507,349	91,130	9,619,136
Fund Balance, End of Year	\$ 8,804,048	\$ -	\$ 155,731	\$ 91,130	\$ 9,050,909

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, 2017**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (568,227)

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 capital outlays exceed depreciation in the current period.

Capital Outlays	\$	3,109,171	
Depreciation Expense		<u>(1,833,854)</u>	1,275,317

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 net position.
(See Note 2B).

2,193,004

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)

(84,132)

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 Increase in Compensated Absences		(36,638)	
Net Increase in Pension Expense		(1,533,645)	

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			17,587
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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

Operating Loss			<u>(207,644)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 1,055,622

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

**TENAFLY BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

	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
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 67,709	\$ 303,438	\$ 6,442	\$ 377,589	-
Other Receivables		10,337		10,337	\$ 12,254
Inventory	4,574			4,574	-
Total Current Assets	72,283	313,775	6,442	392,500	12,254
Noncurrent Assets					
Furniture, Machinery and Equipment	260,326			260,326	-
Less Accumulated Depreciation	(217,296)			(217,296)	-
Total Capital Assets, Net	43,030	-	-	43,030	-
Total Assets	115,313	313,775	6,442	435,530	12,254
LIABILITIES					
Accounts Payable		641		641	-
Due to Other Funds					11,541
Unearned Revenue	22,240	15,347	2,800	40,387	-
Total Liabilities	22,240	15,988	2,800	41,028	11,541
NET POSITION					
Investment in Capital Assets	43,030			43,030	-
Unrestricted	50,043	297,787	3,642	351,472	713
Total Net Position	\$ 93,073	\$ 297,787	\$ 3,642	\$ 394,502	\$ 713

**TENAFLY BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Fund			Totals	Governmental Internal Service Fund
	Food Service	School Age Child Care	Non-Major Tiger Tots		Voice IP - Shared Service Program
OPERATING REVENUES					
Charges for Services					
Daily Sales	\$ 672,935			\$ 672,935	
Special Functions	4,804			4,804	
Program Fees	-	\$ 372,286	\$ 137,900	510,186	\$ 3,214
Total Operating Revenues	<u>677,739</u>	<u>372,286</u>	<u>137,900</u>	<u>1,187,925</u>	<u>3,214</u>
OPERATING EXPENSES					
Cost of Sales	297,142			297,142	
Salaries and Benefits	289,156	372,328	124,617	786,101	
Management Fee	30,400			30,400	
Other Purchased Services	7,031	4,162		11,193	23,093
Other Expenses	5,185	7,611	750	13,546	187,765
Repairs	3,300			3,300	
Supplies and Materials	61,214	54,349	8,891	124,454	
Depreciation	6,742			6,742	-
Total Operating Expenses	<u>700,170</u>	<u>438,450</u>	<u>134,258</u>	<u>1,272,878</u>	<u>210,858</u>
Operating Income/(Loss)	<u>(22,431)</u>	<u>(66,164)</u>	<u>3,642</u>	<u>(84,953)</u>	<u>(207,644)</u>
NONOPERATING REVENUES					
Interest Revenue	285			285	-
Total Nonoperating Revenues	<u>285</u>	<u>-</u>		<u>285</u>	
Net Income/(Loss) Before Transfers	(22,146)	(66,164)	3,642	(84,668)	(207,644)
Transfers In	40,092			40,092	-
Change in Net Position	17,946	(66,164)	3,642	(44,576)	(207,644)
Net Position, Beginning of Year	75,127	363,951		439,078	208,357
Net Position, End of Year	<u>\$ 93,073</u>	<u>\$ 297,787</u>	<u>\$ 3,642</u>	<u>\$ 394,502</u>	<u>\$ 713</u>

**TENAFLY BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	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
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers (Net of Refunds)	\$ 682,781	\$ 378,009	\$ 137,600	\$ 1,198,390	\$ 237,650
Payments for Employees Salaries and Benefits	(289,156)	(372,328)	(124,617)	(786,101)	
Payments to Suppliers	(401,530)	(67,619)	(9,641)	(478,790)	(210,858)
Net Cash Provided/(Used) by Operating Activities	(7,905)	(61,938)	3,342	(66,501)	26,792
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments from General Fund	40,092			40,092	
Payments to General Fund					(26,792)
Net Cash Provided (Used) by Noncapital Financing Activities	40,092				(26,792)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	(11,170)			(11,170)	-
Net Cash Used By Capital and Related Financing Activities	(11,170)	-	-	(11,170)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	285	-	-	285	-
Net Cash Provided By Investing Activities	285	-	-	285	
Net Increase/(Decrease) in Cash and Cash Equivalents	21,302	(61,938)	3,342	(37,294)	
Cash and Cash Equivalents, Beginning of Year	46,407	365,376	3,100	414,883	
Cash and Cash Equivalents, End of Year	<u>\$ 67,709</u>	<u>\$ 303,438</u>	<u>\$ 6,442</u>	<u>\$ 377,589</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided/ (Used) by Operating Activities:					
Operating Income/(Loss)	\$ (22,431)	\$ (66,164)	\$ 3,642	\$ (84,953)	\$ (207,644)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities					
Depreciation	6,742			6,742	
Changes in Assets and Liabilities					
(Increase) Decrease in Accounts Receivable		860		860	234,436
(Increase) Decrease in Inventories	2,742			2,742	
Increase (Decrease) in Accounts Payable	-	(1,497)		(1,497)	
Increase (Decrease) in Unearned Revenue	5,042	4,863	(300)	9,605	
Total Adjustments	14,526	4,226	(300)	18,452	234,436
Net Cash Provided/(Used) by Operating Activities	<u>\$ (7,905)</u>	<u>\$ (61,938)</u>	<u>\$ 3,342</u>	<u>\$ (66,501)</u>	<u>\$ 26,792</u>

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, 2017**

	<u>Private Purpose Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 123,858	\$ 493,601	\$ 325,661
Total Assets	<u>123,858</u>	<u>493,601</u>	<u>\$ 325,661</u>
LIABILITIES			
Due To Other Funds			\$ 336
Intergovernmental Payable		\$ 9,236	
Payable To Student Groups			280,009
Payroll Deductions and Withholdings			18,736
Accrued Salaries and Wages			680
Flexible Spending (Sect. 125) Plan	-	-	25,900
Total Liabilities	<u>-</u>	<u>9,236</u>	<u>\$ 325,661</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 123,858</u>	<u>\$ 484,365</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, 2017**

	Private Purpose Trust Funds	Unemployment Compensation Trust
ADDITIONS		
Investment Earnings		
Interest	\$ 555	\$ 1,890
Payroll Deductions		94,358
Donations	50,936	-
	<hr/>	<hr/>
Total Additions	51,491	96,248
	<hr/>	<hr/>
DEDUCTIONS		
Scholarship Payments	20,050	
Local Contributions	46,663	
Unemployment Claims and Contributions		131,265
	<hr/>	<hr/>
Total Deductions	66,713	131,265
	<hr/>	<hr/>
Change in Net Position	(15,222)	(35,017)
Net Position, Beginning of Year	139,080	519,382
	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 123,858</u>	<u>\$ 484,365</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, 2017**

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 2017, the District adopted the following GASB statements:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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, 2017

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 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 child care (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 and the child nutrition programs.

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

The *debt service fund* accounts for the accumulation of resources 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, 2017**

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 provided services to the residents of the Borough of Tenafly and non-residents.

Additionally, the government reports the following fund types:

The *internal service fund* accounts for the 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.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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.

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. *Inventories*

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

Food Service Fund inventories 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.

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 acquisition 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 future periods 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, 2017**

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 future periods 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 accrual basis of accounting that qualifies for reporting in this category. The 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; 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 including the unamortized 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, 2017

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*

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, 2016 audited excess surplus that was appropriated in the 2017/2018 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 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 2017/2018 District budget certified for taxes.

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 2017/2018 District budget certified for taxes

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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)

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 3D).

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 2017/2018 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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 2015-2016 and 2016-2017 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 Service 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, lease purchases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(61,982,346) difference are as follows:

Bonds Payable	\$(32,705,000)
Add:	
Issuance Premium (to be amortized over life of debt)	(1,838,359)
Lease Purchase Agreement Payable	(1,633,228)
Compensated Absences	(1,352,696)
Net Pension Liability	<u>(24,453,063)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u><u>\$(61,982,346)</u></u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 balance and the district-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation explains that “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 net position”. The details of this \$2,193,004 difference are as follows:

Principal Repayments:	
General Obligation Bonds	1,655,000
Lease Purchase Agreement	<u>538,004</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 <u>\$ 2,193,004</u>

Another element of that reconciliation states that “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”. The details of this \$(84,132) difference are as follows:

Amortization of Deferred Charge on Refunding	\$ (258,178)
Amortization of Bond Premiums	<u>174,046</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 <u>\$ (84,132)</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. 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.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2016/2017. Also, during 2016/2017 the Board increased the original general fund by \$1,324,851. 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 \$146,000 from the capital reserve approved March 14, 2017. The Board increased the special revenue fund by \$476,777. 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.

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.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 1,429,976
Increased by:		
Interest Earnings	\$ 1,200	
Return of Unexpended Capital Reserve Funds	829,598	
Deposit Approved by Board Resolution	<u>1,150,000</u>	
		<u>1,980,798</u>
		3,410,774
Withdrawals		
Approved by Adopted Budget	(146,000)	
Approved by Board Resolution	<u>(405,855)</u>	
		<u>(551,855)</u>
Balance, June 30, 2017		<u>\$ 2,858,919</u>
Designated for Subsequent Year's Expenditures (2017/18 Budget)		\$ 576,000
Available Capital Reserve		<u>2,282,919</u>
		<u>\$ 2,858,919</u>

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

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.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 650,350
Increased by:		
Interest Earnings	\$ 150	
Deposit Approved by Board Resolution	<u>350,000</u>	
		<u>350,150</u>
		1,000,500
Withdrawals		
Approved by District Budget		<u>(300,150)</u>
Balance, June 30, 2017		<u>\$ 700,350</u>
Designated for Subsequent Year's Expenditures (2017/18 Budget)		\$ 350,000
Available Maintenance Reserve		<u>350,350</u>
		<u>\$ 700,350</u>

The June 30, 2017 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. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2017 is as follows:

Deposits Approved by Board Resolution	<u>\$ 300,000</u>
Balance, June 30, 2017	<u>\$ 300,000</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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, 2017 is \$2,517,438. Of this amount, \$1,228,164 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$1,289,274 will be appropriated in the 2018/2019 original budget certified for taxes.

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), National Credit Union Share Insurance Fund (NCUSIF), 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. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$10,552,559 and bank and brokerage firm balances of the Board's deposits amounted to \$12,679,047. 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	\$ 12,679,047
	<u>\$ 12,679,047</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, 2017 none of the Board's bank balances were exposed to custodial credit risk.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2017, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2017 for the district's individual major funds and internal service, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>School Age Child Care</u>	<u>Internal Service- Voice IP Program</u>	<u>Total</u>
Receivables:					
Accounts	\$ 170,494		\$ 10,337		\$ 180,831
Intergovernmental					
Federal		\$ 140,881			140,881
State	19,299				19,299
Local	-	-	-	\$ 12,254	12,254
Gross Receivables	<u>189,793</u>	<u>140,881</u>	<u>10,337</u>	<u>12,254</u>	<u>353,265</u>
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 189,793</u>	<u>\$ 140,881</u>	<u>\$ 10,337</u>	<u>\$ 12,254</u>	<u>\$ 353,265</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	\$ 173,255
Special Revenue Fund	
Unencumbered Grant Draw Downs	87,510
Grant Draw Downs Reserved for Encumbrances	<u>4,674</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 265,439</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016	Increases	Decreases	Balance, June 30, 2017
Governmental Activities				
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	\$ 1,774,800		56,441,181
Improvements Other Than Buildings	2,093,770	190,785		2,284,555
Machinery and Equipment	7,204,729	1,143,586	-	8,348,315
Total Capital Assets Being Depreciated	<u>63,964,880</u>	<u>3,109,171</u>	<u>-</u>	<u>67,074,051</u>
Less Accumulated Depreciation For:				
Buildings	(13,879,000)	(1,219,938)		(15,098,938)
Improvements Other Than Buildings	(711,566)	(131,185)		(842,751)
Machinery and Equipment	(5,406,887)	(482,731)	-	(5,889,618)
Total Accumulated Depreciation	<u>(19,997,453)</u>	<u>(1,833,854)</u>	<u>-</u>	<u>(21,831,307)</u>
Total Capital Assets, Being Depreciated, net	<u>43,967,427</u>	<u>1,275,317</u>	<u>-</u>	<u>45,242,744</u>
Governmental Activities Capital Assets, net	<u>\$ 44,189,927</u>	<u>\$ 1,275,317</u>	<u>\$ -</u>	<u>\$ 45,465,244</u>
	Balance, July 1, 2016	Increases	Decreases	Balance, June 30, 2017
Business-Type Activities				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 249,156	\$ 11,170	-	\$ 260,326
Total Capital Assets Being Depreciated	<u>249,156</u>	<u>11,170</u>	<u>-</u>	<u>260,326</u>
Less Accumulated Depreciation For:				
Machinery and Equipment	(210,554)	(6,742)	-	(217,296)
Total Accumulated Depreciation	<u>(210,554)</u>	<u>(6,742)</u>	<u>-</u>	<u>(217,296)</u>
Total Capital Assets, Being Depreciated, net	<u>38,602</u>	<u>4,428</u>	<u>-</u>	<u>43,030</u>
Business-Type Activities Capital Assets, net	<u>\$ 38,602</u>	<u>\$ 4,428</u>	<u>\$ -</u>	<u>\$ 43,030</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	18,339
Total Instruction	<u>586,833</u>

Support Services

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

Total Depreciation Expense - Governmental Activities \$ 1,833,854

Business-Type Activities:

Food Service Fund \$ 6,742

Total Depreciation Expense-Business-Type Activities \$ 6,742

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
Capital Projects Fund:	
Voice Internet Protocol Program	\$ 14,978
Parking Lot at Middle School	45,584
Exterior Doors	3,599
High School Tennis Courts	25,187
Slab Floor	26,435
	<u>115,783</u>
Internal Service Fund:	
Voice System Upgrade	<u>12,254</u>
Total	<u>\$ 128,037</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund - Payroll	\$ 336
General Fund	Special Revenue Fund	2,177
General Fund	Voice IP - Shared Service Program	
	Interal Service Fund	<u>11,541</u>
 Total		 <u>\$ 14,054</u>

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

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

Interfund transfers

	<u>General Fund</u>	<u>Transfer In:</u>		<u>Total</u>
		<u>Capital Projects Fund</u>	<u>Food Service Enterprise Fund</u>	
Transfer Out:				
General Fund		\$ 558,750	\$ 40,092	\$ 598,842
Capital Projects Fund	\$ 829,598	-	-	829,598
Total Transfers Out	<u>\$ 829,598</u>	<u>\$ 558,750</u>	<u>\$ 40,092</u>	<u>\$ 1,428,440</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.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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 terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Governmental Activities</u>
2018	\$ 550,946
2019	550,946
2020	<u>550,946</u>
Total minimum lease payments	1,652,838
Less: amount representing interest	<u>(19,610)</u>
Present value of minimum lease payments	<u>\$ 1,633,228</u>

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, 2017 are comprised of the following issues:

\$21,690,000, 2012 Refunding Bonds, due in annual installments of \$100,000 to \$2,430,000 through July 15, 2030, interest at 2.00% to 4.00%	\$20,825,000
\$5,715,000, 2015 Refunding Bonds, due in annual installments of \$210,000 to \$690,000 through April 1, 2031, interest at 3.00% to 4.00%	5,630,000
\$7,090,000, 2016 Refunding Bonds, due in annual installments of \$610,000 to \$775,000 through April 1, 2026, interest at 1.790%	<u>6,250,000</u>
Total	<u>\$32,705,000</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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>	
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	1,990,000	871,531	2,861,531
2023-2027	11,575,000	2,828,641	14,403,641
2028-2031	<u>11,900,000</u>	<u>1,134,540</u>	<u>13,034,540</u>
Total	<u>\$ 32,705,000</u>	<u>\$ 8,928,460</u>	<u>\$ 41,633,460</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 175,071,218
Less: Net Debt	<u>32,705,000</u>
Remaining Borrowing Power	<u>\$ 142,366,218</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance		Balance,		Due
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2017</u>	<u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 34,360,000		\$ 1,655,000	\$ 32,705,000	\$ 1,715,000
Unamortized Premium	<u>2,012,405</u>	<u>-</u>	<u>174,046</u>	<u>1,838,359</u>	<u>-</u>
Total Bonds Payable	36,372,405	-	1,829,046	34,543,359	1,715,000
Compensated Absences	1,316,058	\$ 180,310	143,672	1,352,696	200,000
Lease Purchase Agreements	2,171,232		538,004	1,633,228	541,181
Net Pension Liability	<u>19,260,384</u>	<u>5,926,165</u>	<u>733,486</u>	<u>24,453,063</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 59,120,079</u>	<u>\$ 6,106,475</u>	<u>\$ 3,244,208</u>	<u>\$ 61,982,346</u>	<u>\$ 2,456,181</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.

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 and various other types of insurance coverage including property, general liability, crime, student accident and surety bond coverage.

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.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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 District contributions, 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>
2017	\$ 94,358	\$ 131,265	\$ 484,365
2016	59,699	40,125	519,382
2015	58,521	25,950	498,073

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, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2017, the District has not estimated its arbitrage earnings due to the IRS, if any.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 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, 2017**

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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 733,486	\$ 3,105,704	\$ 74,032
2016	737,650	2,240,825	59,609
2015	691,876	1,511,508	45,767

In addition for fiscal year 2016/2017 the District contributed \$2,356 for PERS and the State contributed \$4,882 for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$2,149,380 during the fiscal year ended June 30, 2017 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, 2017**

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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$24,453,063 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .08256 percent, which was a decrease of .00324 percent from its proportionate share measured as of June 30, 2015 of .08580 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,267,131 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 454,753	
Changes of Assumptions	5,065,368	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	932,418	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>234,576</u>	<u>\$ 579,509</u>
Total	<u>\$ 6,687,115</u>	<u>\$ 579,509</u>

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ 1,387,180
2019	1,387,180
2020	1,621,287
2021	1,337,055
2022	374,904
Thereafter	<u>-</u>
	<u>\$ 6,107,606</u>

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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)

Discount Rate (Continued)

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

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2034

Municipal Bond Rate * From July 1, 2034
 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 District's proportionate share of the PERS net pension liability calculated using the discount rate
 of 3.98%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated
 using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the
 current rate:

	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ 29,964,375	\$ 24,453,063	\$ 19,902,997

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. A
 sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS 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 report
 may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$16,542,796 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$220,171,116. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .27988 percent, which was an increase of .0003 percent from its proportionate share measured as of June 30, 2015 of .27958 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease (<u>2.22%</u>)	Current Discount Rate (<u>3.22%</u>)	1% Increase (<u>4.22%</u>)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 262,933,515</u>	<u>\$ 220,171,116</u>	<u>\$ 185,250,098</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at 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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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/2016divisioncombined.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, 2017, 2016 and 2015 were \$2,587,758, \$2,668,204 and \$2,399,521, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Tenafly Board of Education, the District's share of abated taxes resulting from the municipality/county having entered into a tax abatement agreement is indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 61,288,447		\$ 61,288,447	\$ 61,288,447	
Other Local Sources					
Tuition - Other LEA's	1,002,000		1,002,000	994,660	\$ (7,340)
Interest Earned on Capital Reserve Funds	1,200		1,200	1,200	-
Interest Earned on Maintenance Reserve	150		150	150	
Interest		\$ 39,000	39,000	31,729	(7,271)
Summer School Fees		140,000	140,000	157,125	17,125
Miscellaneous	453,110	(179,000)	274,110	332,224	58,114
Total Local Sources	62,744,907	-	62,744,907	62,805,535	60,628
State Sources					
Special Education Aid	1,192,029		1,192,029	1,192,029	
Security Aid	63,352		63,352	63,352	
Transportation Aid	80,474		80,474	80,474	
PARCC Readiness Aid	36,070		36,070	36,070	
Per Pupil Growth Aid	36,070		36,070	36,070	
Professional Learning Community Aid	35,850		35,850	35,850	
Non Public Transportation Reimbursement				19,299	19,299
Extraordinary Aid				902,798	902,798
TPAF Pension Contribution - Normal					
Costs and Accrued Liability (Non-Budget)				2,997,112	2,997,112
TPAF Pension Contribution- NCGI (Non-Budget)				108,592	108,592
TPAF Pension Contribution- Long Term Disability Insurance (Non-Budget)				4,882	4,882
TPAF Pension Contribution - Post Retirement (Non-Budget)				2,587,758	2,587,758
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,149,380	2,149,380
Total State Sources	1,443,845	-	1,443,845	10,213,666	8,769,821
Federal Sources					
Medicaid Reimbursement	21,227	-	21,227	-	(21,227)
Total Federal Sources	21,227	-	21,227	-	(21,227)
Total Revenues	64,209,979	-	64,209,979	73,019,201	8,809,222
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	852,172	55,995	908,167	908,067	100
Grades 1-5	6,121,484	(55,994)	6,065,490	6,024,425	41,065
Grades 6-8	4,812,671	-	4,812,671	4,698,714	113,957
Grades 9-12	7,433,807	-	7,433,807	7,234,358	199,449
Regular Programs - Home Instruction					
Salaries of Teachers	5,000	14,558	19,558	19,558	-
Purchased Professional/Educational Services	3,500	4,912	8,412	8,412	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,130,756	(15,733)	1,115,023	1,040,264	74,759
Purchased Professional/Educational Services	4,000	-	4,000	3,140	860
Other Purchased Services	1,152,395	(22,583)	1,129,812	1,017,173	112,639
General Supplies	1,890,698	(103,369)	1,787,329	1,623,879	163,450
Textbooks	203,690	2,119	205,809	176,864	28,945
Other Objects	33,000	11,637	44,637	35,180	9,457
Total Regular Programs	23,643,173	(108,458)	23,534,715	22,790,034	744,681
Learning and / or Language Disabled					
Salaries of Teachers	119,842	4,000	123,842	123,842	-
Other Salaries for Instruction	120,494	14,770	135,264	135,009	255
General Supplies	4,100	-	4,100	3,792	308
Textbooks	7,340	-	7,340	3,070	4,270
Total Learning and/or Language Disabled	251,776	18,770	270,546	265,713	4,833

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Multiple Disabled					
Salaries of Teachers	\$ 73,121	\$ (7,086)	\$ 66,035	\$ 61,981	\$ 4,054
Other Salaries for Instruction	209,276	160	209,436	207,120	2,316
General Supplies	2,500	-	2,500	2,176	324
Total Multiple Disabled	284,897	(6,926)	277,971	271,277	6,694
Resource Room/Resource Center					
Salaries of Teachers	2,942,907	12,686	2,955,593	2,955,474	119
Other Salaries for Instruction	13,500	9,673	23,173	23,173	-
General Supplies	48,195	(6,087)	42,108	34,016	8,092
Textbooks	12,840	3,015	15,855	8,543	7,312
Other Objects	-	226	226	226	-
Total Resource Room/Resource Center	3,017,442	19,513	3,036,955	3,021,432	15,523
Autism					
Salaries of Teachers	63,365	3,971	67,336	67,336	-
Other Salaries for Instruction	64,894	17,413	82,307	82,307	-
General Supplies	1,500	-	1,500	1,143	357
Total Autism	129,759	21,384	151,143	150,786	357
Preschool Disabilities - Part-Time					
Salaries of Teachers	164,034	(52,425)	111,609	108,566	3,043
Other Salaries for Instruction	63,112	-	63,112	58,613	4,499
General Supplies	1,000	-	1,000	768	232
Total Preschool Disabilities - Part-Time	228,146	(52,425)	175,721	167,947	7,774
Preschool Disabilities - Full-Time					
Salaries of Teachers	78,321	-	78,321	71,221	7,100
Other Salaries for Instruction	209,326	21,840	231,166	206,082	25,084
Supplies and Materials	3,000	-	3,000	2,654	346
Total Preschool Disabilities - Part-Time	290,647	21,840	312,487	279,957	32,530
Home Instruction					
Salaries of Teachers	5,000	5,688	10,688	10,688	-
Purchased Professional-Educational Services	48,000	(34,188)	13,812	9,576	4,236
Total Home Instruction	53,000	(28,500)	24,500	20,264	4,236
Total Special Education	4,255,667	(6,344)	4,249,323	4,177,376	71,947
Basic Skills/Remedial					
Salaries of Teachers	520,826	22,000	542,826	541,826	1,000
General Supplies	3,200	1	3,201	2,816	385
Textbooks	550	5,299	5,849	5,477	372
Total Basic Skills/Remedial	524,576	27,300	551,876	550,119	1,757
Bilingual Education					
Salaries of Teachers	989,488	(22,000)	967,488	936,127	31,361
Purchased Professional-Educational Services	100	-	100	100	-
Other Purchased Services	100	-	100	100	-
General Supplies	6,080	936	7,016	5,895	1,121
Textbooks	5,620	(936)	4,684	1,535	3,149
Other Objects	500	-	500	-	500
Total Bilingual Education	1,001,888	(22,000)	979,888	943,557	36,331

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 324,815	\$ 6,783	\$ 331,598	\$ 326,101	\$ 5,497
Purchased Services	30,024	(1,286)	28,738	27,238	1,500
Supplies and Materials	1,500	(913)	587	475	112
Other Objects	6,140	3,007	9,147	8,328	819
Miscellaneous Expenditures	-	-	-	-	-
Total School Sponsored Co/Extra Curricular Activities	362,479	7,591	370,070	362,142	7,928
School Sponsored Athletics					
Salaries	547,932	1,024	548,956	544,258	4,698
Purchased Services	212,231	(11,308)	200,923	186,404	14,519
Supplies and Materials	57,040	3,397	60,437	59,082	1,355
Other Objects	38,000	600	38,600	33,600	5,000
Total School Sponsored Athletics	855,203	(6,287)	848,916	823,344	25,572
Other Instructional Programs - Instruction					
Purchased Services	12,900	(1,526)	11,374	5,005	6,369
Supplies and Materials	4,750	-	4,750	1,305	3,445
Other Objects	-	-	-	-	-
Total Other Instructional Programs	17,650	(1,526)	16,124	6,310	9,814
Before/After School Programs					
Supplies and Materials	-	885	885	885	-
Total Before/After School Programs	-	885	885	885	-
Total Instruction	30,660,636	(108,839)	30,551,797	29,653,767	898,030
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	1,327,700	(391,819)	935,881	816,227	119,654
Tuition to County Voc. School District-Regular	320,760	-	320,760	300,096	20,664
Tuition to CSSD and Regional Day Schools	435,350	-	435,350	293,305	142,045
Tuition to Priv. Sch. for the Disabled - w/i state	987,252	838,739	1,825,991	1,494,038	331,953
Tuition to Priv. Sch. Disabled & Other LEAs					
Spl. O/S State	649,889	(226,425)	423,464	421,048	2,416
Tuition - Other	140,872	267,463	408,335	378,790	29,545
Total Undistributed Expenditures - Instruction	3,861,823	487,958	4,349,781	3,703,504	646,277
Attendance and Social Work					
Salaries	117,912	(6,956)	110,956	109,946	1,010
Total Attendance and Social Work	117,912	(6,956)	110,956	109,946	1,010
Health Services					
Salaries	542,082	4,167	546,249	543,024	3,225
Purchased Professional and Technical Services	10,500	(230)	10,270	3,425	6,845
Other Purchased Services	9,840	(2,751)	7,089	2,354	4,735
Supplies and Materials	20,490	(3,383)	17,107	10,527	6,580
Total Health Services	582,912	(2,197)	580,715	559,330	21,385
Speech, OT, PT & Related Services					
Salaries	591,271	11,808	603,079	598,031	5,048
Purchased Professional-Educational Services	647,000	257,616	904,616	541,161	363,455
Supplies and Materials	50	293	343	343	-
Total Speech, OT, PT & Related Services	1,238,321	269,717	1,508,038	1,139,535	368,503

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	\$ 578,436	\$ 869	\$ 579,305	\$ 577,458	\$ 1,847
Other Salaries for Instruction	1,197,968	300,341	1,498,309	1,176,261	322,048
Supplies and Materials	5,000	-	5,000	4,592	408
Other Objects	-	2,040	2,040	2,040	-
Total Other Supp.Serv. Student - Extra Services	1,781,404	303,250	2,084,654	1,760,351	324,303
Guidance					
Salaries of Other Professional Staff	1,110,508	5,840	1,116,348	1,107,769	8,579
Salaries of Secretarial & Clerical Assistants	184,293	-	184,293	184,144	149
Other Purchased Professional and Technical Svc	60,984	-	60,984	60,984	-
Other Purchased Services	8,000	511	8,511	2,894	5,617
Supplies and Materials	13,200	(511)	12,689	9,746	2,943
Other Objects	-	89	89	89	-
Total Guidance	1,376,985	5,929	1,382,914	1,365,626	17,288
Child Study Teams					
Salaries of Other Professional Staff	1,218,036	-	1,218,036	1,200,651	17,385
Salaries of Secretarial & Clerical Assistants	189,518	-	189,518	189,518	-
Purchased Professional- Educational Services	65,250	-	65,250	61,756	3,494
Other Purchased Services	200	-	200	200	-
Supplies and Materials	63,200	(2,040)	61,160	60,139	1,021
Other Objects	2,500	-	2,500	2,194	306
Total Child Study Teams	1,538,704	(2,040)	1,536,664	1,514,258	22,406
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	577,367	803	578,170	575,454	2,716
Salaries of Secretarial & Clerical Assistants	38,071	187	38,258	38,257	1
Salaries of Facilitators, Math & Literacy Coaches	205,822	-	205,822	205,822	-
Supplies and Materials	33,000	(643)	32,357	2,072	30,285
Other Objects	2,400	107	2,507	2,507	-
Total Other Support Services - Improvement of Inst. Svcs.	856,660	454	857,114	824,112	33,002
Educational Media/School Library					
Salaries	745,056	18,200	763,256	747,491	15,765
Other Purchased Services	2,000	(1,856)	144	130	14
Supplies and Materials	114,250	(25,379)	88,871	86,895	1,976
Total Educational Media/School Library	861,306	(9,035)	852,271	834,516	17,755
Instructional Staff Training Services					
Other Salaries	130,000	-	130,000	67,747	62,253
Purchased Professional/Educational Services	119,255	5,164	124,419	35,786	88,633
Other Purchased Services	42,280	(7,983)	34,297	17,193	17,104
Supplies and Materials	2,000	431	2,431	431	2,000
Other Objects	-	105	105	105	-
Total Instructional Staff Training Services	293,535	(2,283)	291,252	121,262	169,990

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 359,398	\$ 34,000	\$ 393,398	\$ 343,406	\$ 49,992
Unused Vacation Payment to Terminated/Retired Staff	19,327	-	19,327	-	19,327
Legal Services	135,000	(850)	134,150	94,781	39,369
Audit Fees	47,000	-	47,000	41,385	5,615
Other Purchased Professional Service	3,000	10,700	13,700	9,800	3,900
Architectural/Engineering Services	4,000	37,050	41,050	14,049	27,001
Communications/Telephone	125,000	-	125,000	108,507	16,493
Miscellaneous Purchased Services	118,450	2,201	120,651	104,286	16,365
BOE Other Purchased Services	8,400	-	8,400	1,299	7,101
General Supplies	6,500	912	7,412	4,204	3,208
Miscellaneous Expenditures	14,700	1,840	16,540	13,707	2,833
BOE Membership Dues and Fees	26,500	-	26,500	24,786	1,714
Total Support Services General Administration	867,275	85,853	953,128	760,210	192,918
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	1,327,494	(3,670)	1,323,824	1,295,069	28,755
Salaries of Other Professional Staff	1,438,069	3,483	1,441,552	1,436,021	5,531
Salaries of Secretarial and Clerical Assistants	807,343	400	807,743	785,463	22,280
Unused Vacation Payment to Terminated/Retired Staff	9,043	2,224	11,267	11,267	-
Supplies and Materials	4,891	(2,438)	2,453	1,147	1,306
Other Objects	17,500	-	17,500	15,188	2,312
Total Support Services School Administration	3,604,340	(1)	3,604,339	3,544,155	60,184
Central Services					
Salaries	752,146	6,655	758,801	731,034	27,767
Unused Vacation Payment to Terminated/Retired Staff	20,399	7,527	27,926	27,926	-
Purchased Professional Services	5,500	(246)	5,254	-	5,254
Purchased Technical Services	51,700	-	51,700	45,085	6,615
Misc. Purchased Services	10,550	(1,500)	9,050	4,831	4,219
Supplies and Materials	7,700	1,781	9,481	9,182	299
Miscellaneous Expenditures	13,100	(1,781)	11,319	3,828	7,491
Total Central Services	861,095	12,436	873,531	821,886	51,645
Admin. Info. Technology					
Salaries	627,807	(2,000)	625,807	606,140	19,667
Unused Vacation Payment to Terminated/Retired Staff	7,738	(101)	7,637	2,704	4,933
Purchased Technical Services	57,700	10,636	68,336	68,336	-
Other Purchased Services	2,200	-	2,200	1,605	595
Supplies and Materials	1,800	101	1,901	1,864	37
Other Objects	1,000	400	1,400	1,400	-
Total Admin. Info. Technology	698,245	9,036	707,281	682,049	25,232
Required Maintenance for School Facilities					
Salaries	437,168	18,423	455,591	454,951	640
Cleaning, Repair and Maintenance	234,000	11,566	245,566	243,225	2,341
General Supplies	124,550	1,382	125,932	124,330	1,602
Other Objects	1,360	680	2,040	1,960	80
Total Required Maintenance for School Facilities	797,078	32,051	829,129	824,466	4,663

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 1,643,476	\$ 1,854	\$ 1,645,330	\$ 1,631,577	\$ 13,753
Salaries of Non-Instructional Aides	215,926	1,937	217,863	212,690	5,173
Unused Vacation Payment to Terminated/Retired Staff	14,310	-	14,310	6,475	7,835
Purchased Professional and Technical Services	2,500	(327)	2,173	1,283	890
Cleaning, Repair and Maintenance	18,000	(4,982)	13,018	11,635	1,383
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	15,000	-	15,000	-	15,000
Other Purchased Property Services	324,100	10,200	334,300	332,189	2,111
Insurance	316,000	(17,745)	298,255	282,547	15,708
Miscellaneous Purchased Services	600	328	928	786	142
General Supplies	118,500	12,502	131,002	110,790	20,212
Energy (Natural Gas)	601,000	(67,023)	533,977	277,280	256,697
Energy (Electricity)	610,000	11,231	621,231	493,507	127,724
Other Objects	-	60	60	60	-
Total Custodial Services	3,879,412	(51,965)	3,827,447	3,360,819	466,628
Care & Upkeep of Grounds					
Salaries	278,252	(6,071)	272,181	247,533	24,648
Purchased Professional and Technical Services	500	-	500	-	500
Cleaning, Repair and Maintenance	41,000	(17,604)	23,396	20,283	3,113
General Supplies	50,000	(6,834)	43,166	34,224	8,942
Other Objects	-	-	-	-	-
Total Care & Upkeep of Grounds	369,752	(30,509)	339,243	302,040	37,203
Security					
Purchased Professional and Technical Services	120	-	120	-	120
Cleaning, Repair and Maintenance	11,000	8,000	19,000	17,593	1,407
General Supplies	8,000	-	8,000	5,955	2,045
Total Security	19,120	8,000	27,120	23,548	3,572
Student Transportation Services					
Sal. For Pupil Trans (Other than Bet. Home & School)	7,000	8,670	15,670	10,766	4,904
Sal. For Pupil Trans (Bet. Home & School)	7,218	35	7,253	5,900	1,353
Cleaning, Repair and Maintenance Services	3,000	(35)	2,965	1,236	1,729
Contracted Services (Between Home and School) - Vendors	120,000	1,145	121,145	121,145	-
Contracted Services (Other Than Between Home and School) - Vendors	139,370	(3,745)	135,625	113,427	22,198
Contracted Services (Special Ed. Students) - Joint Agreements	1,025,000	-	1,025,000	939,306	85,694
Contracted Services-Aid In Lieu of Payments- Non-Public Schools	101,660	(1,145)	100,515	85,561	14,954
Transportation Supplies	2,000	-	2,000	1,297	703
Total Student Transportation Services	1,405,248	4,925	1,410,173	1,278,638	131,535
Unallocated Benefits- Employee Benefits					
Social Security Contributions	820,000	-	820,000	815,483	4,517
Other Retirement Contributions - PERS	830,000	(94,158)	735,842	735,842	-
Other Retirement Contributions - Regular	55,000	20,230	75,230	74,032	1,198
Workmen's Compensation	335,000	(22,641)	312,359	224,294	88,065
Health Benefits	8,506,939	(5,003)	8,501,936	8,065,299	436,637
Unused Sick Payment to Terminated/Retired Staff	300,301	-	300,301	95,300	205,001
Other Employee Benefits	192,000	12,557	204,557	185,569	18,988
Total Unallocated Benefits	11,039,240	(89,015)	10,950,225	10,195,819	754,406

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
TPAF Pension Contribution - Normal					
Costs and Accrued Liability (Non-Budget)				\$ 2,997,112	\$ (2,997,112)
TPAF Pension Contribution - NCGI (Non-Budgeted)				108,592	(108,592)
TPAF Pension Contribution - Long Term Disability Insurance (Non-Budgeted)				4,882	(4,882)
TPAF Pension Contribution - Post Retirement (Non-Budgeted)				2,587,758	(2,587,758)
TPAF Social Security Reimbursements (Non-Budgeted)	-	-	-	2,149,380	(2,149,380)
Total On-Behalf TPAF Contributions and Reimbursements	-	-	-	7,847,724	(7,847,724)
Total Undistributed Expenditures	\$ 36,050,367	\$ 1,025,608	\$ 37,075,975	41,573,794	(4,497,819)
Interest Earned on Maintenance Reserve	150	-	150	-	150
Total Current Expenditures	66,711,153	916,769	67,627,922	71,227,561	(3,599,639)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5		47,466	47,466	42,934	4,532
Grades 6-8		8,550	8,550	8,550	-
Grades 9-12		79,504	79,504	79,504	-
Undistributed Expenditures		-	-	-	-
Related & Extra.		2,763	2,763	2,512	251
Support Svc- Inst. Staff		9,710	9,710	9,710	-
Admin Info Technology		12,635	12,635	12,635	-
Required Maintenance for School Facilities		64,307	64,307	64,307	-
Custodial Services		6,613	6,613	6,613	-
Care and Upkeep of Grounds	21,600	(21,600)	-	-	-
Total Equipment	21,600	209,948	231,548	226,765	4,783
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	40,082	-	40,082	40,082	-
Total Facilities Acquisition and Construction Services	40,082	-	40,082	40,082	-
Interest Deposit on Capital Reserve	1,200	-	1,200	-	1,200
Total Capital Outlay	62,882	209,948	272,830	266,847	5,983
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	112,000	(1,440)	110,560	90,509	20,051
Purchased Professional and Technical Services	1,000	-	1,000	-	1,000
Other Purchased Services	1,000	-	1,000	-	1,000
General Supplies	8,000	(90)	7,910	7,223	687
Other Objects	3,000	1,530	4,530	4,530	-
Total Summer School	125,000	-	125,000	102,262	22,738
Total Special Schools	125,000	-	125,000	102,262	22,738
CHARTER SCHOOLS					
Transfers of Funds to Charter Schools	-	12,042	12,042	12,042	-
Total Charter Schools	-	12,042	12,042	12,042	-
Total General Fund Expenditures	66,899,035	1,138,759	68,037,794	71,608,712	(3,570,918)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,689,056)	(1,138,759)	(3,827,815)	1,410,489	5,238,304

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Other Financing Sources (Uses)					
Transfers In- Capital Projects				\$ 829,598	\$ 829,598
Transfers Out - Capital Outlay Transfer to Capital Projects	\$ (405,855)	\$ (146,000)	\$ (551,855)	(551,855)	-
Transfers Out - Capital Reserve Transfer to Capital Projects	(6,895)	-	(6,895)	(6,895)	-
Transfers Out- Transfer to Food Service Enterprise Fund	-	(40,092)	(40,092)	(40,092)	-
Total Other Financing Sources (Uses)	<u>(412,750)</u>	<u>(186,092)</u>	<u>(598,842)</u>	<u>230,756</u>	<u>829,598</u>
Excess /(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,101,806)	(1,324,851)	(4,426,657)	1,641,245	6,067,902
Fund Balance, Beginning of Year	<u>8,189,480</u>	<u>-</u>	<u>8,189,480</u>	<u>8,189,480</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,087,674</u>	<u>\$ (1,324,851)</u>	<u>\$ 3,762,823</u>	<u>\$ 9,830,725</u>	<u>\$ 6,067,902</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 2,282,919	
Maintenance Reserve				350,350	
Emergency Reserve				300,000	
Excess Surplus				1,289,274	
Excess Surplus Designated for Subsequent Year's Expenditures Designated for Subsequent Year's Expenditures				1,228,164	
Capital Reserve				576,000	
Maintenance Reserve				350,000	
Assigned Fund Balance					
Year End Encumbrances				80,916	
Designated for Subsequent Year's Expenditures				1,164,610	
Unassigned Fund Balance				<u>2,208,492</u>	
Fund Balance - Budgetary Basis				9,830,725	
Reconciliation to Governmental Fund Statements (GAAP)					
2016/17 Extraordinary Aid Not Recognized on a GAAP Basis				(902,798)	
2016/17 State Aid Payments Not Recognized on a GAAP Basis				<u>(123,879)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 8,804,048</u>	

**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-2

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
State Sources	\$ 279,444	\$ 86,121	\$ 365,565	\$ 333,475	\$ (32,090)
Federal Sources	923,745	387,805	1,311,550	1,162,157	(149,393)
Local Sources	95,300	2,851	98,151	31,970	(66,181)
Total Revenues	<u>1,298,489</u>	<u>476,777</u>	<u>1,775,266</u>	<u>1,527,602</u>	<u>(247,664)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	95,641	54,359	150,000	140,848	9,152
Tuition	657,401	34,169	691,570	691,570	-
Purchased Prof. and Tech. Svcs.	2,352	13,475	15,827	10,975	4,852
Purchased Prof & Educ. Svcs		1,000	1,000	1,000	-
Other Purchased Services		13,443	13,443	13,413	30
Supplies and Materials	109,439	68,617	178,056	114,370	63,686
Textbooks	25,321	32,878	58,199	38,847	19,352
Total Instruction	<u>890,154</u>	<u>217,941</u>	<u>1,108,095</u>	<u>1,011,023</u>	<u>97,072</u>
Support Services					
Salaries of Other Professional Staff	8,278	(1)	8,277	8,026	251
Personnel Services - Employee Benefits	44,353	15,118	59,471	22,271	37,200
Purchased Professional and Tech. Svc.	40,469	63,495	103,964	80,518	23,446
Purchased Prof./Educ. Svcs.	254,207	129,340	383,547	323,539	60,008
Purchased Technical Services		7,250	7,250	7,250	-
Cleaning, Repairs & Maintenance Services	2,500	1,076	3,576	1,077	2,499
Other Purchased Services	12,950	60,686	73,636	61,392	12,244
Supplies and Materials	9,302	1,272	10,574	4,299	6,275
Other Objects	-	3,675	3,675	3,675	-
Total Support Services	<u>372,059</u>	<u>281,911</u>	<u>653,970</u>	<u>512,047</u>	<u>141,923</u>
Facilities Acquisition and Construction					
Instructional Equipment	36,276	(23,075)	13,201	4,532	8,669
Total Facilities Acquisition and Construction	<u>36,276</u>	<u>(23,075)</u>	<u>13,201</u>	<u>4,532</u>	<u>8,669</u>
Total Expenditures	<u>1,298,489</u>	<u>476,777</u>	<u>1,775,266</u>	<u>1,527,602</u>	<u>247,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
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, 2017**

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.

	General Fund		Special Revenue Fund
Sources/Inflows of Resources			
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$ 73,019,201	(C-2) \$	1,527,602
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, 2017			(4,674)
Encumbrances, June 30, 2016			1,619
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2015/2016)	97,752		
Extraordinary aid payment not recognized for budgetary purposes recognized for GAAP statements. (2015/2016)	1,071,071		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2016/2017)	(123,879)		
Extraordinary aid payment recognized for budgetary purposes not recognized for GAAP statements. (2016/2017)	<u>(902,798)</u>		<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>73,161,347</u>		\$ <u>1,524,547</u>
Uses/Outflows of Resources			
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$ 71,608,712	(C-2) \$	1,527,602
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, 2017	-		(4,674)
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>71,608,712</u>	(B-2) \$	<u>1,524,547</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 Four Fiscal Years*

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.08256	%	0.08580	%	0.08392	%	0.08443
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 24,453,063		\$ 19,260,384		\$ 15,713,292		\$ 16,137,574
District's Covered-Employee Payroll	\$ 5,690,672		\$ 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	430%		332%		274%		281%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%		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 Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 733,486	\$ 737,650	\$ 691,876	\$ 651,311
Contributions in Relation to the Contractually Required Contribution	<u>733,486</u>	<u>737,650</u>	<u>691,876</u>	<u>651,311</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 5,690,672	\$ 5,797,000	\$ 5,739,226	\$ 5,752,976
Contributions as a Percentage of Covered-Employee Payroll	13%	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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	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>\$ 220,171,116</u>	<u>\$ 176,706,054</u>	<u>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
Total	<u>\$ 220,171,116</u>	<u>\$ 176,706,054</u>	<u>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
District's Covered-Employee Payroll	\$ 28,550,820	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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, 2017**

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, 2017**

REVENUES	SAMSHA	IDEA Pre- School	IDEA Part B- Basic	Title II	Title III	Title III- Immigrant	Title I	Other Local Projects	Subtotal Page 2	Total
Intergovernmental										
State									\$ 333,475	\$ 333,475
Federal	\$ 101,699	\$ 37,860	\$ 716,851	\$ 50,134	\$ 62,810	\$ 18,653	\$ 174,150		-	1,162,157
Local	-	-	-	-	-	-	-	31,970	-	31,970
Total Revenues	\$ 101,699	\$ 37,860	\$ 716,851	\$ 50,134	\$ 62,810	\$ 18,653	\$ 174,150	\$ 31,970	\$ 333,475	\$ 1,527,602
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 8,000							\$ 132,848	-	\$ 140,848
Purchased Prof. & Tech. Svcs.				-	\$ 208	\$ 10,767			-	10,975
Purchased Prof. & Educ. Svcs.								\$ 1,000	-	1,000
Tuition		\$ 36,571	\$ 654,999						-	691,570
Other Purchased Services	1,843								\$ 11,570	13,413
Supplies and Materials	5,875	1,289	1,168		45,870	5,894	11,862	28,772	13,640	114,370
Textbooks	-	-	-	-	-	1,992	7,104	-	29,751	38,847
Total Instruction	15,718	37,860	656,167	-	46,078	18,653	151,814	29,772	54,961	1,011,023
Support Services										
Salaries of Other Professional Staff						8,026			-	8,026
Personnel Services - Employee Benefits						634			21,637	22,271
Purchased Prof. & Tech. Svcs.	73,016			\$ 3,171	3,169			362	800	80,518
Purchased Prof. & Educ. Svcs.	9,290			43,907					270,342	323,539
Purchased Technical Services									7,250	7,250
Other Purchased Services			60,684		371			337	-	61,392
Cleaning, Repairs & Maintenance				3,056				1,077	-	1,077
Supplies and Materials								321	922	4,299
Other Objects	3,675								-	3,675
Total Support Services	85,981	-	60,684	50,134	12,200	-	22,336	2,198	278,514	512,047
Facilities Acquisition and Construction										
Instructional Equipment						4,532			-	4,532
Total Facilities Acquisition	-	-	-	-	4,532	-	-	-	-	4,532
Total Expenditures	\$ 101,699	\$ 37,860	\$ 716,851	\$ 50,134	\$ 62,810	\$ 18,653	\$ 174,150	\$ 31,970	\$ 333,475	\$ 1,527,602

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**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

REVENUES	Comp.	English	Exam. and	Non Public Aid		Security	Textbooks	Nursing	Technology	Subtotal
	Education	Second Lang.	Class.	Corrective	Supp.					
				Speech	Instruction					Page 2
Intergovernmental										
State	\$ 102,927	\$ 2,192	\$ 50,599	\$ 39,051	\$ 28,406	\$ 19,742	\$ 29,751	\$ 47,167	\$ 13,640	\$ 333,475
Federal										-
Local										-
Total Revenues	\$ 102,927	\$ 2,192	\$ 50,599	\$ 39,051	\$ 28,406	\$ 19,742	\$ 29,751	\$ 47,167	\$ 13,640	\$ 333,475
EXPENDITURES										
Instruction										
Other Purchased Services						\$ 11,570				\$ 11,570
Supplies and Materials									\$ 13,640	13,640
Textbooks							\$ 29,751			29,751
Total Instruction						11,570	29,751		13,640	54,961
Support Services										
Salaries of Other Professional Staff										-
Personnel Services - Employee Benefits										-
Employee Benefits										-
Purchased Prof. & Tech. Svcs.										-
Purchased Prof. & Educ. Svcs.	\$ 102,927	\$ 2,192	\$ 50,599	\$ 39,051	\$ 28,406			\$ 47,167		270,342
Purchased Technical Services						7,250				7,250
Other Purchased Services										-
Supplies and Materials						922				922
Total Support Services	102,927	2,192	50,599	39,051	28,406	8,172	-	47,167	-	278,514
Facilities Acquisition and Construction										
Instructional Equipment										-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 102,927	\$ 2,192	\$ 50,599	\$ 39,051	\$ 28,406	\$ 19,742	\$ 29,751	\$ 47,167	\$ 13,640	\$ 333,475

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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, 2017**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance June 30, 2017</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	925,982			35,123
Boiler Replacement- Stillman Elementary School	109,562	90,732		18,830	-
Roof Replacement- Tenafly Middle School	2,548,320	167,488	\$ 1,722,150	658,495	187
Phone System- District-Wide	960,600	29,910	650,949	264,763	14,978
Parking Lot- Tenafly Middle School	406,250	24,517	199,988	136,161	45,584
Cooling Tower	412,500	27,496	294,886	90,031	87
Gym Door Replacement-Elementary Schools	69,000	10,100	58,328	398	174
Exterior Doors Replacement - Maugham Elementary	12,000		8,401		3,599
High School Tennis Courts	75,000		49,813		25,187
Slab Floor Repair - Smith Elementary School	59,000	-	32,565	-	26,435
	<u>\$ 43,490,837</u>	<u>\$ 39,117,409</u>	<u>\$ 3,017,080</u>	<u>\$ 1,201,562</u>	<u>\$ 154,786</u>
		SDA Receivable		\$ 371,964	
		Capital Reserve		829,598	
				<u>\$ 1,201,562</u>	
Project Balances, June 30, 2017					\$ 154,786
Add: Reserve for Debt Service					945
Fund Balance, June 30, 2017 - GAAP Basis					<u>\$ 155,731</u>
Recapitulation of Fund Balance:					
Restricted for Capital Projects:					
Designated for Capital Projects					\$ 138,765
Year End Encumbrances					16,021
Total Restricted for Capital Projects					154,786
Restricted for Debt Service:					
Available for Future Debt Service Expenditures					945
Total Fund Balance - GAAP Basis					<u>\$ 155,731</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, 2017**

Revenues and Other Financing Sources

Transfer from General Fund - Capital Reserve	\$ 551,855
Transfer from General Fund - Capital Outlay	<u>6,895</u>

Total Revenues and Other Financing sources	<u>558,750</u>
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Expenditures and Other Financing Uses

Architectural / Engineering Services	136,290
Construction Services	2,877,874
Supplies and Materials	916
Purchased Professional and Technical Services	2,000
SDA- Cancelled Grant Balances	371,964
Transfer to General Fund - Return Unexpended Capital Reserve	<u>829,598</u>

Total Expenditures and Other Financing Uses	<u>4,218,642</u>
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Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,659,892)
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Fund Balance, Beginning of Year	<u>3,815,623</u>
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Fund Balance, End of Year	<u><u>\$ 155,731</u></u>
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**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds and Transfers	\$ 17,334,492	-	\$ 17,334,492	\$ 17,334,492
Total Revenues and Other Financing Sources	17,334,492	-	17,334,492	17,334,492
EXPENDITURES AND OTHER FINANCING USES				
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	586,894
Transfer to Reserve for Debt Service	48,507	-	48,507	48,507
Total Expenditures and Other Financing Uses	17,331,060	-	17,331,060	17,334,492
Excess (Deficiency) of Revenues over (under) Expenditures and Other Financing Uses	\$ 3,432	\$ -	\$ 3,432	\$ -

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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Local Sources- Borough Contribution	\$ 692,723		\$ 692,723	\$ 692,723
Transfer from Capital Reserve	290,777		290,777	290,777
Transfer from Capital Outlay	<u>402,500</u>	<u>\$ (32,884)</u>	<u>369,616</u>	<u>369,616</u>
Total Revenues and Other Financing Sources	<u>1,386,000</u>	<u>(32,884)</u>	<u>1,353,116</u>	<u>1,353,116</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	125,103		125,103	125,103
Construction Services	<u>1,228,013</u>	<u>-</u>	<u>1,228,013</u>	<u>1,228,013</u>
Total Expenditures and Other Financing Uses	<u>1,353,116</u>	<u>-</u>	<u>1,353,116</u>	<u>1,353,116</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 32,884</u>	<u>\$ (32,884)</u>	<u>\$ -</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	\$ 569,500
Additional Authorized Cost	\$ 816,500
Revised Authorized Cost	\$ 1,353,116

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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources- SDA	\$ 320,545		\$ 320,545	\$ 320,545
Transfer from General Fund- Capital Outlay	193,736		193,736	193,736
Transfer from General Fund- Capital Reserve	312,456	-	312,456	312,456
	<u>826,737</u>	<u>-</u>	<u>826,737</u>	<u>826,737</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	52,614		52,614	52,614
Construction Services	739,000	-	739,000	774,123
	<u>791,614</u>	<u>-</u>	<u>791,614</u>	<u>826,737</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 35,123</u>	<u>\$ -</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		2015/2016		
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
 BOILER REPLACEMENT- STILLMAN ELEMENTARY SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources- SDA Grant	\$ 34,040		\$ 34,040	\$ 34,040
Transfer from General Fund- Capital Outlay	<u>70,762</u>	\$ (18,830)	<u>51,932</u>	<u>51,932</u>
Total Revenues and Other Financing Sources	<u>104,802</u>	<u>(18,830)</u>	<u>85,972</u>	<u>85,972</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	18,178		18,178	18,178
Construction Services	<u>67,794</u>	-	<u>67,794</u>	<u>67,794</u>
Total Expenditures and Other Financing Uses	<u>85,972</u>	<u>-</u>	<u>85,972</u>	<u>85,972</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 18,830</u>	<u>\$ (18,830)</u>	<u>\$ -</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	\$ 85,972			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	2015/2016			
Revised Target Completion Date	2016/2017			

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources- SDA Grants	\$ 1,019,328	\$ (263,398)	\$ 755,930	\$ 755,930
Transfer from General Fund- Capital Reserve	<u>1,528,992</u>	<u>(395,097)</u>	<u>1,133,895</u>	<u>1,133,895</u>
Total Revenues and Other Financing Sources	<u>2,548,320</u>	<u>(658,495)</u>	<u>1,889,825</u>	<u>1,889,825</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	1,751		1,751	1,751
Architectural/Engineering Services	165,737	28,150	193,887	193,887
Construction Services	<u>-</u>	<u>1,694,000</u>	<u>1,694,000</u>	<u>1,694,187</u>
Total Expenditures and Other Financing Uses	<u>167,488</u>	<u>1,722,150</u>	<u>1,889,638</u>	<u>1,889,825</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 2,380,832</u>	<u>\$ (2,380,645)</u>	<u>\$ 187</u>	<u>\$ -</u>

Additional Project Information:

Project Number	<u>Original Authorized Cost</u>	<u>Final State Authorized Cost</u>
Area "A" 5160-095-14-1002-G04	\$ 246,291	\$ 189,665
Area "B" 5160-095-14-1003-G04	446,477	339,719
Area "C" 5160-095-14-1004-G04	<u>326,560</u>	<u>226,546</u>
	<u>\$ 1,019,328</u>	<u>\$ 755,930</u>
Grant Date	1/6/2014	
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Original Authorized Cost	\$ 2,548,320	
Revised Authorized Cost	\$ 1,889,825	
Percentage Completion	100%	
Original Target Completion Date	2016/17	
Revised Target Completion Date	2016/17	

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources- SDA Grants	\$ 367,200	\$ (108,566)	\$ 258,634	\$ 258,634
Transfer from General Fund- Capital Outlay	323,524	(156,197)	167,327	167,327
Transfer from General Fund- Capital Reserve	269,876	-	269,876	269,876
	<u>960,600</u>	<u>(264,763)</u>	<u>695,837</u>	<u>695,837</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	2,968	2,000	4,968	14,000
Architectural/Engineering Services	26,942	25,944	52,886	58,832
Construction Services	-	622,089	622,089	622,089
Supplies and Materials	-	916	916	916
	<u>29,910</u>	<u>650,949</u>	<u>680,859</u>	<u>695,837</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 930,690</u>	<u>\$ (915,712)</u>	<u>\$ 14,978</u>	<u>\$ -</u>

Additional Project Information:

Project Number	<u>Original Authorized Cost</u>	<u>Final State Cost</u>
Malcolm Mackay Elementary School	5160-080-14-1011-G04 \$ 29,040	\$ 22,695
Ralph Maugham Elementary School	5160-090-14-1012-G04 29,040	24,303
J. Spencer Smith Elementary School	5160-070-14-1008-G04 29,040	22,545
Walter Stillman Elementary School	5160-100-14-1016-G04 29,040	29,040
Tenaflly Middle School	5160-095-14-1015-G04 84,720	55,571
Tenaflly High School	5160-050-14-2007-G04 166,320	104,480
	<u>\$ 367,200</u>	<u>\$ 258,634</u>

Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 960,600
Revised Authorized Cost	\$ 695,837

Percentage Increase over Original Authorized Cost	
Percentage Completion	98%
Original Target Completion Date	2016/17
Revised Target Completion Date	2017/18

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund- Capital Reserve	\$ 45,500	\$ 224,589	\$ 270,089	\$ 270,089
Total Revenues and Other Financing Sources	<u>45,500</u>	<u>224,589</u>	<u>270,089</u>	<u>270,089</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	690		690	690
Architectural/Engineering Services	23,827	9,203	33,030	33,030
Construction Services	-	190,785	190,785	236,369
Total Expenditures and Other Financing Uses	<u>24,517</u>	<u>199,988</u>	<u>224,505</u>	<u>270,089</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 20,983</u>	<u>\$ 24,601</u>	<u>\$ 45,584</u>	<u>\$ -</u>

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	\$ 270,089
Percentage Completion	83%
Original Target Completion Date	2016/17
Revised Target Completion Date	2017/18

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund- Capital Reserve	\$ 412,500	\$ (90,031)	\$ 322,469	\$ 322,469
Total Revenues and Other Financing Sources	<u>412,500</u>	<u>(90,031)</u>	<u>322,469</u>	<u>322,469</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	884		884	884
Architectural/Engineering Services	26,612	4,686	31,298	31,385
Construction Services	-	290,200	290,200	290,200
Total Expenditures and Other Financing Uses	<u>27,496</u>	<u>294,886</u>	<u>322,382</u>	<u>322,469</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 385,004</u>	<u>\$ (384,917)</u>	<u>\$ 87</u>	<u>\$ -</u>

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	\$ 322,469
Percentage Completion	100%
Original Target Completion Date	2016/17
Revised Target Completion Date	2016/17

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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund- Capital Outlay		\$ 6,895	\$ 6,895	\$ 6,895
Transfer from General Fund- Capital Reserve	\$ 17,000	44,707	61,707	61,707
Total Revenues and Other Financing Sources	<u>17,000</u>	<u>51,602</u>	<u>68,602</u>	<u>68,602</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	1,155		1,155	1,155
Architectural/Engineering Services	8,945	1,328	10,273	10,273
Construction Services	-	57,000	57,000	57,000
Total Expenditures and Other Financing Uses	<u>10,100</u>	<u>58,328</u>	<u>68,428</u>	<u>68,428</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 6,900</u>	<u>\$ (6,726)</u>	<u>\$ 174</u>	<u>\$ 174</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 51,602
Revised Authorized Cost	\$ 68,602
Percentage Completion	100%
Original Target Completion Date	2016/17
Revised Target Completion Date	2017/18

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
EXTERIOR DOOR REPLACEMENT - RALPH S. MAUGHAM ELEMENTARY
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund- Capital Reserve	\$ -	\$ 12,000	\$ 12,000	\$ 12,000
Total Revenues and Other Financing Sources	-	12,000	12,000	12,000
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	8,401	8,401	12,000
Total Expenditures and Other Financing Uses	-	8,401	8,401	12,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	\$ -	\$ 3,599	\$ 3,599	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 12,000
Revised Authorized Cost	N/A
Percentage Completion	70%
Original Target Completion Date	2016/17
Revised Target Completion Date	2017/18

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HIGH SCHOOL TENNIS COURTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund- Capital Reserve	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
Total Revenues and Other Financing Sources	-	75,000	75,000	75,000
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	49,813	49,813	75,000
Total Expenditures and Other Financing Uses	-	49,813	49,813	75,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	\$ -	\$ 25,187	\$ 25,187	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 75,000
Revised Authorized Cost	N/A
Percentage Completion	66%
Original Target Completion Date	2016/17
Revised Target Completion Date	2017/18

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
FLOOR SLAB REPAIR AT J. SPENCER SMITH ELEMENTARY
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund- Capital Reserve	\$ -	\$ 59,000	\$ 59,000	\$ 59,000
Total Revenues and Other Financing Sources	-	59,000	59,000	59,000
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	-	-	-	4,000
Architectural/Engineering Services	-	8,765	8,765	11,000
Construction Services	-	23,800	23,800	44,000
Total Expenditures and Other Financing Uses	-	32,565	32,565	59,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	\$ -	\$ 26,435	\$ 26,435	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 59,000
Revised Authorized Cost	N/A
Percentage Completion	55%
Original Target Completion Date	2016/17
Revised Target Completion Date	2017/18

ENTERPRISE FUNDS

**TENAFLY BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	Voice IP Shared Service <u>Program</u>
ASSETS	
Current Assets	
Other Receivables	\$ 12,254
	<hr/>
Total Assets	12,254
	<hr/>
LIABILITIES	
Due to Other Funds	11,541
	<hr/>
NET POSITION	
Unrestricted	713
	<hr/>
Total Net Position	\$ 713
	<hr/>

**TENAFLY BOARD OF EDUCATION
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Voice IP Shared Service Program
OPERATING REVENUES	
Charges and Fees	\$ <u>3,214</u>
Total Operating Revenues	<u>3,214</u>
 OPERATING EXPENSES	
Professional Services	23,093
Other Expenses	<u>187,765</u>
Total Operating Expenses	<u>210,858</u>
Operating Loss	(207,644)
Net Position, Beginning of Year	<u>208,357</u>
Net Position, End of Year	<u><u>\$ 713</u></u>

**TENAFLY BOARD OF EDUCATION
INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Voice IP Shared Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 237,650
Cash Payments for Salaries and Benefits	
Cash Payments to Suppliers for Goods and Services	<u>(210,858)</u>
Net Cash Provided by Operating Activities	<u>26,792</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Paid to General Fund	<u>(26,792)</u>
Net Cash Used by Noncapital Financing Activities	<u>(26,792)</u>
Net Increase in Cash and Cash Equivalents	-
Cash Beginning of Year	<u>-</u>
Cash End of Year	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating Loss	<u>\$ (207,644)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
(Increase) in Other Accounts Receivable	<u>234,436</u>
Total Adjustments	<u>234,436</u>
Net Cash Provided by Operating Activities	<u>\$ 26,792</u>

FIDUCIARY FUNDS

**TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 280,009	\$ 45,652	\$ 325,661
Total Assets	<u>\$ 280,009</u>	<u>\$ 45,652</u>	<u>\$ 325,661</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 18,736	\$ 18,736
Accrued Salaries and Wages		680	680
Due to Student Groups	\$ 280,009		280,009
Due to Other Funds	-	336	336
Flexible Spending (Sect. 125) Plan	<u>-</u>	<u>25,900</u>	<u>25,900</u>
Total Liabilities	<u>\$ 280,009</u>	<u>\$ 45,652</u>	<u>\$ 325,661</u>

**TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Private Purpose Trust Funds		
	TEF Funds	Scholarship Funds	Total
ADDITIONS			
Investment Earnings			
Interest	\$ 22	\$ 533	\$ 555
Donations	47,486	3,450	50,936
Total Additions	<u>47,508</u>	<u>3,983</u>	<u>51,491</u>
DEDUCTIONS			
Scholarship Payments	-	20,050	20,050
Local Contributions	46,663	-	46,663
Total Deductions	<u>46,663</u>	<u>20,050</u>	<u>66,713</u>
Change in Net Position	845	(16,067)	(15,222)
Net Position, Beginning of Year	<u>1,243</u>	<u>137,837</u>	<u>139,080</u>
Net Position, End of Year	<u>\$ 2,088</u>	<u>\$ 121,770</u>	<u>\$ 123,858</u>

**TENAFLY BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>School</u>	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
ELEMENTARY SCHOOLS	\$ 40,901	\$ 5,190	\$ 1,762	\$ 44,329
MIDDLE SCHOOL	25,426	292,101	262,432	55,095
HIGH SCHOOL				
Class Accounts	16,316	70,267	63,112	23,471
Student Organization Accounts	109,422	325,727	277,784	157,365
Athletic Account	<u>1,515</u>	<u>77,282</u>	<u>79,048</u>	<u>(251)</u>
Total	<u>\$ 193,580</u>	<u>\$ 770,567</u>	<u>\$ 684,138</u>	<u>\$ 280,009</u>

**PAYROLL AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
Due to Other Funds	\$ 236	\$ 3,034	\$ 2,934	\$ 336
Payroll Deductions and Withholdings	5,737	20,798,929	20,785,930	18,736
Flexible Spending (Sect. 125) Plan	19,370	127,955	121,425	25,900
Accrued Salaries and Wages	<u>908</u>	<u>24,410,641</u>	<u>24,410,869</u>	<u>680</u>
	<u>\$ 26,251</u>	<u>\$ 45,340,559</u>	<u>\$ 45,321,158</u>	<u>\$ 45,652</u>

LONG-TERM DEBT

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<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, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
School Bonds	5/23/2007	\$ 7,511,000				\$ 175,000	\$ 175,000	\$ -
Refunding School Bonds	9/20/2012	21,690,000	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	21,485,000	660,000	20,825,000			
Refunding School Bonds	6/11/2015	5,715,000	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			
Refunding School Bonds	1/29/2016	\$ 7,090,000	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			
			\$ 34,360,000	\$ 1,655,000	\$ 32,705,000			

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Paid by Budget Appropriation \$ 1,655,000

**TENAFLY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR JUNE 30, 2017**

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
Digital Desktop - Licensed Software and Services	\$ 1,389,500	\$ 1,111,600	\$ 277,900	\$ 833,700
Digital Desktop - Hardware	<u>1,702,000</u>	<u>1,059,632</u>	<u>260,104</u>	<u>799,528</u>
	<u>\$ 3,091,500</u>	<u>\$ 2,171,232</u>	<u>\$ 538,004</u>	<u>\$ 1,633,228</u>
			<u>Paid by Budget Appropriation</u>	<u>\$ 538,004</u>

**TENAFLY BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 2,448,988		\$ 2,448,988	\$ 2,448,988	
State Source					
State Aid - Type II	357,699		357,699	357,699	
Total Revenues	<u>2,806,687</u>	<u>-</u>	<u>2,806,687</u>	<u>2,806,687</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	1,655,000	-	1,655,000	1,655,000	-
Interest	<u>1,151,687</u>	<u>-</u>	<u>1,151,687</u>	<u>1,151,687</u>	<u>-</u>
Total Expenditures	<u>2,806,687</u>	<u>-</u>	<u>2,806,687</u>	<u>2,806,687</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>91,130</u>	<u>-</u>	<u>91,130</u>	<u>91,130</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 91,130</u>	<u>\$ -</u>	<u>\$ 91,130</u>	<u>\$ 91,130</u>	<u>\$ -</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:	
Designated for Subsequent Year's Budget (2017/2018)	\$ 91,130
Total Fund Balance -	
Restricted for Debt Service	<u>\$ 91,130</u>

STATISTICAL SECTION

This part of the Tenaflly 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,									
	2008	2009	2010	2011 (Restated)	2012	2013	2014 (Restated)	2015 (Restated)	2016	2017
Governmental Activities										
Investment in Capital Assets	\$ 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	\$ 13,430,340
Restricted	1,579,923	650,952	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492	4,675,373	4,102,698
Unrestricted	(981,052)	(1,368,883)	(820,236)	173,688	2,761,743	3,481,958	(13,505,241)	(16,178,727)	(15,618,732)	(16,836,620)
Total Governmental Activities Net Position	\$ 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)	\$ 696,418
Business-Type Activities										
Investment in Capital Assets	\$ 21,702	\$ 18,919	\$ 41,370	\$ 38,992	\$ 37,093	\$ 40,668	\$ 43,996	\$ 42,195	\$ 38,602	\$ 43,030
Restricted										
Unrestricted	662,915	606,486	523,671	452,784	467,329	493,608	426,293	421,955	400,476	351,472
Total Business-Type Activities Net Position	\$ 684,617	\$ 625,405	\$ 565,041	\$ 491,776	\$ 504,422	\$ 534,276	\$ 470,289	\$ 464,150	\$ 439,078	\$ 394,502
District-Wide										
Investment in Capital Assets	\$ 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	\$ 13,473,370
Restricted	1,579,923	650,952	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492	4,675,373	4,102,698
Unrestricted	(318,137)	(762,397)	(296,565)	626,472	3,229,072	3,975,566	(13,078,948)	(15,756,772)	(15,218,256)	(16,485,148)
Total District Net Position	\$ 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	\$ 1,090,920

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 41,889,707
Special Education	1,553,110	7,686,017	8,327,025	8,861,354	8,822,055	8,948,381	9,341,120	10,259,084	11,145,085	12,141,526
Other Instruction	2,429,615	2,419,401	1,997,649	1,127,521	1,942,642	2,135,380	2,083,253	2,362,084	2,666,838	3,083,645
School Sponsored Activities And Athletics	1,234,556	1,553,729	1,241,373	1,209,328	1,232,990	1,263,021	1,305,116	1,505,092	1,800,360	2,015,311
Community Services					8,694	7,741	7,091	30,770	37,559	48,487
Support Services:										
Student & Instruction Related Services	7,538,838	7,159,485	8,400,229	7,355,685	7,594,498	8,722,193	9,466,929	11,412,708	12,814,119	12,910,400
School Administrative Services	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	5,792,404
General Administration	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	979,519
Plant Operations And Maintenance	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	7,035,256
Pupil Transportation	1,224,650	1,278,214	1,108,733	1,018,923	1,112,729	1,049,857	995,750	1,204,927	1,282,758	1,304,784
Other Support Services	1,121,060	1,057,151	1,142,488	1,178,922	1,326,849	1,132,397	1,611,780	1,813,707	1,963,307	2,341,269
Special Schools										
Interest On Long-Term Debt	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	1,231,175
Total Governmental Activities Expenses	61,640,924	62,497,941	63,321,425	62,257,598	63,065,088	67,988,550	68,494,695	78,371,525	83,506,925	90,773,483
Business-Type Activities:										
Food Service	675,996	670,517	627,700	683,234	680,768	705,758	722,465	687,143	692,228	700,170
Child Care	254,054	274,826	293,629	306,305	309,747	282,243	396,282	329,221	357,217	438,450
Tiger Toys										134,238
Total Business-Type Activities Expense	930,050	945,343	921,329	989,539	990,515	987,981	1,118,747	1,016,364	1,049,445	1,272,878
Total District Expenses	\$ 62,570,974	\$ 63,443,284	\$ 64,242,754	\$ 63,247,137	\$ 64,055,603	\$ 68,976,531	\$ 69,613,442	\$ 79,387,889	\$ 84,556,370	\$ 92,046,361
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)										
School Sponsored Activities and Athletics				133,692	123,831	96,356	82,583			
Special Schools										
Community Services										
Operating Grants And Contributions	8,725,875	6,846,041	8,713,095	6,550,845	8,247,559	9,443,278	8,888,388	16,083,705	19,418,155	25,455,999
Capital Grants And Contributions	634,111	626,022	485,430	439,738	456,799	380,735	913,675	497,375	584,147	1,155,461
Total Governmental Activities Program Revenues	10,273,668	8,363,486	9,989,311	8,116,599	9,871,202	11,026,971	10,745,953	17,783,197	21,461,204	27,766,459
Business-Type Activities:										
Charges For Services:										
Food Service	617,699	596,397	568,396	587,234	605,928	594,204	627,312	648,766	669,219	677,739
Child Care	228,560	220,584	225,680	253,355	319,359	341,454	325,690	360,960	354,835	372,286
Tiger Toys										137,900
Operating Grants And Contributions	62,915	67,341	65,618	74,512	77,381	71,871	89,319			
Total Business Type Activities Program Revenues	908,994	884,322	859,694	915,101	1,002,668	1,007,529	1,042,321	1,009,726	1,024,054	1,187,925
Total District Program Revenues	\$ 11,182,662	\$ 9,247,808	\$ 10,849,005	\$ 9,031,700	\$ 10,873,870	\$ 12,044,500	\$ 11,788,274	\$ 18,792,923	\$ 22,485,258	\$ 28,954,384
Net (Expense)/Revenue										
Governmental Activities	\$ (51,367,256)	\$ (54,134,455)	\$ (53,332,114)	\$ (54,140,999)	\$ (53,193,886)	\$ (56,951,579)	\$ (57,748,742)	\$ (60,588,328)	\$ (62,045,721)	\$ (63,007,024)
Business-Type Activities	(21,056)	(61,021)	(61,635)	(74,438)	(32,153)	(19,548)	(76,426)	(6,638)	(23,391)	(84,953)
Total District-Wide Net Expense	\$ (51,388,312)	\$ (54,195,476)	\$ (53,393,749)	\$ (54,215,437)	\$ (53,181,733)	\$ (56,971,127)	\$ (57,825,168)	\$ (60,594,966)	\$ (62,071,112)	\$ (63,091,977)

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 63,737,435
Unrestricted Grants And Contributions	513,891	12,186	-	-	-	-	-	-	-	-
Investment Earnings	644,804	68,656	53,640	63,125	39,467	44,604	43,477	32,565	33,236	33,079
Miscellaneous Income	167,984	385,266	377,993	238,630	331,972	309,110	596,176	509,306	638,766	332,224
Loss on Disposal of Capital Assets	(27,600)	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	(40,092)
Total Governmental Activities	50,068,606	52,352,993	54,213,655	56,350,014	57,177,076	58,241,510	59,593,267	60,531,999	62,379,369	64,062,646
Business-Type Activities:										
Investment Earnings	5,092	1,809	1,271	1,173	493	606	657	499	319	285
Transfers	-	-	-	-	-	-	-	-	-	40,092
Total Business-Type Activities	5,092	1,809	1,271	1,173	493	606	657	499	319	40,377
Total District-Wide	\$ 50,073,698	\$ 52,354,802	\$ 54,214,926	\$ 56,351,187	\$ 57,177,569	\$ 58,242,116	\$ 59,593,924	\$ 60,532,498	\$ 62,379,688	\$ 64,103,023
Change in Net Position										
Governmental Activities	\$ (1,298,650)	\$ (1,781,462)	\$ 881,541	\$ 2,209,015	\$ 5,983,190	\$ 1,289,931	\$ 1,844,525	\$ (56,329)	\$ 333,648	\$ 1,055,622
Business-Type Activities	(15,964)	(59,212)	(60,364)	(73,265)	12,646	20,154	(75,769)	(6,139)	(25,072)	(44,576)
Total District Wide	\$ (1,314,614)	\$ (1,840,674)	\$ 821,177	\$ 2,135,750	\$ 3,995,836	\$ 1,310,085	\$ 1,768,756	\$ (62,468)	\$ 308,576	\$ 1,011,046

Sources: District's financial statements

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

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
General Fund										
Reserved	\$ 829,818	\$ 1,857,682	\$ 1,782,685							
Unreserved	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	\$ 6,376,707
Committed				38,500	558,440	489,500				
Assigned				1,413,210	322,225	749,275	1,641,275	1,571,610	1,556,814	1,245,526
Unassigned	-	-	-	607,687	577,090	1,087,841	1,126,026	1,144,340	1,208,586	1,181,815
Total General Fund	\$ 2,226,301	\$ 2,048,976	\$ 2,260,544	\$ 4,393,253	\$ 6,232,932	\$ 7,058,920	\$ 7,983,288	\$ 7,899,067	\$ 7,020,657	\$ 8,804,048
All Other Governmental Funds										
Reserved	\$ 1,337,160	\$ 133,649	\$ 59,044							
Unreserved	2,600,666	532,175	102,326							
Restricted				\$ 17,363	\$ 17,321	\$ 77,473	\$ 537,435	\$ 2,269,051	\$ 2,598,479	\$ 246,861
Committed										
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 3,937,826	\$ 665,824	\$ 161,370	\$ 17,363	\$ 17,321	\$ 77,473	\$ 537,435	\$ 2,269,051	\$ 2,598,479	\$ 246,861

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 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	\$ 63,737,435
Tuition Charges	913,682	891,423	790,786	813,030	869,043	936,982	1,011,177	1,030,447	1,050,511	994,660
Interest Earnings	644,804	68,656	53,640	63,125	39,467	44,604	43,477	32,565	33,236	33,079
Miscellaneous	170,484	385,266	413,362	606,797	693,940	695,047	1,435,641	962,870	695,865	522,820
State Sources	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	11,983,296
Federal Sources	1,073,554	880,281	1,387,801	1,107,300	930,373	833,838	836,196	900,736	1,027,981	1,157,601
Total Revenue	60,295,426	60,649,979	64,184,221	64,427,973	66,972,072	69,278,481	70,261,311	71,858,463	75,045,212	78,428,891
Expenditures										
Instruction										
Regular Instruction	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	32,285,717
Special Education Instruction	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	10,221,343
Other Instruction	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	2,409,362
School Sponsored Activities and Athletics	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	1,599,890
Other Instructional Programs					8,694	7,741	7,091	8,780	7,832	7,195
Community Services										
Support Services										
Student and Inst. Related Services	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	11,387,820
General Administration	1,070,754	1,382,860	909,871	1,153,097	1,078,885	1,038,465	1,342,109	981,112	941,810	916,355
School Administrative Services	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	4,911,583
Plant Operations And Maintenance	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	5,510,818
Pupil Transportation	1,213,789	1,267,053	1,097,270	1,001,139	1,099,061	1,035,544	972,930	1,182,039	1,263,571	1,284,271
Other Support Services	1,140,257	1,060,363	1,114,440	1,156,870	1,294,966	1,187,742	1,608,650	1,780,810	1,859,646	1,955,867
Capital Outlay	14,607,722	1,212,782	507,177	601,136	404,705	978,814	1,388,169	1,879,879	957,268	3,109,171
Debt Service										
Payments to Refunding Escrow Agent						2,653,896	-	387,734		
Cost of Issuance of Refunding of Bonds						187,386	-	99,457	33,000	
Principal	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	2,193,004
Interest and Other Charges	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	1,164,630
Total Expenditures	76,661,865	64,409,034	64,443,559	63,543,830	65,132,435	71,233,623	68,876,981	73,789,759	75,627,194	78,957,026
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(16,366,439)	(3,759,055)	(259,338)	884,143	1,839,637	(1,955,142)	1,384,330	(1,931,296)	(581,982)	(528,135)
Other Financing Sources (Uses)										
Proceeds From Borrowing										
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	473,152	21,743	42	48,521			124,937	2,451,361		1,388,348
Transfers Out	(473,152)	(21,743)	(42)	(48,521)	-	-	(124,937)	(2,451,361)	-	(1,428,440)
Total Other Financing Sources (Uses)	-	309,728	-	1,104,559	-	2,841,282	-	3,578,691	33,000	(40,092)
Net Change in Fund Balances	\$ (16,366,439)	\$ (3,449,327)	\$ (259,338)	\$ 1,988,702	\$ 1,839,637	\$ 886,140	\$ 1,384,330	\$ 1,647,395	\$ (548,982)	\$ (568,227)
Debt Service as a Percentage of										
Noncapital Expenditures	5.46%	5.01%	4.87%	5.12%	6.29%	4.13%	4.31%	4.03%	4.51%	4.43%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Summer School Fees</u>	<u>Interest on Deposits</u>	<u>Extracurricular Activities Fees</u>	<u>Solar Panel Project Escrow</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2017	994,660	157,125	33,079	7,172		325,052	1,517,088

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 ^a
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
2017	44,750,300	3,617,030,300	240,984,300	10,462,000	36,741,000	3,949,967,900		3,949,967,900	4,516,313,629	1.628

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>
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
2017	2.523	1.628	0.605	0.279	0.011

(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	2017		2008	
	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%
Tenafly Shopping Center LP			7,445,700	0.25%
Tenafly 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%		
Tenafly Shopping Center LP	7,209,400	0.18%		
Quirk Properties Tenafly, LLC	6,696,400	0.17%		
30 Engle Street-Tenafly Realty	6,524,200	0.17%		
Resident	4,653,100	0.12%		
Knickerbocker Estates LLC	3,195,000	0.08%		
TRC Property LLC	4,485,600	0.11%		
	<u>\$ 85,079,000</u>	<u>2.17%</u>	<u>\$ 77,731,500</u>	<u>2.62%</u>

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	
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
2017	63,737,435	63,737,435	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				
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	2,455
2017	32,705,000	1,633,228	34,338,228	0.21%	14,846 (E)	2,313

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			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2017	32,705,000		32,705,000	0.83	2,235

Source: District records

**TENAFLY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2016
(Unaudited)**

	<u>Net Debt</u>
Tenafly Board of Education (June 30, 2017)	
Municipal Debt: (1)	\$ 32,705,000
Borough of Tenafly	<u>20,764,947</u>
	53,469,947
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) and (3)	
County of Bergen (A)	31,871,599
Bergen County Utilities Authority - Water Pollution (B)	<u>4,130,456</u>
	<u>36,002,055</u>
 Total Direct and Overlapping Debt	 <u>\$ 89,472,002</u>

(A) The debt for this entity was apportioned to the Borough of Tenafly by dividing the Municipality's 2016 equalized value by the total 2016 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 2016 audit.
- (3) Bergen County Debt Statement December 31, 2016

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 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	\$ 175,071,218
Total Net Debt Applicable to Limit	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	32,705,000
Legal Debt Margin	<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>	<u>\$ 142,366,218</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.55%	25.94%	24.73%	23.98%	23.64%	23.31%	22.41%	21.49%	20.13%	18.68%

Legal Debt Margin Calculation for Fiscal Year 2017

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

2014	\$ 4,225,661,416
2015	4,391,332,391
2016	<u>4,513,347,531</u>
	<u>\$ 13,130,341,338</u>
Average Equalized Valuation of Taxable Property	<u>\$ 4,376,780,446</u>
Debt Limit (4 % of Average Equalization Value)	\$ 175,071,218
Total Net Debt Applicable to Limit	<u>32,705,000</u>
Legal Debt Margin	<u>\$ 142,366,218</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>
2007	3.3 %	\$ 63,814	14,158
2008	4.3	68,147	14,593
2009	7.8	68,548	14,681
2010	8	64,571	14,524
2011	7.8	65,275	14,617
2012	8	68,244	14,680
2013	7.3	71,380	14,802
2014	4.0	70,498	14,857
2015	3.4	73,536	14,880
2016	3.1	75,849 (E)	14,846

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>2017</u>		<u>2007</u>	
<u>Employer</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>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>	<u>2017</u>
Instruction										
Regular	178.00	187.10	183.90	174.90	174.70	177.30	177.90	179.50	179.30	186.20
Special Education	31.40	32.80	33.40	32.80	34.80	37.00	39.30	40.30	43.70	47.20
Other Special Education	17.10	17.50	18.55	17.15	18.20	19.20	19.60	19.80	20.30	25.40
Other Instruction	114.00	119.94	112.61	102.15	103.40	101.60	101.00	100.70	105.00	91.70
Support Services:										
Student and Instruction Related Services	88.20	66.94	71.56	69.60	76.10	73.78	86.00	103.30	106.40	103.80
General Administration	43.48	43.48	45.90	37.50	37.50	38.50	39.00	41.00	41.00	34.00
School Administrative Services	20.20	20.20	27.30	23.70	24.20	25.20	25.40	25.40	25.40	29.00
Other Administrative Services										
Plant Operations And Maintenance	40.00	38.00	38.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Total	<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>	<u>553.30</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	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				
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	3,504	3,377.00	0.98%	96.38%
2010	3,486	60,825,827	17,449	1.07%	296.50	20.50	17.5	19.0	3,557	3,433.60	1.51%	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	3,592	3,508.91	-0.55%	97.69%
2015	3,535	68,151,529	19,279	7.70%	280.20	21.80	20	17.6	3,610	3,484.93	0.50%	96.54%
2016	3,598	71,271,697	19,809	10.02%	284.30	22.00	17	17.8	3,607	3,479.94	-0.08%	96.48%
2017	3,567	72,490,221	20,322	5.41%	277.90	21.75	17.8	19.5	3,633	3,491.38	0.67%	96.10%

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District Building										
Elementary										
Mackay										
Square Feet	36,344	36,344	36,344	36,344	36,344	36,344	36,344	36,344	36,344	36,344
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	370	366	356	376	390	385	393	409	400	394
Muugham										
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	388	388	380	385	390	405	409	402	403	397
Smith										
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	368	366	367	365	365	371	376	391	380	375
Stilman										
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	352	381	401	384	395	408	409	414	392	356
Middle School										
Square Feet	182,258	182,258	182,258	182,258	182,258	182,258	182,258	182,258	182,258	182,258
Capacity (students)	950	950	950	950	950	950	950	950	950	950
Enrollment	850	828	802	827	847	831	852	842	891	917
High School										
Square Feet	260,715	260,715	260,715	260,715	260,715	260,715	260,715	260,715	260,715	260,715
Capacity (students)	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
Enrollment	1,138	1,182	1,183	1,236	1,232	1,212	1,152	1,151	1,142	1,164
Administration Building										
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, 2017

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES										
* School Facilities										
Mackay Elementary School	\$ 80,956	\$ 88,573	\$ 67,186	\$ 71,644	\$ 83,475	\$ 86,162	\$ 43,752	\$ 52,353	\$ 48,508	\$ 51,969
Maugham Elementary School	102,743	112,409	85,267	90,925	105,940	109,351	50,050	59,719	54,976	56,745
Smith Elementary School	137,084	149,981	113,766	121,314	141,348	145,899	46,036	54,896	50,933	52,243
Stillman Elementary School	46,167	50,511	38,314	40,856	47,603	49,136	49,241	58,754	54,167	55,645
Middle School	140,743	153,984	116,802	124,552	145,121	149,793	220,074	262,465	241,731	244,990
High School	213,706	233,810	177,354	189,121	209,362	216,102	314,810	375,413	346,022	350,432
Total School Facilities	721,399	789,268	598,689	638,412	732,849	756,443	723,963	863,600	796,337	812,024
Other Facilities										
Administration Building	59,756	65,378	49,591	52,881	10,990	11,343	11,206	13,329	2,702	12,442
Grand Total	\$ 781,155	\$ 854,646	\$ 648,280	\$ 691,293	\$ 743,839	\$ 767,786	\$ 735,169	\$ 876,929	\$ 799,039	\$ 824,466

* 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, 2017
(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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**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, 2017 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 31, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

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 an instance of noncompliance or other matters that is 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 and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

We also noted certain matters that are 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 31, 2017.

Tenafly Board of Education's Response to Finding

The Tenafly Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Tenafly Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

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

DLJ

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
October 31, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
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, 2017. 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 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, 2017.

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.

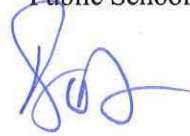
Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

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, 2017 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 31, 2017, 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

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



Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
October 31, 2017

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017			Memo	GAAP Receivable	Cumulative Total Expenditure
						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	Accounts Receivable	Unearned Revenue	(Account Receivable)	Unearned Revenue	Due to Grantor		
Special Revenue Fund:																	
I.D.E.A. Part B, Basic	84.027	H027A160100	IDEAS160-17	9/1/16-6/30/17	\$ 716,849		\$ 6	\$ (6)	\$ 673,573	\$ 716,851			\$ (45,282)	\$ 4		\$ (43,278)	\$ 716,851
I.D.E.A. Part B, Basic	84.027	H027A150100	IDEAS160-16	9/1/15-6/30/16	736,539	(9,585)	(6)	6	9,585								746,406
I.D.E.A. Part B, Preschool	84.173	H173A160114	IDEAS160-17	9/1/16-6/30/17	37,402		459	(459)	33,911	37,860			(3,950)	1		(3,949)	37,860
I.D.E.A. Part B, Preschool	84.173	H173A150114	IDEAS160-16	9/1/15-6/30/16	36,874	(5,081)	(459)	459	5,081	-	-	-	-	-	\$ -	-	41,779
Total Special Education Cluster (IDEA)						(14,666)	-	-	722,150	754,711	-	-	(47,232)	5	-	(47,227)	1,542,896
Title I, Part A	84.010A	S010A160030	NCLB516017	9/1/16-6/30/17	187,078		52,151	(52,131)	116,780	174,150	\$ 36,998	\$ (36,998)	(85,431)	28,061		(57,370)	174,150
Title I, Part A	84.010A	S010A150030	NCLB516016	9/1/15-6/30/16	194,963	(37,875)	(52,131)	52,131	37,875				-	-		-	142,832
Title II, Part A	84.367	S367A160029	NCLB516017	9/1/16-6/30/17	42,101		46,232	(46,232)	27,114	50,134			(61,219)	38,199		(23,020)	50,134
Title II, Part A	84.367	S367A150029	NCLB516016	9/1/15-6/30/16	46,232	(5,500)	(46,232)	46,232	5,500				-	-		-	25,506
Title III-Immigrant	84.365	S365A160030	NCLB516017	9/1/16-6/30/17	21,647				16,661	18,653			(4,986)	2,994		(1,992)	18,653
Title III	84.365	S365A160030	NCLB516017	9/1/16-6/30/17	56,496		11,033	(11,033)	51,538	62,810			(15,991)	4,719		(11,272)	62,810
Title III	84.365	S365A150030	NCLB516016	9/1/15-6/30/16	72,151	(9,319)	(11,033)	11,033	9,319	-	-	-	-	-		-	71,458
Total Title III Cluster						(9,319)	-	-	77,518	81,463	-	-	(20,977)	7,713	-	(13,264)	152,921
Total U.S. Department of Education						(67,360)	-	-	986,937	1,060,458	36,998	(36,998)	(214,859)	73,978	-	(140,881)	2,088,439
The TEACH Coalition (SAMSHA)	93.276	SP021565	1H79SP021565-01	9/30/16-9/27/17	125,000	-	-	-	125,000	101,699	-	-	-	23,301	-	-	101,699
Total U.S. Department of Health and Human Services						-	-	-	125,000	101,699	-	-	-	23,301	-	-	101,699
Total Federal Financial Awards						\$ (67,360)	\$ -	\$ -	\$ 1,111,937	\$ 1,162,157	\$ 36,998	\$ (36,998)	\$ (214,859)	\$ 97,279	\$ -	\$ (140,881)	\$ 2,190,138

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016			Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	Balance June 30, 2017			MEMO	
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Cash Received				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 1,192,029			\$ 1,089,755	\$ 1,192,029			\$ (102,274)			\$ 1,192,029	
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,202,460	(83,925)		85,925				-			*	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	63,352			57,917	63,352			(5,435)			*	63,352
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	55,484	(3,872)		3,872				-			*	-
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	36,070			32,975	36,070			(3,095)			*	36,070
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	36,070	(2,518)		2,518				-			*	-
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	36,070			32,975	36,070			(3,095)			*	36,070
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	36,070	(2,518)		2,518				-			*	-
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	35,850			32,775	35,850			(3,075)			*	35,850
Total State Aid- Public Cluster				(92,833)		1,339,230	1,363,371			(116,974)			*	1,363,371
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	80,474			73,569	80,474			(6,905)			*	80,474
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	70,484	(4,919)		4,919				-			*	-
Other State Aid - Non Public Transportation	17-495-034-5120-014	7/1/16-6/30/17	19,299				19,299			(19,299)			\$	19,299
Other State Aid - Non Public Transportation	16-495-034-5120-014	7/1/15-6/30/16	20,530	(20,530)	\$ -	20,530				-	\$ -		\$	-
Total Transportation Aid				(25,449)		99,018	99,773			(26,204)			\$	99,773
Other State Aid - Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	902,798				902,798			(902,798)			*	902,798
Other State Aid - Extraordinary Aid	16-100-034-5120-044	7/1/15-6/30/16	1,071,071	(1,071,071)		1,071,071				-			*	-
TPAF In-Behalf Contributions														
TPAF Pension Contribution-Normal Costs	17-495-034-5094-002	7/1/16-6/30/17	2,997,112			2,997,112	2,997,112						*	2,997,112
TPAF Pension Contribution-NCGL	17-495-034-5094-004	7/1/16-6/30/17	108,592			108,592	108,592						*	108,592
TPAF Pension Contribution- Long Term Disability Insurance	17-495-034-5094-004	7/1/16-3/30/17	4,882			4,882	4,882						*	4,882
TPAF Pension Contribution - Post Retirement Cost	17-495-034-5094-001	7/1/16-6/30/17	2,587,758			2,587,758	2,587,758						*	2,587,758
Total On-Behalf TPAF Contribution Cluster						5,698,344	5,698,344						*	5,698,344
TPAF Social Security Reimbursements	17-495-034-5094-003	7/1/16-6/30/17	2,149,380			2,149,380	2,149,380						*	2,149,380
Total General Fund				(1,189,353)		10,337,043	10,213,666			(1,045,976)			*	(19,299)
Special Revenue Fund:														
New Jersey Nonpublic Aid														
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	30,607			30,607	29,751				\$ 856		*	29,751
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	29,691		1,737			1,737					*	-
Auxiliary Services														
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	114,662			114,662	102,927				11,735		*	102,927
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	105,331		2,115			2,115					*	-
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	2,741			2,741	2,192				549		*	2,192
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	4,659		345			345					*	-
Total Nonpublic Auxiliary Services Aid (Chap. 192) Cluster					2,460	117,403	105,119	2,460				12,284	*	134,870
Handicapped Services														
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	51,859			51,859	50,599				1,260		*	50,599
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	52,320		5,628			5,628					*	-
Corrective Speech	14-100-034-5120-066	7/1/16-6/30/17	42,408			42,408	39,051				3,357		*	39,051
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	47,823		334			334					*	-
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	33,742			33,742	28,406				5,336		*	28,406
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	31,188		5,347			5,347					*	-
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	22,757										*	-
Total Nonpublic Handicapped Services Aid (Chap. 193) Cluster					11,309	128,009	118,056	11,309				9,953	*	118,056
Technology														
Technology	17-100-034-5120-373	7/1/16-6/30/17	13,806			13,806	13,640				166		*	13,640
Technology	16-100-034-5120-373	7/1/15-6/30/16	13,520		990			990					*	-
Nursing	17-100-034-5120-070	7/1/16-6/30/17	48,690			48,690	47,167				1,523		*	47,167
Nursing	16-100-034-5120-070	7/1/15-6/30/16	47,430		2,472			2,472					*	-
Security Aid	17-100-034-5120-509	7/1/16-6/30/17	27,050			27,050	19,742				7,308		*	19,742
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	13,175		3,854			3,854					*	-
Total Special Revenue Fund					22,822	365,565	333,475	22,822				32,090	*	333,475

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title Debt Service Fund	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016			Balance June 30, 2017					MEMO		
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Type II Debt Service State Aid	17-495-034-5120-075	7/1/16-6/30/17	\$ 357,699	-	-	\$ 357,699	\$ 357,699	-	-	-	-	-	-	\$ 357,699
Total State Department of Education				\$ (1,189,353)	\$ 22,822	11,080,307	10,904,840	\$ 22,822	-	\$ (1,045,976)	-	\$ 32,090	\$ (19,299)	10,904,840
State of New Jersey Schools Development Authority:														
Capital Projects Fund														
SDA Grant Project	5160-080-14-G04	7/1/15-6/30/16	29,040	(1,028)	-	22,695	21,667	-	-	-	-	-	-	22,695
SDA Grant Project	5160-090-14-G04	7/1/15-6/30/16	29,040	(1,028)	-	24,303	23,275	-	-	-	-	-	-	24,303
SDA Grant Project	5160-070-14-G04	7/1/15-6/30/16	29,040	(1,028)	-	22,545	21,517	-	-	-	-	-	-	22,545
SDA Grant Project	5160-100-14-G04	7/1/15-6/30/16	29,040	(1,028)	-	29,040	28,012	-	-	-	-	-	-	29,040
SDA Grant Project	5160-095-14-G04	7/1/15-6/30/16	84,720	(2,489)	-	55,570	53,081	-	-	-	-	-	-	55,570
SDA Grant Project	5160-050-14-2007-G04	7/1/15-6/30/16	166,320	(4,639)	-	104,480	99,821	-	-	-	-	-	-	104,480
SDA Grant Project	5160-095-14-1002-G04	7/1/15-6/30/16	246,291	(17,866)	-	189,665	171,799	-	-	-	-	-	-	189,665
SDA Grant Project	5160-095-14-1003-G04	7/1/15-6/30/16	446,477	(29,836)	-	339,719	309,863	-	-	-	-	-	-	339,719
SDA Grant Project	5160-095-14-1004-G04	7/1/15-6/30/16	326,560	(19,272)	-	226,547	207,275	-	-	-	-	-	-	226,547
Total SDA Cluster				(78,254)	-	1,014,564	936,310	-	-	-	-	-	-	1,014,564
Total State Financial Assistance Subject to Single Audit Determination				(1,267,607)	22,822	12,094,871	11,841,150	22,822	-	(1,045,976)	-	32,090	(19,299)	11,919,404
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
On-Behalf TPAF Pension														
System Contributions	17-495-034-5094-002/004	7/1/16-6/30/17	(3,110,586)	-	-	(3,110,586)	(3,110,586)	-	-	-	-	-	-	(3,110,586)
On-Behalf TPAF Post-Retirement														
Medical Contribution	17-495-034-5094-001	7/1/16-6/30/17	(2,587,758)	-	-	(2,587,758)	(2,587,758)	-	-	-	-	-	-	(2,587,758)
Total State Financial Assistance for Major Program Determination				\$ (1,267,607)	\$ 22,822	\$ 6,396,527	\$ 6,142,806	\$ 22,822	\$ -	\$ (1,045,976)	\$ -	\$ 32,090	\$ (19,299)	\$ 6,221,060

**TENAFLY BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 Title 2 U.S. Code of Federal Regulations Part 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 \$142,146 for the general fund and a decrease of \$3,055 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		\$ 10,355,812	\$ 10,355,812
Special Revenue Fund	\$ 1,157,601	333,475	1,491,076
Capital Projects Fund		936,310	936,310
Debt Service Fund	-	357,699	357,699
Total Financial Assistance	<u>\$ 1,157,601</u>	<u>\$ 11,983,296</u>	<u>\$ 13,140,897</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, 2017**

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 \$2,149,380 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$3,105,704, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,587,758 and TPAF Long-Term Disability Insurance in the amount of \$4,882 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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, 2017

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? X yes none reported

Noncompliance material to basic financial statements noted? X yes 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>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

- 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 N.J. Circular Letter 15-08? _____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>17-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</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, 2017**

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.

Finding 2017-001:

Our audit of the general ledger account balances revealed certain adjusting journal entries were required to reconcile the Board records to agree with subsidiaries records and supporting documentation. We noted transfers approved by Board resolution approving the return of unexpended Capital Reserve funds from Capital Projects Fund to General Fund were not recorded in the subsidiary records. In addition, duplicate postings were noted. It was also noted that certain year-end receivables were not accrued, such as Extraordinary Aid and Non-Public Transportation Aid.

Criteria or specific requirement:

The State Department of Education's GAAP Technical Systems Manual

Condition:

Certain adjusting journal entries were required to reclassify receipts, accrue revenues and correct general ledger entries in the General and Capital Projects Funds.

Questioned Costs:

None.

Context:

Certain journal entries were required to reclassify mispostings and record certain transactions in the General and Capital Project Funds.

Effect:

The Board Secretary's records were not in agreement with subsidiary records and supporting documentation.

Recommendation:

Internal controls over financial accounting and reporting be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**TENAFLY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

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

There are none.