



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



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ending
June 30, 2019**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Tenafly Board of Education

Tenafly, New Jersey

For The Fiscal Year Ended June 30, 2019

Prepared by

Business Office

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INTRODUCTORY SECTION



Office of Business Administrator/
Board Secretary

500 Tenafly Road, Tenafly, NJ 07670
Tel: 201-816-4505 – Fax: 201-569-3711

December 5, 2019

President Ms. Janet I. Horan
Vice President Ms. Jocelyn Schwarz

Members of the Board of Education:

Mr. Mark Aronson
Ms. Natalie Barbanel
Mr. Sam A. Bruno
Ms. Patricia Flynn
Ms. Jane Juhng
Ms. Inbal Israeli Miller
Mr. Edward J. Salaski

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, 2019.

Annual Financial Report
Tenafly Board of Education
Fiscal Year Ended June 30, 2019

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

The Tenafly Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Tenafly Board of Education for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Tenafly Board of Education's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Annual Financial Report
 Tenafly Board of Education
 Fiscal Year Ended June 30, 2019

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 2018-2019 school year increased by 2 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
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
2017-2018	3,685	1.43
2018-2019	3,687	0.05

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 2018-2019

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, 2019.

6) DEBT ADMINISTRATION: At June 30, 2019, the District's outstanding debt issues were \$29,215,000 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 April 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 4.00% in support of the 2010-2011 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 student enrollment, rising healthcare costs, increases in special education related services 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 2018-2019 budget reflects a 2.58% general fund school tax levy increase from the previous school year budget.

10) **OTHER INFORMATION:**

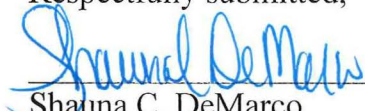
A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, Higgins, LLP CPA's, was selected by the Board's Finance Committee. In addition to meeting the requirements set forth 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
Tenaflly Board of Education
Fiscal Year Ended June 30, 2019

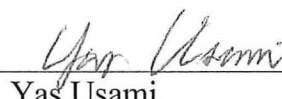
11) ACKNOWLEDGEMENTS:

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

Respectfully submitted,



Shauna C. DeMarco
Superintendent of Schools

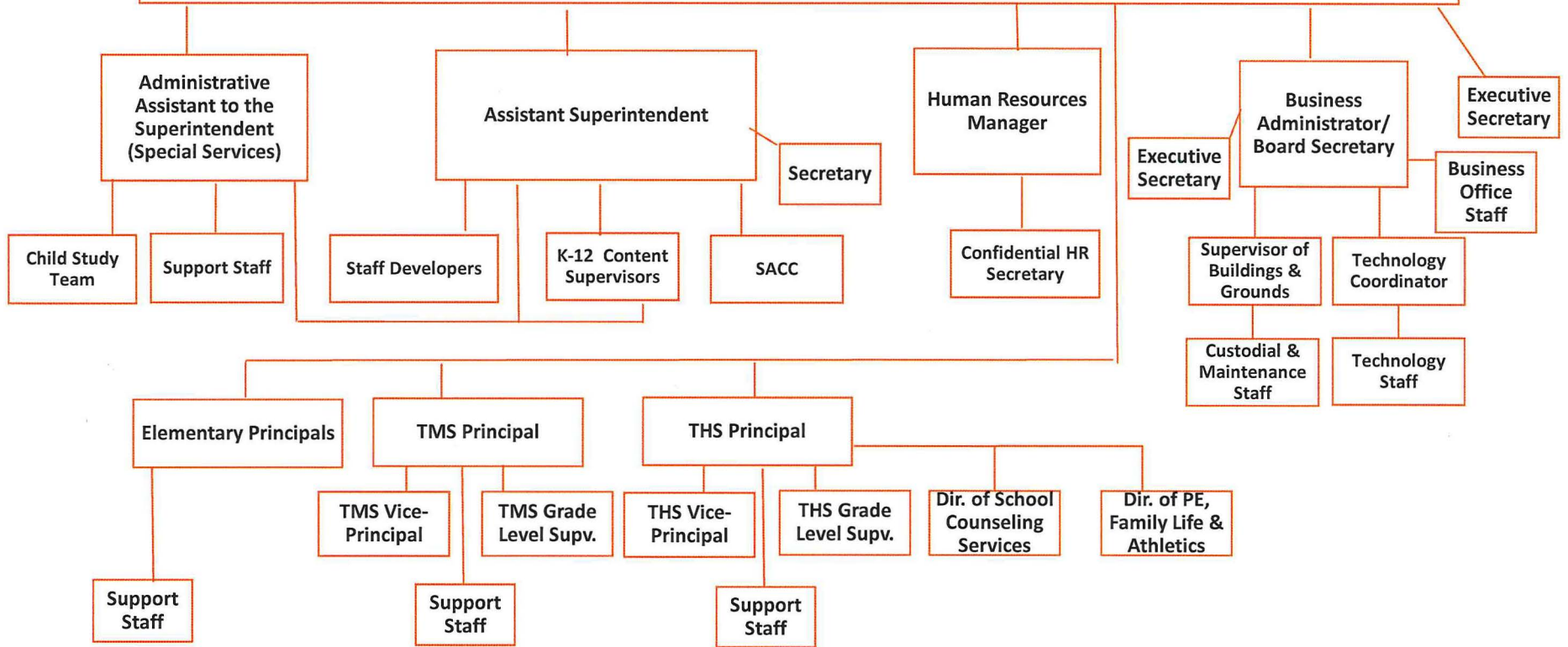


Yas Usami
Business Administrator/Board Secretary

TENAFLY BOARD OF EDUCATION
ORGANIZATIONAL CHART

Superintendent of Schools

VIII



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

**ROSTER OF OFFICIALS
JULY 1, 2018 to JUNE 30, 2019**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Janet I. Horan, President	Dec. 2020
Jocelyn Schwarz, Vice President	Dec. 2019
Mark Aronson	Dec. 2019
Natalie Barbanel	Dec. 2021
Sam A. Bruno	Dec. 2019
Patricia Flynn	Dec. 2020
Inbal Israeli Miller	Dec. 2021
Jane Juhng	Dec. 2021
Edward J. Salaski	Dec. 2020

OTHER OFFICIALS

Shauna DeMarco, Superintendent
Evelyn Mamman, Assistant Superintendent

Yas Usami, Business Administrator/Board Secretary
Fogarty & Hara, Esqs.

TENAFLY BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
2018-2019

ARCHITECTS

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Investors Bank
108 Engle Street
Englewood, NJ 07631

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2019 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 Tenaflly Board of Education as of June 30, 2019, 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, pension information and other postemployment benefits 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 Tenaflly 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 Tenaflly 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 December 5, 2019 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
December 5, 2019

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, 2019. 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 2018-2019 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 \$5,476,245 (net position).
- General revenues of \$67,067,743 accounted for 73 percent of all revenues. Program revenues of \$25,309,704 accounted for 27 percent of total revenues of \$92,377,447.
- The school district had \$88,763,258 in expenses for governmental activities; only \$23,926,637 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$67,066,705 were adequate to provide for these programs.
- Among major funds, the General Fund had \$80,313,703 in revenues and other financing sources and \$80,059,972 in expenditures and other financing uses. The General Fund's fund balance increased by \$253,731.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$9,451,531.

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 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.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

District-wide Statements

The district-wide statements report information about the Tenafly 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 Tenafly 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.
- *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, TEF 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 2019 and 2018.

Net position. The district's combined net position was \$5,476,245 and \$3,187,964 on June 30, 2019 and June 30, 2018, 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, 2019 and 2018

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$ 10,100,373	\$ 9,974,712	\$ 381,113	\$ 315,286	\$ 10,481,486	\$ 10,289,998
Capital Assets	<u>45,919,334</u>	<u>45,753,255</u>	<u>87,670</u>	<u>93,190</u>	<u>46,007,004</u>	<u>45,846,445</u>
Total Assets	<u>56,019,707</u>	<u>55,727,967</u>	<u>468,783</u>	<u>408,476</u>	<u>56,488,490</u>	<u>56,136,443</u>
Deferred Outflows of Resources						
Deferred Amounts of Refunding of Debt	2,015,868	2,255,636	-	-	2,015,868	2,255,636
Deferred Amount of Net Pension Liability	<u>3,335,397</u>	<u>4,989,750</u>	<u>-</u>	<u>-</u>	<u>3,335,397</u>	<u>4,989,750</u>
Total Deferred Outflows of Resources	<u>5,351,265</u>	<u>7,245,386</u>	<u>-</u>	<u>-</u>	<u>5,351,265</u>	<u>7,245,386</u>
Total Assets and Deferred Outflows of Resources	<u>61,370,972</u>	<u>62,973,353</u>	<u>468,783</u>	<u>408,476</u>	<u>61,839,755</u>	<u>63,381,829</u>
Liabilities						
Long-Term Liabilities	49,298,440	54,724,493			49,298,440	54,724,493
Other Liabilities	<u>1,062,709</u>	<u>1,059,438</u>	<u>32,214</u>	<u>30,104</u>	<u>1,094,923</u>	<u>1,089,542</u>
Total Liabilities	<u>50,361,149</u>	<u>55,783,931</u>	<u>32,214</u>	<u>30,104</u>	<u>50,393,363</u>	<u>55,814,035</u>
Deferred Inflows of Resources						
Deferred Amount of Net Pension Liability	<u>5,970,147</u>	<u>4,379,830</u>	<u>-</u>	<u>-</u>	<u>5,970,147</u>	<u>4,379,830</u>
Total Deferred Inflows of Resources	<u>5,970,147</u>	<u>4,379,830</u>	<u>-</u>	<u>-</u>	<u>5,970,147</u>	<u>4,379,830</u>
Total Liabilities and Deferred Inflows of Resources	<u>56,331,296</u>	<u>60,163,761</u>	<u>32,214</u>	<u>30,104</u>	<u>56,363,510</u>	<u>60,193,865</u>
Net Position:						
Net Investment in Capital Assets	17,214,953	15,349,943	87,670	93,190	17,302,623	15,443,133
Restricted	5,036,700	4,771,369			5,036,700	4,771,369
Unrestricted	<u>(17,211,977)</u>	<u>(17,311,720)</u>	<u>348,899</u>	<u>285,182</u>	<u>(16,863,078)</u>	<u>(17,026,538)</u>
Total Net Position	<u>\$ 5,039,676</u>	<u>\$ 2,809,592</u>	<u>\$ 436,569</u>	<u>\$ 378,372</u>	<u>\$ 5,476,245</u>	<u>\$ 3,187,964</u>

The table on the on the following page shows changes in net position for fiscal years 2019 and 2018.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,282,394	\$ 1,202,529	\$ 1,383,067	\$ 1,143,833	\$ 2,665,461	\$ 2,346,362
Operating Grants and Contributions	22,353,568	26,847,935			22,353,568	26,847,935
Capital Grants and Contributions	290,675	246,762			290,675	246,762
General Revenues						
Property Taxes	66,570,472	64,871,921			66,570,472	64,871,921
Investment Earnings	225,549	165,454	1,038	681	226,587	166,135
Other	270,684	283,428	-	-	270,684	283,428
Total Revenues	<u>90,993,342</u>	<u>93,618,029</u>	<u>1,384,105</u>	<u>1,144,514</u>	<u>92,377,447</u>	<u>94,762,543</u>
Expenses						
Instruction						
Regular	38,834,411	42,091,248			38,834,411	42,091,248
Special Education	14,133,496	12,590,425			14,133,496	12,590,425
Other Instruction	3,048,403	3,321,720			3,048,403	3,321,720
School Sponsored Activities and Athletics	1,936,665	2,087,955			1,936,665	2,087,955
Other Instructional Programs	199,623	43,806			199,623	43,806
Support Services						
Student and Instruction Related Services	11,773,011	14,088,044			11,773,011	14,088,044
General Administrative Services	1,066,259	1,097,035			1,066,259	1,097,035
School Administrative Services	5,440,821	6,069,970			5,440,821	6,069,970
Plant Operations and Maintenance	7,523,497	7,723,842			7,523,497	7,723,842
Pupil Transportation	1,486,506	1,379,792			1,486,506	1,379,792
Business and Other Support Services	2,204,265	2,182,543			2,204,265	2,182,543
Food Services Program			793,266	630,638	793,266	630,638
Child Care Program			390,287	433,708	390,287	433,708
Tiger Tots Program			142,355	140,376	142,355	140,376
Interest and Other Charges on Long-Term Debt	1,116,301	1,174,565	-	-	1,116,301	1,174,565
Total Expenses	<u>88,763,258</u>	<u>93,850,945</u>	<u>1,325,908</u>	<u>1,204,722</u>	<u>90,089,166</u>	<u>95,055,667</u>
Increase/(Decrease) in Net Position						
Before Transfers	2,230,084	(232,916)	58,197	(60,208)	2,288,281	(293,124)
Transfers	<u>-</u>	<u>(31,438)</u>	<u>-</u>	<u>31,438</u>	<u>-</u>	<u>-</u>
Change in Net Position	2,230,084	(264,354)	58,197	(28,770)	2,288,281	(293,124)
Net Position, Beginning of Year	<u>2,809,592</u>	<u>3,073,946</u>	<u>378,372</u>	<u>407,142</u>	<u>3,187,964</u>	<u>3,481,088</u>
Net Position, End of Year	<u>\$ 5,039,676</u>	<u>\$ 2,809,592</u>	<u>\$ 436,569</u>	<u>\$ 378,372</u>	<u>\$ 5,476,245</u>	<u>\$ 3,187,964</u>

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Governmental Activities. The district's total revenues were \$90,993,342. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to \$67,066,705 or 74% of total revenues. Funding from state, federal and local sources and capital contributions amounted to \$22,644,243 or 25%. The remaining revenues of \$1,282,394 (1%) were from charges for services (tuition, maintenance fees and student participation fees).

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$58,152,598 (66%) and student and other support services totaled \$29,494,359 (33%) of total expenditures. In addition, interest and other charges on long-term debt totaled \$1,116,301 (1%) of total expenditures.

Total and Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Cost of Services</u>	<u>Net Cost of Services</u>
Governmental Activities		
Instruction		
Regular	\$ 38,834,411	\$ 26,405,867
Special Education	14,133,496	7,992,581
Other Instruction	3,048,403	1,954,934
School Sponsored Activities and Athletics	1,936,665	1,296,326
Other Instructional Program	199,623	139,317
Support Services		
Student and Instruction Related Svcs.	11,773,011	10,638,853
General Administrative Services	1,066,259	946,516
School Administrative Services	5,440,821	4,627,709
Plant Operations and Maintenance	7,523,497	6,761,856
Pupil Transportation	1,486,506	1,119,569
Business and Other Support Services	2,204,265	2,063,254
Interest on Long-Term Debt	<u>1,116,301</u>	<u>889,839</u>
 Total Governmental Activities	 <u>\$ 88,763,258</u>	 <u>\$ 64,836,621</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, 2019 was \$1,325,908. 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, 2019, its governmental funds reported a combined fund balance of \$9,451,531. At June 30, 2018, the fund balance was \$9,347,970.

Revenues and other financing sources for the District's governmental funds were \$87,080,785, while total expenditures and other financing uses were \$86,977,224 for the fiscal year ended June 30, 2019, thereby resulting in an increase in fund balance of \$103,561.

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>2019</u>	Fiscal Year Ended June 30, <u>2018</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 64,124,620	\$ 62,514,216	\$ 1,610,404	2.6%
Tuition	779,296	979,918	(200,622)	-20.5%
Interest Earnings	225,549	165,454	60,095	36.3%
Miscellaneous	773,782	501,888	271,894	54.2%
Intergovernmental				
State Sources	13,765,904	11,666,922	2,098,982	18.0%
Federal Sources	<u>21,171</u>	<u>22,707</u>	<u>(1,536)</u>	-6.8%
 Total Revenues	 <u>\$ 79,690,322</u>	 <u>\$ 75,851,105</u>	 <u>\$ 3,839,217</u>	 5.1%

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Total General Fund Revenues increased by \$3,839,217 or 5.1% over the previous year. Local property taxes increased 2.6% over the previous year. Miscellaneous revenues increased by 54.2%, as a result of higher summer school fees realized compared to the prior year. Interest earning increased by \$60,095 due to higher available balances and increases in interest rates. Tuition revenues decreased by 20.5% due to lower enrollments in high school students received from Alpine. State aid revenues increased by \$2,098,982 due to an increase in State formula aid and the On-Behalf TPAF Pension costs contributed by the State for the district.

General Fund Expenditures

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended June 30, <u>2019</u>	Fiscal Year Ended June 30, <u>2018</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 50,338,949	\$ 47,590,359	\$ 2,748,590	5.8%
Support Services	26,130,969	26,855,484	(724,515)	-2.7%
Capital Outlay	475,829	36,369	439,460	1208.3%
Debt Service	550,946	550,946	-	0.0%
	<u>77,496,693</u>	<u>75,033,158</u>	<u>2,463,535</u>	
Total Expenditures	<u>\$ 77,496,693</u>	<u>\$ 75,033,158</u>	<u>\$ 2,463,535</u>	3.3%

Total General Fund expenditures increased by \$2,463,535 or 3.3% compared to the previous year. The District realized significant increases in instruction. The increase in Capital Outlay was largely the result of an increase 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 2019 and 2018, the school district had invested in land, buildings, land improvements, furniture, machinery and equipment as follows:

Capital Assets as of June 30, 2019 and 2018

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 222,500	\$ 222,500			\$ 222,500	\$ 222,500
Construction In Progress	91,305				91,305	
Buildings	57,159,271	56,239,179			57,159,271	56,239,179
Improvements Other Than Buildings	2,570,330	2,565,830			2,570,330	2,565,830
Machinery and Equipment	<u>9,846,738</u>	<u>8,237,517</u>	<u>\$ 305,399</u>	<u>\$ 300,471</u>	<u>10,152,137</u>	<u>8,537,988</u>
 Total	 69,890,144	 67,265,026	 305,399	 300,471	 70,195,543	 67,565,497
 Less: Accumulated Depreciation	 <u>(23,970,810)</u>	 <u>(21,511,771)</u>	 <u>(217,729)</u>	 <u>(207,281)</u>	 <u>(24,188,539)</u>	 <u>(21,719,052)</u>
 Total Capital Assets, Net	 <u>\$ 45,919,334</u>	 <u>\$ 45,753,255</u>	 <u>\$ 87,670</u>	 <u>\$ 93,190</u>	 <u>\$ 46,007,004</u>	 <u>\$ 45,846,445</u>

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

Debt Administration. As of June 30, 2019 and 2018 the school district had long-term debt and outstanding long-term liabilities in the amount of \$49,298,440 and \$54,724,493, respectively.

Outstanding Long-Term Liabilities

	<u>2019</u>	<u>2018</u>
Serial Bonds Payable (Including Unamortized Premium)	\$ 30,720,249	\$ 32,658,948
Lease Purchase Agreements Payable	547,652	1,092,048
Compensated Absences Payable	1,655,232	1,390,297
Net Pension Liability	<u>16,375,307</u>	<u>19,583,200</u>
 Total	 <u>\$ 49,298,440</u>	 <u>\$ 54,724,493</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, 2009, the District's unassigned (budgetary basis) fund balance was \$869,831 or 1.57% of the operating budget. Since then, the district has continued to maintain a fund balance within the state recommended guidelines. A review of the below Table indicates that as of June 30, 2019, the district unassigned (budgetary basis) fund balance was \$2,588,368 or 3.5%.

ANALYSIS OF FUND BALANCE – GENERAL FUND FROM 2009 – 2019

	BALANCE, JUNE 30,									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
UNRESTRICTED										
UNASSIGNED YEAR END (GAAP)	\$ (651,919)	\$ 477,859	\$ 607,687	\$ 577,090	\$ 1,087,841	\$ 1,126,026	\$ 1,144,340	\$ 1,181,815	\$ 1,221,046	\$ 1,239,877
USED TO OFFSET TAX SUBSEQUENT YEAR	843,213	855,135	1,596,577	1,601,564	2,719,506	2,450,000	2,450,000	2,392,774	2,292,774	2,098,506
UNRESTRICTED										
UNASSIGNED YEAR END(BUDGETARY)	869,831	1,821,101	1,946,268	1,747,610	2,120,613	2,099,414	2,327,813	2,208,492	2,363,224	2,588,368
MODIFIED BUDGET										
APPROPRIATIONS	55,578,455	56,835,033	57,081,610	60,394,695	61,065,088	63,517,853	65,298,508	68,037,794	70,113,229	73,903,188
PERCENT OF MODIFIED APPROPRIATIONS TO BUDGETARY UNRESERVED,										
UNRESTRICTED, UNASSIGNED FUND BALANCE	<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>	<u>3.37%</u>	<u>3.50%</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 2018-2019 budget. The primary factors were the District's projected student population, projected special education costs, anticipated state and federal aid as well as increasing salary and benefit costs. The District made an effort to address wellness issues by having mental health services professionals at the high school during school days. Another factor was in technology. The District added interactive TVs to replace SMART Boards that are non-functioning, laptops for staff and network and infrastructure maintenance and upgrades.

Tenaflly 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 2019-2020. In addition, the District added mental health services at the middle school to meet the challenges of wellness. The District will continue with intervention strategies to support math, provide professional development and leveled reading resources to support guided reading at elementary level, replenish and supplement core textbooks at the secondary level, and introduce a digital platform to modernize instruction, engage students, and allow teachers to present content by integrating rich multimedia within lessons and access students in real-time through formative assessments. The District Budgeted expenditures in the General Fund increased 1.99% percent to \$73,150,913 in fiscal year 2019-2020 at a 2.0% tax levy increase. Capital projects funded with Capital Reserve accounted for a total of \$1,442,225. The projects included: Storm Water Drainage Upgrades at Smith Elementary School; New Turf and Sitework at Mackay Elementary School; Toilet Renovations at Maugham Elementary School, Auditorium Seat and Floor Replacement at the Middle School; Library Ceiling and Lights Replacement at Stillman Elementary School; and Parking Lot Repaving at Central Office. An additional \$80 was subtracted from the debt service obligation in 2019-2020 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, Tenaflly Board of Education, 500 Tenaflly Road, Tenaflly, 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, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 9,605,151	\$ 364,403	\$ 9,969,554
Receivables, net	495,222	11,909	507,131
Inventory		4,801	4,801
Capital Assets			
Not Being Depreciated	313,805		313,805
Being Depreciated, Net	45,605,529	87,670	45,693,199
Total Assets	<u>56,019,707</u>	<u>468,783</u>	<u>56,488,490</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	2,015,868		2,015,868
Deferred Amount of Net Pension Liability	3,335,397		3,335,397
Total Deferred Outflows of Resources	<u>5,351,265</u>		<u>5,351,265</u>
Total Assets and Deferred Outflows of Resources	<u>61,370,972</u>	<u>468,783</u>	<u>61,839,755</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	330,120	651	330,771
Payable to State Government	72,097		72,097
Unearned Revenue	246,625	31,563	278,188
Accrued Interest Payable	413,867		413,867
Noncurrent Liabilities			
Due Within One Year	2,665,652		2,665,652
Due Beyond One Year	46,632,788		46,632,788
Total Liabilities	<u>50,361,149</u>	<u>32,214</u>	<u>50,393,363</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	5,970,147		5,970,147
Total Deferred Inflows of Resources	<u>5,970,147</u>	<u>-</u>	<u>5,970,147</u>
Total Liabilities and Deferred Inflows of Resources	<u>56,331,296</u>	<u>32,214</u>	<u>56,363,510</u>
NET POSITION			
Net Investment in Capital Assets	17,214,953	87,670	17,302,623
Restricted for:			
Debt Service	234		234
Capital Projects	3,782,716		3,782,716
Other Purposes	300,900		300,900
Maintenance	952,850		952,850
Unrestricted	(17,211,977)	348,899	(16,863,078)
Total Net Position	<u>\$ 5,039,676</u>	<u>\$ 436,569</u>	<u>\$ 5,476,245</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, 2019**

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	\$ 38,834,411	\$ 976,934	\$ 11,430,710	\$ 20,900	\$ (26,405,867)		\$ (26,405,867)
Special Education	14,133,496		6,140,915		(7,992,581)		(7,992,581)
Other Instruction	3,048,403		1,093,469		(1,954,934)		(1,954,934)
School Sponsored Activities and Athletics	1,936,665	148,290	492,049		(1,296,326)		(1,296,326)
Other Instructional Programs	199,623		60,306		(139,317)		(139,317)
Support Services							
Student and Instruction Related Svcs.	11,773,011		1,134,158		(10,638,853)		(10,638,853)
General Administrative Services	1,066,259		119,743		(946,516)		(946,516)
School Administrative Services	5,440,821		813,112		(4,627,709)		(4,627,709)
Plant Operations and Maintenance	7,523,497	157,170	561,158	43,313	(6,761,856)		(6,761,856)
Pupil Transportation	1,486,506		366,937		(1,119,569)		(1,119,569)
Business Services	2,204,265		141,011		(2,063,254)		(2,063,254)
Interest and Other Charges on Long-Term Debt	1,116,301			226,462	(889,839)	-	(889,839)
Total Governmental Activities	88,763,258	1,282,394	22,353,568	290,675	(64,836,621)	-	(64,836,621)
Business-Type Activities							
Food Service	793,266	773,680				\$ (19,586)	(19,586)
Child Care	390,287	460,997				70,710	70,710
Tiger Tots	142,355	148,390				6,035	6,035
Total Business-Type Activities	1,325,908	1,383,067	-	-	-	57,159	57,159
Total Primary Government	\$ 90,089,166	\$ 2,665,461	\$ 22,353,568	\$ 290,675	(64,836,621)	57,159	(64,779,462)
General Revenues:							
Property Taxes, Levied for General Purposes					64,124,620		64,124,620
Property Taxes, Levied for Debt Service					2,445,852		2,445,852
Investment Earnings					225,549	1,038	226,587
Miscellaneous Income					270,684	-	270,684
Total General Revenues					67,066,705	1,038	67,067,743
Change in Net Position					2,230,084	58,197	2,288,281
Net Position, Beginning of Year					2,809,592	378,372	3,187,964
Net Position, End of Year					\$ 5,039,676	\$ 436,569	\$ 5,476,245

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, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 9,512,816	\$ 19,806	\$ 72,295	\$ 234	\$ 9,605,151
Due From Other Funds	336				336
Receivables, Net					
Receivables From Other Governments	34,841	189,206			224,047
Accounts Receivable	<u>270,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,839</u>
Total Assets	<u>\$ 9,818,832</u>	<u>\$ 209,012</u>	<u>\$ 72,295</u>	<u>\$ 234</u>	<u>\$ 10,100,373</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 181,001				\$ 181,001
Compensated Absences Payable	149,119				149,119
Payable to State Government		\$ 72,097			72,097
Unearned Revenue	<u>109,710</u>	<u>136,915</u>	<u>-</u>	<u>-</u>	<u>246,625</u>
Total Liabilities	<u>439,830</u>	<u>209,012</u>	<u>-</u>	<u>-</u>	<u>648,842</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures (2019/20 Budget)	898,846				898,846
Excess Surplus	970,393				970,393
Capital Reserve	2,268,196				2,268,196
Capital Reserve- Designated for Subsequent Year's Expenditures (2019/20 Budget)	1,442,225				1,442,225
Maintenance Reserve	602,850				602,850
Maintenance Reserve- Designated for Subsequent Year's Expenditures (2019/20 Budget)	350,000				350,000
Emergency Reserve	300,900				300,900
Capital Projects			\$ 72,295		72,295
Debt Service				\$ 234	234
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures (2019/20 Budget)	1,199,660				1,199,660
Year End Encumbrances	106,055				106,055
Unassigned Fund Balance	<u>1,239,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,239,877</u>
Total Fund Balances	<u>9,379,002</u>	<u>-</u>	<u>72,295</u>	<u>234</u>	<u>9,451,531</u>
Total Liabilities and Fund Balances	<u>\$ 9,818,832</u>	<u>\$ 209,012</u>	<u>\$ 72,295</u>	<u>\$ 234</u>	<u>\$ 10,100,373</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, 2019

Total Fund Balance (Exhibit B-1) \$ 9,451,531

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 \$69,890,144 and the accumulated depreciation is \$23,970,810. 45,919,334

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) (49,298,440)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (413,867)

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. 2,015,868

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	\$ 3,335,397	
Deferred Inflows of Resources	<u>(5,970,147)</u>	
		<u>(2,634,750)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 5,039,676

**TENAFLY BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 64,124,620			\$ 2,445,852	\$ 66,570,472
Tuition Charges	779,296				779,296
Interest	225,549				225,549
Miscellaneous	<u>773,782</u>	\$ 34,986			<u>808,768</u>
Total - Local Sources	65,903,247	34,986	-	2,445,852	68,384,085
State Sources	13,765,904	331,411		377,436	14,474,751
Federal Sources	<u>21,171</u>	<u>1,014,118</u>	-		<u>1,035,289</u>
Total Revenues	<u>79,690,322</u>	<u>1,380,515</u>	-	<u>2,823,288</u>	<u>83,894,125</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	33,682,679	65,534			33,748,213
Special Education Instruction	12,262,042	670,188			12,932,230
Other Instruction	2,496,518	202,968			2,699,486
School Sponsored Activities and Athletics	1,721,361				1,721,361
Other Instructional Programs	176,349				176,349
Support Services					
Student and Instruction Related Services	10,802,885	437,325			11,240,210
General Administrative Services	988,558				988,558
School Administrative Services	5,025,532				5,025,532
Plant Operations and Maintenance	5,757,400		\$ 769		5,758,169
Pupil Transportation	1,460,833				1,460,833
Business Services	2,095,761				2,095,761
Debt Service					
Principal	544,396			1,775,000	2,319,396
Interest	6,550			1,052,511	1,059,061
Capital Outlay	<u>475,829</u>	<u>4,500</u>	<u>2,085,076</u>		<u>2,565,405</u>
Total Expenditures	<u>77,496,693</u>	<u>1,380,515</u>	<u>2,085,845</u>	<u>2,827,511</u>	<u>83,790,564</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>2,193,629</u>	<u>-</u>	<u>(2,085,845)</u>	<u>(4,223)</u>	<u>103,561</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	623,381		2,563,279		3,186,660
Transfers Out	<u>(2,563,279)</u>		<u>(623,381)</u>		<u>(3,186,660)</u>
Total Other Financing Sources and Uses	<u>(1,939,898)</u>	<u>-</u>	<u>1,939,898</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	253,731	-	(145,947)	(4,223)	103,561
Fund Balance, Beginning of Year	<u>9,125,271</u>	<u>-</u>	<u>218,242</u>	<u>4,457</u>	<u>9,347,970</u>
Fund Balance, End of Year	<u>\$ 9,379,002</u>	<u>\$ -</u>	<u>\$ 72,295</u>	<u>\$ 234</u>	<u>\$ 9,451,531</u>

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, 2019**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 103,561

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 exceeds depreciation expense in the current period.

Capital Outlay	\$	2,565,405	
Depreciation Expense		(2,459,039)	
Donated Assets		<u>59,713</u>	
			166,079

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).

2,319,396

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)

(76,069)

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		(264,935)	
Net Increase in Pension Expense		(36,777)	

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		<u>18,829</u>	
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,230,084**

**TENAFLY BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	School Age Child Care	Non-Major Tiger Tots	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 3,130	\$ 344,897	\$ 16,376	\$ 364,403
Other Receivables		11,909		11,909
Inventory	4,801			4,801
Total Current Assets	<u>7,931</u>	<u>356,806</u>	<u>16,376</u>	<u>381,113</u>
Noncurrent Assets				
Furniture, Machinery and Equipment	305,399			305,399
Less Accumulated Depreciation	<u>(217,729)</u>			<u>(217,729)</u>
Total Capital Assets, Net	<u>87,670</u>	<u>-</u>	<u>-</u>	<u>87,670</u>
Total Assets	<u>95,601</u>	<u>356,806</u>	<u>16,376</u>	<u>468,783</u>
LIABILITIES				
Accounts Payable		651		651
Unearned Revenue	22,899	5,364	3,300	31,563
Total Liabilities	<u>22,899</u>	<u>6,015</u>	<u>3,300</u>	<u>32,214</u>
NET POSITION				
Investment in Capital Assets	87,670			87,670
Unrestricted	<u>(14,968)</u>	<u>350,791</u>	<u>13,076</u>	<u>348,899</u>
Total Net Position	<u>\$ 72,702</u>	<u>\$ 350,791</u>	<u>\$ 13,076</u>	<u>\$ 436,569</u>

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

**TENAFLY BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Fund			Totals
	Food Service	School Age Child Care	Non-Major Tiger Tots	
OPERATING REVENUES				
Charges for Services				
Daily Sales	\$ 767,190			\$ 767,190
Special Functions	6,490			6,490
Program Fees		\$ 460,997	\$ 148,390	609,387
	<u>773,680</u>	<u>460,997</u>	<u>148,390</u>	<u>1,383,067</u>
OPERATING EXPENSES				
Cost of Sales	324,502			324,502
Salaries and Benefits	327,459	369,466	139,214	836,139
Management Fee	50,098			50,098
Other Purchased Services	13,771	10,786		24,557
Other Expenses	5,896	3,108		9,004
Repairs	12,739			12,739
Supplies and Materials	48,353	6,927	2,791	58,071
Miscellaneous Expenditures			350	350
Depreciation	10,448			10,448
	<u>793,266</u>	<u>390,287</u>	<u>142,355</u>	<u>1,325,908</u>
Operating Income/(Loss)	<u>(19,586)</u>	<u>70,710</u>	<u>6,035</u>	<u>57,159</u>
NONOPERATING REVENUES				
Interest Revenue	1,038			1,038
	<u>1,038</u>	<u>-</u>	<u>-</u>	<u>1,038</u>
Change in Net Position	(18,548)	70,710	6,035	58,197
Net Position, Beginning of Year	91,250	280,081	7,041	378,372
Net Position, End of Year	<u>\$ 72,702</u>	<u>\$ 350,791</u>	<u>\$ 13,076</u>	<u>\$ 436,569</u>

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

**TENAFLY BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds			Total
	Food Service	School Age Child Care	Non-Major Tiger Tots	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 772,679	\$ 462,758	\$ 149,290	\$ 1,384,727
Payments for Employees Salaries and Benefits	(327,459)	(369,550)	(139,214)	(836,223)
Payments to Suppliers	(455,435)	(20,821)	(3,241)	(479,497)
Net Cash Provided/(Used) by Operating Activities	<u>(10,215)</u>	<u>72,387</u>	<u>6,835</u>	<u>69,007</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(4,928)			(4,928)
Net Cash Used By Capital and Related Financing Activities	<u>(4,928)</u>	<u>-</u>	<u>-</u>	<u>(4,928)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	1,038	-	-	1,038
Net Cash Provided By Investing Activities	<u>1,038</u>	<u>-</u>	<u>-</u>	<u>1,038</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(14,105)	72,387	6,835	65,117
Cash and Cash Equivalents, Beginning of Year	17,235	272,510	9,541	299,286
Cash and Cash Equivalents, End of Year	<u>\$ 3,130</u>	<u>\$ 344,897</u>	<u>\$ 16,376</u>	<u>\$ 364,403</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided/ (Used) by Operating Activities:				
Operating Income/(Loss)	\$ (19,586)	\$ 70,710	\$ 6,035	\$ 57,159
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	10,448			10,448
Changes in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable		(634)		(634)
(Increase) Decrease in Inventories	(76)			(76)
Increase (Decrease) in Accounts Payable		(84)	(100)	(184)
Increase (Decrease) in Unearned Revenue	(1,001)	2,395	900	2,294
Total Adjustments	<u>9,371</u>	<u>1,677</u>	<u>800</u>	<u>11,848</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (10,215)</u>	<u>\$ 72,387</u>	<u>\$ 6,835</u>	<u>\$ 69,007</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, 2019**

	<u>Private Purpose Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 113,928	\$ 516,822	\$ 460,635
Intergovernmental Receivable		6,556	
	<u>113,928</u>	<u>523,378</u>	<u>\$ 460,635</u>
Total Assets			
LIABILITIES			
Due To Other Funds			\$ 336
Intergovernmental Payable		1,229	
Payable To Student Groups			401,208
Payroll Deductions and Withholdings			28,714
Accrued Salaries and Wages			557
Flexible Spending (Sect. 125) Plan	-	-	29,820
	<u>-</u>	<u>-</u>	<u>29,820</u>
Total Liabilities	<u>-</u>	<u>1,229</u>	<u>\$ 460,635</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 113,928</u>	<u>\$ 522,149</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, 2019**

	Private Purpose Trust Funds	Unemployment Compensation Trust
ADDITIONS		
Investment Earnings		
Interest	\$ 2,181	\$ 8,936
Payroll Deductions		71,567
Donations	25,299	-
Total Additions	<u>27,480</u>	<u>80,503</u>
DEDUCTIONS		
Scholarship Payments	10,350	
Local Contributions	21,975	
Unemployment Claims and Contributions		41,714
Total Deductions	<u>32,325</u>	<u>41,714</u>
Change in Net Position	(4,845)	38,789
Net Position, Beginning of Year	<u>118,773</u>	<u>483,360</u>
Net Position, End of Year	<u>\$ 113,928</u>	<u>\$ 522,149</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, 2019**

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 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 2019, the District adopted the following GASB statement:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed.

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

- 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.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

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.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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 funds and its food service and school age childcare (SACC) enterprise funds to be major funds.

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.

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

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

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

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

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

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards and TEF contributions. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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, 2019

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

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the 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.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

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 with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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)

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 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 3C).

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 2019/2020 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 3D).

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 2019/2020 District budget certified for taxes.

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 3E).

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 2019/2020 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.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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, unrestricted state aid, 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, 2019**

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 2017-2018 and 2018-2019 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, and of the Tiger Tots enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 as liabilities in the funds.” The details of this \$(49,298,440) difference are as follows:

Bonds Payable	\$ (29,215,000)
Add:	
Issuance Premium (to be amortized over life of debt)	(1,505,249)
Lease Purchase Agreement Payable	(547,652)
Compensated Absences	(1,655,232)
Net Pension Liability	<u>(16,375,307)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (49,298,440)</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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 \$2,319,396 difference are as follows:

Principal Repayments:	
General Obligation Bonds	\$ 1,775,000
Lease Purchase Agreement	<u>544,396</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ 2,319,396</u>

Another element of that reconciliation states that “Governmental funds report the effect or premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$(76,069) difference are as follows:

Amortization of Deferred Charge on Refunding	\$ (239,768)
Amortization of Bond Premiums	<u>163,699</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ (76,069)</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.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the General Fund's original budget by \$2,432,023. The increase was funded by the appropriation of the prior year extraordinary aid, the appropriation of capital reserve funds and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved the following appropriations: \$1,000,810 of prior year extraordinary aid, \$1,103,679 of capital reserve funds and \$163,600 of capital reserve funds. The Board increased the Special Revenue Fund's budget by \$479,184. The increase was funded by additional grant awards.

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

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The Food Service Enterprise Fund has a deficit in unrestricted net position of \$14,968 as of June 30, 2019. The District expects to eliminate this deficit through normal operations in the 2019/2020 fiscal year.

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 3,396,920
Increased by:		
Interest Earnings	\$ 3,400	
Budgeted Amount Restored to Capital Reserve	20,975	
Return of Unexpended Capital Reserve Funds	623,381	
Deposit Approved by Board Resolution	<u>2,250,000</u>	
		<u>2,897,756</u>
		6,294,676
Decreased by:		
Withdrawals Approved in District Budget	1,316,975	
Withdrawals Approved by Board Resolution	<u>1,267,280</u>	
		<u>2,584,255</u>
Balance, June 30, 2019		<u>\$ 3,710,421</u>
Designated for Subsequent Year's Expenditures (2019/20 Budget)		\$ 1,442,225
Available Capital Reserve		<u>2,268,196</u>
		<u>\$ 3,710,421</u>

The withdrawals from the capital reserve were for use in department approved facilities projects, consistent with the district's Long Range Facilities Plan. \$1,442,225 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 851,750
Increased by:		
Interest Earnings	\$ 1,100	
Deposit Approved by Board Resolution	<u>450,000</u>	
		<u>451,100</u>
		1,302,850
Decreased by:		
Withdrawals Approved in District Budget		<u>350,000</u>
Balance, June 30, 2019		<u>\$ 952,850</u>
Designated for Subsequent Year's Expenditures (2019/20 Budget)		\$ 350,000
Available Maintenance Reserve		<u>602,850</u>
		<u>\$ 952,850</u>

The June 30, 2019 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. \$350,000 of the maintenance reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. 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, 2019 is as follows:

Balance, June 30, 2018	\$ 300,000
Increased by:	
Interest Earnings	<u>900</u>
Balance, June 30, 2019	<u>\$ 300,900</u>

F. 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, 2019 is \$1,869,239. Of this amount, \$898,846 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$970,393 will be appropriated in the 2020/2021 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 and NCUSIF.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2019, the book value of the Board's deposits were \$11,060,939 and bank and brokerage firm balances of the Board's deposits amounted to \$12,538,573. 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	\$ 12,538,573
	<u>\$ 12,538,573</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, 2019 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2019, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2019 for the district’s individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>School Age Child Care</u>	<u>Total</u>
Receivables:				
Accounts			\$ 11,909	\$ 11,909
Intergovernmental				
Federal		\$ 189,206		189,206
State	\$ 34,841			34,841
Local	270,839	-	-	270,839
Gross Receivables	305,680	189,206	11,909	506,795
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 305,680</u>	<u>\$ 189,206</u>	<u>\$ 11,909</u>	<u>\$ 506,795</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	\$ 109,710
Special Revenue Fund	
Grant Draw Downs Reserved for Encumbrances	26,443
Unencumbered Grant Draw Downs	<u>110,472</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 246,625</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 222,500			\$ 222,500
Construction in Progress	-	\$ 91,305	-	91,305
Total Capital Assets, Not Being Depreciated	222,500	91,305	-	313,805
Capital Assets, Being Depreciated:				
Buildings	56,239,179	920,092		57,159,271
Improvements Other Than Buildings	2,565,830	4,500		2,570,330
Machinery and Equipment	8,237,517	1,609,221	-	9,846,738
Total Capital Assets Being Depreciated	67,042,526	2,533,813	-	69,576,339
Less Accumulated Depreciation For:				
Buildings	(13,192,993)	(1,754,249)		(14,947,242)
Improvements Other Than Buildings	(2,500,408)	(152,107)		(2,652,515)
Machinery and Equipment	(5,818,370)	(552,683)	-	(6,371,053)
Total Accumulated Depreciation	(21,511,771)	(2,459,039)	-	(23,970,810)
Total Capital Assets, Being Depreciated, net	45,530,755	74,774	-	45,605,529
Governmental Activities Capital Assets, net	\$ 45,753,255	\$ 166,079	\$ -	\$ 45,919,334
Business-Type Activities				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 300,471	\$ 4,928	-	\$ 305,399
Total Capital Assets Being Depreciated	300,471	4,928	-	305,399
Less Accumulated Depreciation For:				
Machinery and Equipment	(207,281)	(10,448)	-	(217,729)
Total Accumulated Depreciation	(207,281)	(10,448)	-	(217,729)
Total Capital Assets, Being Depreciated, net	93,190	(5,520)	-	87,670
Business-Type Activities Capital Assets, net	\$ 93,190	\$ (5,520)	\$ -	\$ 87,670

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 688,531
Special Education	73,771
School-Sponsored Activities and Athletics	<u>24,590</u>
Total Instruction	<u>786,892</u>

Support Services

Student and Instruction Related Services	24,591
General Administrative Services	24,591
Plant Operations and Maintenance	1,598,375
Pupil Transportation	<u>24,590</u>
Total Support Services	<u>1,672,147</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,459,039</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 10,448</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 10,448</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	<u>\$ 336</u>
Total		<u>\$ 336</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.

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
General Fund		\$ 2,563,279	\$ 2,563,279
Capital Projects Fund	\$ 623,381	-	623,381
	<u>\$ 623,381</u>	<u>\$ 2,563,279</u>	<u>\$ 3,186,660</u>
Total Transfers Out			

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund and cancelled project balance funds being restored to their original source.

F. Leases

Lease Purchase Agreements

The District is leasing digital desktop software and hardware supplies 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, 2019 were as follows:

Fiscal Year Ending <u>June 30,</u>	Governmental <u>Activities</u>
2020	\$ 550,946
Total Minimum Lease Payments	550,946
Less: Amount Representing Interest	(3,294)
Present Value of Minimum Lease Payments	<u>\$ 547,652</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. 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, 2019 are comprised of the following issues:

\$21,690,000, 2012 Refunding Bonds, due in annual installments of \$570,000 to \$2,430,000 through July 15, 2030, interest at 3.00% to 5.00%	\$19,300,000
\$5,715,000, 2015 Refunding Bonds, due in annual installments of \$245,000 to \$690,000 through April 1, 2031, interest at 3.00% to 4.00%	5,195,000
\$7,090,000, 2016 Refunding Bonds, due in annual installments of \$610,000 to \$735,000 through April 1, 2026, interest at 1.790%	<u>4,720,000</u>
Total	<u>\$29,215,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 1,840,000	\$ 998,551	\$ 2,838,551
2021	1,910,000	939,594	2,849,594
2022	1,990,000	872,531	2,862,531
2023	2,070,000	796,141	2,866,141
2024	2,165,000	717,683	2,882,683
2025-2029	13,095,000	2,235,715	15,330,715
2030-2031	<u>6,145,000</u>	<u>212,644</u>	<u>6,357,644</u>
Total	<u>\$ 29,215,000</u>	<u>\$ 6,772,859</u>	<u>\$ 35,987,859</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 181,432,587
Less: Net Debt	<u>29,215,000</u>
Remaining Borrowing Power	<u>\$ 152,217,587</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Balance <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2019</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 30,990,000		\$ 1,775,000	\$ 29,215,000	\$ 1,840,000
Unamortized Premium	<u>1,668,948</u>	<u>-</u>	<u>163,699</u>	<u>1,505,249</u>	<u>-</u>
Total Bonds Payable	32,658,948	-	1,938,699	30,720,249	1,840,000
Compensated Absences	1,390,297	\$ 471,935	207,000	1,655,232	278,000
Lease Purchase Agreements	1,092,048		544,396	547,652	547,652
Net Pension Liability	<u>19,583,200</u>	<u>-</u>	<u>3,207,893</u>	<u>16,375,307</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 54,724,493</u>	<u>\$ 471,935</u>	<u>\$ 5,897,988</u>	<u>\$ 49,298,440</u>	<u>\$ 2,665,652</u>

For the governmental activities, the liabilities for compensated absences, lease purchase agreements and net pension liability are generally liquidated by the general fund.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 or Group). 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 Group 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective Group 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 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>
2019	\$ 71,567	\$ 41,714	\$ 522,149
2018	44,367	52,654	483,360
2017	94,358	131,265	484,365

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

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, 2019, 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, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees’ Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Teachers’ Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represent the membership tiers for TPAF:

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

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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 (“Division”), 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, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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.us/treasury/doinvest.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2019.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 827,250	\$ 5,762,696	\$ 69,366
2018	779,338	4,238,433	78,041
2017	733,486	3,105,704	74,032

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$3,037, \$8,240 and \$2,536, respectively for PERS and the State contributed \$4,997, \$5,309 and \$4,882, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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 \$2,200,987 during the fiscal year ended June 30, 2019 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. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$16,375,307 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .08317 percent, which was a decrease of .00096 percent from its proportionate share measured as of June 30, 2017 of .08413 percent.

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$864,027 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, 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	\$ 312,280	\$ 84,436
Changes of Assumptions	2,698,379	5,235,952
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		153,601
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>324,738</u>	<u>496,158</u>
Total	<u>\$ 3,335,397</u>	<u>\$ 5,970,147</u>

At June 30, 2019, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ 72,384
2021	(211,855)
2022	(1,173,999)
2023	(983,605)
2024	(337,675)
Thereafter	<u>-</u>
	<u>\$ (2,634,750)</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2017 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, 2019

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 5.66%, 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 (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease <u>4.66%</u>	Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>20,590,062</u>	\$ <u>16,375,307</u>	\$ <u>12,839,397</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 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
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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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,421,129 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$178,760,784. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .28099 percent, which was an increase of .00488 percent from its proportionate share measured as of June 30, 2017 of .27611 percent.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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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)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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
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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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**TENAFLY BOARD OF EDUCATION
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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:

Fiscal Year	Measurement Date	Discount Rate
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040

Municipal Bond Rate * From July 1, 2040
 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 211,291,852</u>	<u>\$ 178,760,784</u>	<u>\$ 151,793,321</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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 plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$2,613,950, \$2,737,514 and \$2,587,758, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,995,021. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$100,190,701. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .22 percent, which was an increase of .01 percent from its proportionate share measured as of June 30, 2017 of .21 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%

Mortality Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Long-Term Rate of Return 1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>115,319,558</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,503,077
Interest on the Total OPEB Liability	4,243,760
Differences Between Expected and Actual Experiences	(9,791,839)
Changes of Assumptions	(11,497,384)
Gross Benefit Payments	(2,679,064)
Contributions from the Member	<u>92,593</u>
Net Changes	\$ <u>(15,128,857)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>100,190,701</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87% as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 118,445,804	\$ 100,190,701	\$ 85,679,779

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 82,813,450	\$ 100,190,701	\$ 123,172,781

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

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 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, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 64,124,620		\$ 64,124,620	\$ 64,124,620	
Other Local Sources					
Tuition - Other LEA's	997,100		997,100	779,296	\$ (217,804)
Interest Earned on Current Expense Emergency Reserve	900		900	900	
Interest Earned on Capital Reserve Funds	3,400		3,400	3,400	
Interest Earned on Maintenance Reserve	1,100		1,100	1,100	
Interest				220,149	220,149
Summer School Fees				197,638	197,638
Miscellaneous	673,398	-	673,398	576,144	(97,254)
Total Local Sources	65,800,518	-	65,800,518	65,903,247	102,729
State Sources					
Special Education Aid	1,351,747	-	1,351,747	1,551,244	199,497
Security Aid	63,352		63,352	285,644	222,292
Transportation Aid	273,474		273,474	353,878	80,404
Non Public Transportation Reimbursement				34,841	34,841
Extraordinary Aid				1,163,980	1,163,980
TPAF Pension Contribution - Normal					
Costs and Accrued Liability (Non-Budget)				5,644,541	5,644,541
TPAF Pension Contribution- NCGI (Non-Budget)				118,155	118,155
TPAF Pension Contribution- Long Term Disability Insurance (Non-Budget)				4,997	4,997
TPAF Pension Contribution - Post Retirement (Non-Budget)				2,613,950	2,613,950
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,200,987	2,200,987
Total State Sources	1,688,573	-	1,688,573	13,972,217	12,283,644
Federal Sources					
Medicaid Reimbursement	22,325	-	22,325	21,171	(1,154)
Total Federal Sources	22,325	-	22,325	21,171	(1,154)
Total Revenues	67,511,416	-	67,511,416	79,896,635	12,385,219
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	930,888	\$ (6,809)	924,079	923,767	312
Grades 1-5	6,356,938	(132,879)	6,224,059	6,222,412	1,647
Grades 6-8	4,960,579	74,729	5,035,308	5,034,665	643
Grades 9-12	7,663,122	89,341	7,752,463	7,751,635	828
Regular Programs - Home Instruction					
Salaries of Teachers	20,000	(441)	19,559		19,559
Purchased Professional/Educational Services	8,500	-	8,500	8,061	439
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,074,074	(1,016,001)	58,073	57,720	353
Purchased Professional/Educational Services	3,000	(1,794)	1,206		1,206
Other Purchased Services	1,390,363	(386,823)	1,003,540	907,394	96,146
General Supplies	1,191,441	(261,197)	930,244	723,361	206,883
Textbooks	267,354	(37,391)	229,963	153,867	76,096
Other Objects	38,000	(7,500)	30,500	27,109	3,391
Total Regular Programs	23,904,259	(1,686,765)	22,217,494	21,809,991	407,503

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Learning and / or Language Disabled					
Salaries of Teachers	\$ 132,241	\$ (304)	\$ 131,937	\$ 128,767	\$ 3,170
Other Salaries for Instruction	125,625	(3,694)	121,931	112,037	9,894
General Supplies	5,500	(313)	5,187	3,158	2,029
Textbooks	6,500	(708)	5,792	4,672	1,120
Total Learning and/or Language Disabled	269,866	(5,019)	264,847	248,634	16,213
Multiple Disabled					
Salaries of Teachers	71,234	66,418	137,652	136,521	1,131
Other Salaries for Instruction	89,645	262,557	352,202	348,397	3,805
General Supplies	2,500	3,000	5,500	3,940	1,560
Total Multiple Disabled	163,379	331,975	495,354	488,858	6,496
Resource Room/Resource Center					
Salaries of Teachers	3,199,941	(181,931)	3,018,010	2,999,045	18,965
Other Salaries for Instruction	17,850	1,148,553	1,166,403	1,009,880	156,523
General Supplies	30,500	(1,414)	29,086	22,684	6,402
Textbooks	9,780	1,300	11,080	4,298	6,782
Total Resource Room/Resource Center	3,258,071	966,508	4,224,579	4,035,907	188,672
Autism					
Salaries of Teachers	66,052	(65,929)	123	-	123
Other Salaries for Instruction	183,704	(183,451)	253	-	253
General Supplies	3,000	(3,000)	-	-	-
Total Autism	252,756	(252,380)	376	-	376
Preschool Disabilities - Part-Time					
Salaries of Teachers	110,425	1,507	111,932	111,932	-
Other Salaries for Instruction	59,863	538	60,401	59,993	408
General Supplies	1,000	-	1,000	838	162
Total Preschool Disabilities - Part-Time	171,288	2,045	173,333	172,763	570
Preschool Disabilities - Full-Time					
Salaries of Teachers	82,015	219	82,234	80,507	1,727
Other Salaries for Instruction	165,889	16,770	182,659	120,381	62,278
Supplies and Materials	3,000	-	3,000	2,607	393
Total Preschool Disabilities - Full-Time	250,904	16,989	267,893	203,495	64,398
Home Instruction					
Salaries of Teachers	12,500	24,913	37,413	37,413	-
Purchased Professional-Educational Services	15,000	(1,200)	13,800	13,800	-
Total Home Instruction	27,500	23,713	51,213	51,213	-
Total Special Education	4,393,764	1,083,831	5,477,595	5,200,870	276,725
Basic Skills/Remedial					
Salaries of Teachers	535,709	22,807	558,516	544,370	14,146
General Supplies	3,250	-	3,250	2,362	888
Textbooks	500	-	500	346	154
Total Basic Skills/Remedial	539,459	22,807	562,266	547,078	15,188

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 1,154,651	\$ (36,777)	\$ 1,117,874	\$ 1,019,584	\$ 98,290
Purchased Professional-Educational Services	100	-	100	-	100
Other Purchased Services	100	-	100	-	100
General Supplies	5,930	92	6,022	3,524	2,498
Textbooks	5,820	-	5,820	2,493	3,327
Other Objects	400	-	400	-	400
Total Bilingual Education	1,167,001	(36,685)	1,130,316	1,025,601	104,715
School Sponsored Co/Extra Curricular Activities					
Salaries	303,979	685	304,664	302,194	2,470
Purchased Services	32,298	(1,170)	31,128	28,646	2,482
Supplies and Materials	1,000	-	1,000	717	283
Other Objects	6,740	30	6,770	5,112	1,658
Total School Sponsored Co/Extra Curricular Activities	344,017	(455)	343,562	336,669	6,893
School Sponsored Athletics					
Salaries	583,649	3,454	587,103	568,051	19,052
Purchased Services	227,001	(14,467)	212,534	195,762	16,772
Supplies and Materials	65,040	(1,898)	63,142	60,304	2,838
Other Objects	45,500	1,198	46,698	46,554	144
Total School Sponsored Athletics	921,190	(11,713)	909,477	870,671	38,806
Other Instructional Programs - Instruction					
Salaries	-	110,469	110,469	107,064	3,405
Purchased Services	12,700	-	12,700	3,905	8,795
Supplies and Materials	4,650	-	4,650	1,275	3,375
Other Objects	-	-	-	-	-
Total Other Instructional Programs	17,350	110,469	127,819	112,244	15,575
Before/After School Programs					
Supplies and Materials	1,000	-	1,000	936	64
Total Before/After School Programs	1,000	-	1,000	936	64
Total Instruction	31,288,040	(518,511)	30,769,529	29,904,060	865,469
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	1,546,197	(3,366)	1,542,831	1,341,064	201,767
Tuition to County Voc. School District-Regular	359,964	3,366	363,330	363,330	-
Tuition to CSSD and Regional Day Schools	292,460	118,495	410,955	374,018	36,937
Tuition to APSSD - w/i state	1,590,722	386,839	1,977,561	1,611,500	366,061
Tuition to APSSD & Other LEAs-Special- Out of State	339,495	17,125	356,620	322,695	33,925
Tuition - Other	386,698	49,936	436,634	373,011	63,623
Total Undistributed Expenditures - Instruction	4,515,536	572,395	5,087,931	4,385,618	702,313
Attendance and Social Work					
Salaries	119,861	2,720	122,581	122,581	-
Total Attendance and Social Work	119,861	2,720	122,581	122,581	-

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Health Services					
Salaries	\$ 590,958	\$ 7,412	\$ 598,370	\$ 597,824	\$ 546
Purchased Professional and Technical Services	10,000	(1,327)	8,673	1,676	6,997
Other Purchased Services	6,840	(1,645)	5,195	800	4,395
Supplies and Materials	17,110	(3,714)	13,396	11,610	1,786
Total Health Services	624,908	726	625,634	611,910	13,724
Speech, OT, PT & Related Services					
Salaries	675,398	(11,831)	663,567	612,297	51,270
Purchased Professional-Educational Services	775,000	255,473	1,030,473	668,623	361,850
Supplies and Materials	350	325	675	425	250
Total Speech, OT, PT & Related Services	1,450,748	243,967	1,694,715	1,281,345	413,370
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	639,930	9,115	649,045	600,136	48,909
Purchased Professional- Educational Services	1,179,003	215,114	1,394,117	1,330,434	63,683
Supplies and Materials	7,500	-	7,500	7,500	7,500
Other Objects	2,500	(142)	2,358	-	2,358
Total Other Supp.Serv. Student - Extra Services	1,828,933	224,087	2,053,020	1,930,570	122,450
Guidance					
Salaries of Other Professional Staff	1,087,430	31,027	1,118,457	1,117,847	610
Salaries of Secretarial & Clerical Assistants	194,367	2,554	196,921	196,795	126
Other Purchased Professional and Technical Svc	33,362	-	33,362	33,362	-
Other Purchased Services	8,250	8,468	16,718	13,117	3,601
Supplies and Materials	11,650	(500)	11,150	8,883	2,267
Other Objects	-	-	-	-	-
Total Guidance	1,335,059	41,549	1,376,608	1,370,004	6,604
Child Study Teams					
Salaries of Other Professional Staff	1,223,401	(26,407)	1,196,994	1,185,320	11,674
Salaries of Secretarial & Clerical Assistants	157,288	-	157,288	151,946	5,342
Purchased Professional- Educational Services	65,500	-	65,500	60,002	5,498
Other Purchased Services	200	-	200	200	200
Supplies and Materials	63,595	229	63,824	58,472	5,352
Other Objects	2,500	-	2,500	2,460	40
Total Child Study Teams	1,512,484	(26,178)	1,486,306	1,458,200	28,106
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	536,863	-	536,863	487,018	49,845
Salaries of Secretarial & Clerical Assistants	39,999	196	40,195	40,195	-
Unused Vacation Payment to Terminated/Retired Staff	-	9,668	9,668	9,668	-
Salaries of Facilitators, Math & Literacy Coaches	207,803	(195)	207,608	205,328	2,280
Purchased Professional- Educational Services	-	19,350	19,350	19,350	-
Supplies and Materials	33,000	(19,350)	13,650	-	13,650
Other Objects	2,475	408	2,883	2,774	109
Total Other Support Services - Improvement of Inst. Svcs.	820,140	10,077	830,217	764,333	65,884
Educational Media/School Library					
Salaries	698,936	(28,769)	670,167	645,072	25,095
Unused Vacation Payment to Terminated/Retired Staff	-	3,728	3,728	3,728	-
Other Purchased Services	2,000	(1,841)	159	159	-
Supplies and Materials	82,825	2,035	84,860	80,261	4,599
Total Educational Media/School Library	783,761	(24,847)	758,914	729,220	29,694

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Instructional Staff Training Services					
Other Salaries	\$ 98,928	\$ (5,310)	\$ 93,618	\$ 39,963	\$ 53,655
Purchased Professional/Educational Services	61,360	(6,340)	55,020	44,443	10,577
Other Purchased Services	40,205	(11,083)	29,122	22,435	6,687
Supplies and Materials	1,850	(600)	1,250	-	1,250
	<u>202,343</u>	<u>(23,333)</u>	<u>179,010</u>	<u>106,841</u>	<u>72,169</u>
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	394,272	450	394,722	345,974	48,748
Unused Vacation Payment to Terminated/Retired Staff		9,668	9,668	9,668	-
Legal Services	140,000	(7,600)	132,400	91,107	41,293
Audit Fees	49,000	11,298	60,298	58,978	1,320
Other Purchased Professional Service	3,000	54	3,054	2,850	204
Architectural/Engineering Services	6,000	24,096	30,096	6,096	24,000
Communications/Telephone	132,000	(3,697)	128,303	112,452	15,851
Miscellaneous Purchased Services	123,475	4,550	128,025	107,016	21,009
BOE Other Purchased Services	8,400	(150)	8,250	297	7,953
General Supplies	5,400	(363)	5,037	2,105	2,932
Judgements Against the School District		-			-
Miscellaneous Expenditures	15,600	536	16,136	14,232	1,904
BOE Membership Dues and Fees	28,000	(172)	27,828	24,786	3,042
	<u>905,147</u>	<u>38,670</u>	<u>943,817</u>	<u>775,561</u>	<u>168,256</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	1,183,238	29,299	1,212,537	1,210,969	1,568
Salaries of Other Professional Staff	1,444,483	6,627	1,451,110	1,416,937	34,173
Salaries of Secretarial and Clerical Assistants	842,654	(19,751)	822,903	815,971	6,932
Unused Vacation Payment to Terminated/Retired Staff	6,049	-	6,049		6,049
Supplies and Materials	3,600	(698)	2,902	265	2,637
Other Objects	17,500	448	17,948	17,128	820
	<u>3,497,524</u>	<u>15,925</u>	<u>3,513,449</u>	<u>3,461,270</u>	<u>52,179</u>
Central Services					
Salaries	725,328	(7,556)	717,772	715,691	2,081
Unused Vacation Payment to Terminated/Retired Staff		1,795	1,795	1,795	-
Purchased Professional Services	5,300	(4,295)	1,005		1,005
Purchased Technical Services	64,000	(8,415)	55,585	47,175	8,410
Misc. Purchased Services	9,100	125	9,225	4,024	5,201
Supplies and Materials	9,150	(50)	9,100	7,570	1,530
Miscellaneous Expenditures	11,400	-	11,400	1,852	9,548
	<u>824,278</u>	<u>(18,396)</u>	<u>805,882</u>	<u>778,107</u>	<u>27,775</u>
Admin. Info. Technology					
Salaries	624,773	1,592	626,365	612,361	14,004
Unused Vacation Payment to Terminated/Retired Staff		9,499	9,499	9,499	-
Purchased Technical Services	72,100	87,644	159,744	159,644	100
Other Purchased Services	2,300	-	2,300	1,786	514
Supplies and Materials	1,950	-	1,950	1,196	754
Other Objects	1,700	-	1,700	1,440	260
	<u>702,823</u>	<u>98,735</u>	<u>801,558</u>	<u>785,926</u>	<u>15,632</u>
Required Maintenance for School Facilities					
Salaries	464,383	(1,463)	462,920	462,864	56
Unused Vacation Payment to Terminated/Retired Staff	6,425	11,223	17,648	17,648	-
Cleaning, Repair and Maintenance	240,000	(1,628)	238,372	216,449	21,923
Lead Testing for Drinking Water	3,500	800	4,300	4,300	
General Supplies	132,000	(2,991)	129,009	118,695	10,314
Other Objects	1,800	230	2,030	1,950	80
	<u>848,108</u>	<u>6,171</u>	<u>854,279</u>	<u>821,906</u>	<u>32,373</u>

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 1,721,794	\$ 37,104	\$ 1,758,898	\$ 1,756,232	\$ 2,666
Salaries of Non-Instructional Aides	225,210	575	225,785	221,028	4,757
Unused Vacation Payment to Terminated/Retired Staff	14,769	8,412	23,181	23,181	-
Purchased Professional and Technical Services	2,500	-	2,500	-	2,500
Cleaning, Repair and Maintenance	14,000	10,353	24,353	18,641	5,712
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	16,000	1,338	17,338	17,338	-
Other Purchased Property Services	337,100	-	337,100	333,073	4,027
Insurance	337,000	(36,665)	300,335	298,879	1,456
Miscellaneous Purchased Services	800	-	800	447	353
General Supplies	127,500	3,950	131,450	130,120	1,330
Energy (Natural Gas)	555,000	(11,277)	543,723	328,283	215,440
Energy (Electricity)	600,000	-	600,000	428,828	171,172
Total Custodial Services	3,951,673	13,790	3,965,463	3,556,050	409,413
Care & Upkeep of Grounds					
Salaries	278,826	(11,113)	267,713	267,712	1
Purchased Professional and Technical Services	500	-	500	81	419
Cleaning, Repair and Maintenance	41,000	5,634	46,634	44,887	1,747
General Supplies	50,000	2,325	52,325	47,088	5,237
Total Care & Upkeep of Grounds	370,326	(3,154)	367,172	359,768	7,404
Security					
Purchased Professional and Technical Services	33,482	15,784	49,266	40,678	8,588
Cleaning, Repair and Maintenance	54,000	(32,119)	21,881	21,881	-
General Supplies	8,500	2,682	11,182	9,097	2,085
Other Objects	-	1,198	1,198	1,198	-
Total Security	95,982	(12,455)	83,527	72,854	10,673
Student Transportation Services					
Sal. For Pupil Trans (Other than Bet. Home & School)	10,000	6,593	16,593	9,481	7,112
Sal. For Pupil Trans (Bet. Home & School)- NonPub Sch	6,630	33	6,663	6,663	-
Other Purchased Professional and Technical Services	-	1,600	1,600	-	1,600
Cleaning, Repair and Maintenance Services	3,000	(1,633)	1,367	223	1,144
Contracted Services (Between Home and School) - Vendors	138,000	3,441	141,441	141,397	44
Contracted Services (Other Than Between Home and School) - Vendors	145,575	10,627	156,202	140,589	15,613
Contracted Services (Special Ed. Students) - Joint Agreements	1,060,000	-	1,060,000	1,040,745	19,255
Contracted Services-Aid In Lieu of Payments- Non-Public Schools	120,000	(3,499)	116,501	114,628	1,873
Transportation Supplies	2,000	-	2,000	969	1,031
Total Student Transportation Services	1,485,205	17,162	1,502,367	1,454,695	47,672
Unallocated Benefits- Employee Benefits					
Social Security Contributions	890,000	(41,082)	848,918	843,963	4,955
Other Retirement Contributions - PERS	860,000	-	860,000	834,017	25,983
Other Retirement Contributions - Regular	77,000	-	77,000	69,366	7,634
Workmen's Compensation	352,000	-	352,000	208,827	143,173
Health Benefits	10,090,956	-	10,090,956	9,185,100	905,856
Tuition Reimbursement	-	41,082	41,082	41,082	-
Unused Sick Payment to Terminated/Retired Staff	328,873	-	328,873	131,813	197,060
Other Employee Benefits	222,000	-	222,000	201,611	20,389
Total Unallocated Benefits	12,820,829	-	12,820,829	11,515,779	1,305,050

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
TPAF Pension Contribution - Normal					
Costs and Accrued Liability (Non-Budget)				\$ 5,644,541	\$ (5,644,541)
TPAF Pension Contribution - NCGI (Non-Budgeted)				118,155	(118,155)
TPAF Pension Contribution - Long Term Disability Insurance (Non-Budgeted)				4,997	(4,997)
TPAF Pension Contribution - Post Retirement (Non-Budgeted)				2,613,950	(2,613,950)
TPAF Social Security Reimbursements (Non-Budgeted)	-	-	-	2,200,987	(2,200,987)
 Total On-Behalf TPAF Contributions and Reimbursements	-	-	-	10,582,630	(10,582,630)
 Total Undistributed Expenditures	\$ 38,695,668	\$ 1,177,611	\$ 39,873,279	46,925,168	(7,051,889)
 Interest Earned on Maintenance Reserve	1,100	-	1,100	-	1,100
Interest Earned on Current Expense Emergency Reserve	900	-	900	-	900
 Total Current Expenditures	69,985,708	659,100	70,644,808	76,829,228	(6,184,420)
 CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5		127,019	127,019	126,409	610
Grades 6-8		134,248	134,248	133,651	597
Grades 9-12		142,447	142,447	142,447	-
School Sponsored and Other Instructional Programs		1,898	1,898	1,898	-
Undistributed Expenditures					
Required Maintenance for School Facilities		33,581	33,581	33,581	-
Custodial Services		6,825	6,825	6,825	-
Care and Upkeep of Grounds		5,950	5,950	5,950	-
Special Schools (All Programs)	-	26,366	26,366	26,366	-
 Total Equipment	-	478,334	478,334	477,127	1,207
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	3,400	-	3,400	-	3,400
 Total Capital Outlay	43,482	478,334	521,816	517,209	4,607
 SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	112,000	(6,868)	105,132	104,123	1,009
Purchased Professional and Technical Services	1,000	-	1,000	1,000	1,000
Other Purchased Services	1,000	(1,000)	-	-	-
General Supplies	8,000	5,908	13,908	13,908	-
Other Objects	3,000	1,960	4,960	4,915	45
 Total Summer School	125,000	-	125,000	122,946	2,054
 Total Special Schools	125,000	-	125,000	122,946	2,054
 CHARTER SCHOOLS					
Transfers of Funds to Charter Schools	-	27,310	27,310	27,310	-
 Total Charter Schools	-	27,310	27,310	27,310	-
 Total General Fund Expenditures	70,154,190	1,164,744	71,318,934	77,496,693	(6,177,759)

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	\$ (2,642,774)	\$ (1,164,744)	\$ (3,807,518)	\$ 2,399,942	\$ 6,207,460
Other Financing Sources (Uses)					
Transfers In- Capital Projects				623,381	623,381
Transfers Out - Capital Reserve Transfer to Capital Projects	<u>(1,316,975)</u>	<u>(1,267,279)</u>	<u>(2,584,254)</u>	<u>(2,563,279)</u>	<u>20,975</u>
Total Other Financing Sources (Uses)	<u>(1,316,975)</u>	<u>(1,267,279)</u>	<u>(2,584,254)</u>	<u>(1,939,898)</u>	<u>644,356</u>
Excess /(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,959,749)	(2,432,023)	(6,391,772)	460,044	6,851,816
Fund Balance, Beginning of Year	<u>10,267,449</u>	<u>-</u>	<u>10,267,449</u>	<u>10,267,449</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,307,700</u>	<u>\$ (2,432,023)</u>	<u>\$ 3,875,677</u>	<u>\$ 10,727,493</u>	<u>\$ 6,851,816</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 2,268,196	
Maintenance Reserve				602,850	
Emergency Reserve				300,900	
Excess Surplus				970,393	
Excess Surplus Designated for Subsequent Year's Expenditures Designated for Subsequent Year's Expenditures				898,846	
Capital Reserve				1,442,225	
Maintenance Reserve				350,000	
Assigned Fund Balance					
Year End Encumbrances				106,055	
Designated for Subsequent Year's Expenditures				1,199,660	
Unassigned Fund Balance				<u>2,588,368</u>	
Fund Balance - Budgetary Basis				10,727,493	
Reconciliation to Governmental Fund Statements (GAAP)					
2018/19 Extraordinary Aid Not Recognized on a GAAP Basis				(1,163,980)	
2018/19 State Aid Payments Not Recognized on a GAAP Basis				<u>(184,511)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,379,002</u>	

**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 337,690	\$ 92,261	\$ 429,951	\$ 357,854	\$ (72,097)
Federal Sources	968,980	344,139	1,313,119	1,014,118	(299,001)
Local Sources	<u>57,820</u>	<u>42,784</u>	<u>100,604</u>	<u>34,986</u>	<u>(65,618)</u>
Total Revenues	<u>1,364,490</u>	<u>479,184</u>	<u>1,843,674</u>	<u>1,406,958</u>	<u>(436,716)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	105,000	5,168	110,168	110,118	50
Purchased Prof. and Tech. Svcs.	17,284	1,000	18,284	14,450	3,834
Tuition	630,794	61,658	692,452	670,188	22,264
Purchased Prof & Educ. Svcs		5,675	5,675		5,675
Other Purchased Services		4,165	4,165		4,165
Supplies and Materials	107,693	72,142	179,835	46,700	133,135
Textbooks	<u>28,302</u>	<u>-</u>	<u>28,302</u>	<u>26,346</u>	<u>1,956</u>
Total Instruction	<u>889,073</u>	<u>149,808</u>	<u>1,038,881</u>	<u>867,802</u>	<u>171,079</u>
Support Services					
Salaries of Other Professional Staff	34,304	(8,065)	26,239	18,052	8,187
Personnel Services - Employee Benefits	50,126	20,762	70,888	70,888	-
Purchased Professional and Tech. Svc.	5,034	157,939	162,973	904	162,069
Purchased Prof./Educ. Svcs.	265,388	47,099	312,487	272,042	40,445
Purchased Technical Services	12,675	10,745	23,420	23,420	-
Cleaning, Repairs and Maintenance		2,500	2,500		2,500
Purchased Property Services	17,700	15,610	33,310	26,443	6,867
Other Purchased Services	86,389	59,773	146,162	112,262	33,900
Supplies and Materials	2,750	16,013	18,763	10,645	8,118
Other Objects	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Support Services	<u>474,366</u>	<u>324,876</u>	<u>799,242</u>	<u>534,656</u>	<u>264,586</u>
Facilities Acquisition and Construction					
Non-Instructional Equipment	1,051	4,500	5,551	4,500	1,051
Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Facilities Acquisition and Construction	<u>1,051</u>	<u>4,500</u>	<u>5,551</u>	<u>4,500</u>	<u>1,051</u>
Total Expenditures	<u>1,364,490</u>	<u>479,184</u>	<u>1,843,674</u>	<u>1,406,958</u>	<u>436,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**TENAFLY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$ 79,896,635	(C-2) \$ 1,406,958
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, 2019		(26,443)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2017/2018)	141,368	
Extraordinary aid payment not recognized for budgetary purposes recognized for GAAP statements. (2017/2018)	1,000,810	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2018/2019)	(184,511)	
Extraordinary aid payment recognized for budgetary purposes not recognized for GAAP statements. (2018/2019)	<u>(1,163,980)</u>	<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>79,690,322</u>	\$ <u>1,380,515</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$ 77,496,693	(C-2) \$ 1,406,958
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, 2019	<u>-</u>	<u>(26,443)</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>77,496,693</u>	(B-2) \$ <u>1,380,515</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.08317 %	0.08413 %	0.08256 %	0.08580 %	0.08392 %	0.08443 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 16,375,307	\$ 19,583,200	\$ 24,453,063	\$ 19,260,384	\$ 15,713,292	\$ 16,137,574
District's Covered Payroll	\$ 6,024,699	\$ 5,778,509	\$ 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 Payroll	272%	339%	430%	332%	274%	281%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	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 Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 827,250	\$ 779,338	\$ 733,486	\$ 737,650	\$ 691,876	\$ 651,311
Contributions in Relation to the Contractually Required Contribution	<u>827,250</u>	<u>779,338</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 5,868,180	\$ 6,024,699	\$ 5,778,509	\$ 5,690,672	\$ 5,797,000	\$ 5,739,226
Contributions as a Percentage of Covered Payroll	14%	13%	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 Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<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%	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>\$ 178,760,784</u>	<u>\$ 186,163,953</u>	<u>\$ 220,171,116</u>	<u>\$ 176,706,054</u>	<u>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
Total	<u>\$ 178,760,784</u>	<u>\$ 186,163,953</u>	<u>\$ 220,171,116</u>	<u>\$ 176,706,054</u>	<u>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
District's Covered Payroll	\$ 30,427,030	\$ 30,259,373	\$ 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 Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	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, 2019**

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.

**TENAFLY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 4,503,077	\$ 5,464,446
Interest on Total OPEB Liability	4,243,760	3,643,389
Differences Between Expected and Actual Experiences	(9,791,839)	
Changes of Assumptions	(11,497,384)	(15,235,382)
Gross Benefit Payments	(2,679,064)	(2,633,940)
Contribution from the Member	<u>92,593</u>	<u>96,988</u>
Net Change in Total OPEB Liability	(15,128,857)	(8,664,499)
Total OPEB Liability - Beginning	<u>115,319,558</u>	<u>123,984,057</u>
Total OPEB Liability - Ending	<u>\$ 100,190,701</u>	<u>\$ 115,319,558</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>100,190,701</u>	<u>115,319,558</u>
Total OPEB Liability - Ending	<u>\$ 100,190,701</u>	<u>\$ 115,319,558</u>
District's Covered Payroll	<u>\$ 36,451,729</u>	<u>\$ 36,037,882</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

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

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability 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, 2019**

REVENUES	SAMSHA	IDEA Pre- School	IDEA Part B- Basic	Title IV	Title II	Title III	Title III- Immigrant	Title I	Other Local Projects	Subtotal Page 2	Total
Intergovernmental											
State										\$ 357,854	\$ 357,854
Federal	\$ 1,749	\$ 37,111	\$ 711,380	\$ 3,881	\$ 35,514	\$ 12,961	\$ 15,371	\$ 196,151		-	1,014,118
Local	-	-	-	-	-	-	-	-	\$ 34,986	-	34,986
Total Revenues	\$ 1,749	\$ 37,111	\$ 711,380	\$ 3,881	\$ 35,514	\$ 12,961	\$ 15,371	\$ 196,151	\$ 34,986	\$ 357,854	\$ 1,406,958
EXPENDITURES											
Instruction											
Salaries of Teachers								\$ 110,118		-	\$ 110,118
Purchased Prof. & Tech. Svcs.							\$ 14,450			-	14,450
Tuition		\$ 37,111	\$ 633,077								670,188
Supplies and Materials	\$ 1,099					\$ 3,194	921	3,397	\$ 28,486	\$ 9,603	46,700
Textbooks	-	-	-	-	-	-	-	-	-	26,346	26,346
Total Instruction	1,099	37,111	633,077	-	-	3,194	15,371	113,515	28,486	35,949	867,802
Support Services											
Salaries						6,304		11,748		-	18,052
Personnel Services - Employee Benefits								70,888		-	70,888
Purchased Prof. & Tech. Svcs.	650						254			-	904
Purchased Prof.- Educ. Svcs.										272,042	272,042
Purchased Technical Services										23,420	23,420
Purchased Property Services										26,443	26,443
Other Purchased Services			78,303	\$ 3,881	\$ 27,174	2,904				-	112,262
Supplies and Materials	-	-	-	-	8,340	305			2,000	-	10,645
Total Support Services	650	-	78,303	3,881	35,514	9,767	-	82,636	2,000	321,905	534,656
Facilities Acquisition and Construction											
Non-Instructional Equipment									4,500		4,500
Instructional Equipment										-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	4,500	-	4,500
Total Expenditures	\$ 1,749	\$ 37,111	\$ 711,380	\$ 3,881	\$ 35,514	\$ 12,961	\$ 15,371	\$ 196,151	\$ 34,986	\$ 357,854	\$ 1,406,958

**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

REVENUES	ESL	Comp. Education	Exam. and Class.	Corrective Speech	Non Public Aid				Subtotal Page 2	
					Supp. Instruction	Security	Textbooks	Nursing		Technology
Intergovernmental										
State	\$ 5,263	\$ 89,761	\$ 54,423	\$ 27,945	\$ 33,306	\$ 53,883	\$ 26,346	\$ 52,924	\$ 14,003	\$ 357,854
Federal	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 5,263	\$ 89,761	\$ 54,423	\$ 27,945	\$ 33,306	\$ 53,883	\$ 26,346	\$ 52,924	\$ 14,003	\$ 357,854
EXPENDITURES										
Instruction										
Supplies and Materials	-	-	-	-	-	\$ 4,020	-	-	\$ 5,583	9,603
Textbooks	-	-	-	-	-	-	\$ 26,346	-	-	26,346
Total Instruction	-	-	-	-	-	4,020	26,346	-	5,583	35,949
Support Services										
Salaries										
Personnel Services - Employee Benefits										
Purchased Prof. & Tech. Svcs.										
Purchased Prof. & Educ. Svcs.	\$ 5,263	\$ 89,761	\$ 54,423	\$ 27,945	\$ 33,306			\$ 52,924	8,420	272,042
Purchased Technical Services										23,420
Purchased Property Services										26,443
Other Purchased Services										-
Supplies and Materials	-	-	-	-	-	-	-	-	-	-
Total Support Services	5,263	89,761	54,423	27,945	33,306	49,863	-	52,924	8,420	321,905
Facilities Acquisition and Construction										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 5,263	\$ 89,761	\$ 54,423	\$ 27,945	\$ 33,306	\$ 53,883	\$ 26,346	\$ 52,924	\$ 14,003	\$ 357,854

**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance June 30, 2019</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Phone System- District-Wide	\$ 695,837	\$ 680,859		\$ 14,978	
Parking Lot- Tenaflly Middle School	226,384	224,505		1,879	
Exterior Doors Replacement - Maugham Elementary	41,000	39,048		1,952	
High School Tennis Courts	356,275	339,133		17,142	
Slab Floor Repair - Smith Elementary School	59,000	36,943		22,057	
High School Boiler Replacement	1,183,000	46,754	\$ 736,432	399,814	
Fire System Upgrades at Mackay Elementary School	208,000	16,967	133,810	57,223	
A.B.A.Room Renovation and Kindergarten Sub-Division at Smith Elementary School	118,000	11,045	769	106,186	
Roof Replacement of Athletics Fieldhouse	22,000		19,850	2,150	
Lockdown Emergency Notification Project	362,764		362,764		
IP Camera System Project	740,915		740,915		
Parking Lot Renovations at Central Office	8,000		7,377		\$ 623
New Turf and Sitework at Mackay Elementary School	76,400		38,595		37,805
Storm Water Damage at Smith Elementary School	35,000		20,928		14,072
Toilet Renovations at Maugham Elementary School	37,000		17,545		19,455
Library Ceiling and Lights at Stillman Elementary School	7,200	-	6,860	-	340
	<u>\$ 4,176,775</u>	<u>\$ 1,395,254</u>	<u>\$ 2,085,845</u>	<u>\$ 623,381</u>	<u>\$ 72,295</u>

Transferred to General Fund - Capital Reserve \$ 623,381

Project Balances, June 30, 2019 \$ 72,295

Recapitulation of Fund Balance:

Restricted for Capital Projects:	
Designated for Capital Projects	\$ 28,515
Year End Encumbrances	<u>43,780</u>
Total Restricted for Capital Projects	<u>\$ 72,295</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, 2019**

Revenues and Other Financing Sources	
Transfer from General Fund - Capital Reserve	<u>\$ 2,563,279</u>
Total Revenues and Other Financing sources	<u>2,563,279</u>
 Expenditures and Other Financing Uses	
Architectural / Engineering Services	97,564
Construction Services	847,836
Equipment	1,103,679
Supplies	769
Purchased Professional and Technical Services	35,997
Transfer to General Fund - Return Unexpended Capital Reserve	<u>623,381</u>
Total Expenditures and Other Financing Uses	<u>2,709,226</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(145,947)
Fund Balance, Beginning of Year	<u>218,242</u>
Fund Balance, End of Year	<u>\$ 72,295</u>

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources- SDA Grants	\$ 258,634		\$ 258,634	\$ 258,634
Transfer from General Fund- Capital Outlay	167,327		167,327	167,327
Transfer from General Fund- Capital Reserve	<u>269,876</u>	<u>\$ (14,978)</u>	<u>254,898</u>	<u>254,898</u>
 Total Revenues and Other Financing Sources	 <u>695,837</u>	 <u>(14,978)</u>	 <u>680,859</u>	 <u>680,859</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	4,968		4,968	4,968
Architectural/Engineering Services	52,886		52,886	52,886
Construction Services	622,089		622,089	622,089
Supplies and Materials	<u>916</u>	<u>-</u>	<u>916</u>	<u>916</u>
 Total Expenditures and Other Financing Uses	 <u>680,859</u>	 <u>-</u>	 <u>680,859</u>	 <u>680,859</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	 <u>\$ 14,978</u>	 <u>\$ (14,978)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	Original		Final	
	Authorized Cost		State Cost	
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	<u>166,320</u>	<u>104,480</u>	
		<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	\$ 680,859

Percentage Increase over Original Authorized Cost

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
PARKING LOT- TENAFLY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 226,384	\$ (1,879)	\$ 224,505	\$ 224,505
Total Revenues and Other Financing Sources	<u>226,384</u>	<u>(1,879)</u>	<u>224,505</u>	<u>224,505</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	690		690	690
Architectural/Engineering Services	33,030		33,030	33,030
Construction Services	<u>190,785</u>	<u>-</u>	<u>190,785</u>	<u>190,785</u>
Total Expenditures and Other Financing Uses	<u>224,505</u>	<u>-</u>	<u>224,505</u>	<u>224,505</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 1,879</u>	<u>\$ (1,879)</u>	<u>\$ -</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	\$ 224,505
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, 2019**

	<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	\$ 41,000	\$ (1,952)	\$ 39,048	\$ 39,048
Total Revenues and Other Financing Sources	<u>41,000</u>	<u>(1,952)</u>	<u>39,048</u>	<u>39,048</u>
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	10,048		10,048	10,048
Construction Services	<u>29,000</u>	<u>-</u>	<u>29,000</u>	<u>29,000</u>
Total Expenditures and Other Financing Uses	<u>39,048</u>	<u>-</u>	<u>39,048</u>	<u>39,048</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 1,952</u>	<u>\$ (1,952)</u>	<u>\$ -</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	\$ 12,000
Revised Authorized Cost	\$ 39,048
Percentage Completion	100%
Original Target Completion Date	2016/17
Revised Target Completion Date	2018/19

**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, 2019**

	<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	\$ 356,275	\$ (17,142)	\$ 339,133	\$ 339,133
Total Revenues and Other Financing Sources	<u>356,275</u>	<u>(17,142)</u>	<u>339,133</u>	<u>339,133</u>
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	57,858		57,858	57,858
Construction Services	<u>281,275</u>	<u>-</u>	<u>281,275</u>	<u>281,275</u>
Total Expenditures and Other Financing Uses	<u>339,133</u>	<u>-</u>	<u>339,133</u>	<u>339,133</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 17,142</u>	<u>\$ (17,142)</u>	<u>\$ -</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	\$ 75,000
Revised Authorized Cost	\$ 339,133
Percentage Completion	100%
Original Target Completion Date	2016/17
Revised Target Completion Date	2018/19

**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, 2019**

	<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	\$ (22,057)	\$ 36,943	\$ 36,943
Total Revenues and Other Financing Sources	<u>59,000</u>	<u>(22,057)</u>	<u>36,943</u>	<u>36,943</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	2,750		2,750	2,750
Architectural/Engineering Services	10,393		10,393	10,393
Construction Services	23,800	-	23,800	23,800
Total Expenditures and Other Financing Uses	<u>36,943</u>	<u>-</u>	<u>36,943</u>	<u>36,943</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 22,057</u>	<u>\$ (22,057)</u>	<u>\$ -</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	\$ 59,000
Revised Authorized Cost	\$ 36,943
Percentage Completion	100%
Original Target Completion Date	2016/17
Revised Target Completion Date	2018/19

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HIGH SCHOOL BOILER REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 182,000	\$ 601,186	\$ 783,186	\$ 783,186
Total Revenues and Other Financing Sources	<u>182,000</u>	<u>601,186</u>	<u>783,186</u>	<u>783,186</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	10,467	34,850	45,317	45,317
Legal Services	899		899	899
Architectural/Engineering Services	35,388	4,472	39,860	39,860
Construction Services	<u>-</u>	<u>697,110</u>	<u>697,110</u>	<u>697,110</u>
Total Expenditures and Other Financing Uses	<u>46,754</u>	<u>736,432</u>	<u>783,186</u>	<u>783,186</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 135,246</u>	<u>\$ (135,246)</u>	<u>\$ -</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	\$ 182,000
Revised Authorized Cost	\$ 783,186
Percentage Completion	100%
Original Target Completion Date	2018/19
Revised Target Completion Date	2018/19

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
FIRE SYSTEM UPGRADES AT MACKAY ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 32,000	\$ 118,777	\$ 150,777	\$ 150,777
Total Revenues and Other Financing Sources	<u>32,000</u>	<u>118,777</u>	<u>150,777</u>	<u>150,777</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	233		233	233
Legal Services	357		357	357
Architectural/Engineering Services	16,377	2,934	19,311	19,311
Construction Services	<u>-</u>	<u>130,876</u>	<u>130,876</u>	<u>130,876</u>
Total Expenditures and Other Financing Uses	<u>16,967</u>	<u>133,810</u>	<u>150,777</u>	<u>150,777</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 15,033</u>	<u>\$ (15,033)</u>	<u>\$ -</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	\$ 32,000
Revised Authorized Cost	\$ 150,777
Percentage Completion	100%
Original Target Completion Date	2018/19
Revised Target Completion Date	2018/19

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
A.B.A. ROOM RENOVATION AND KINDERGARTEN SUB-DIVISION AT SMITH ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 21,000	\$ (9,186)	\$ 11,814	\$ 11,814
Total Revenues and Other Financing Sources	<u>21,000</u>	<u>(9,186)</u>	<u>11,814</u>	<u>11,814</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	500		500	500
Architectural/Engineering Services	10,545	-	10,545	10,545
Supplies	<u>-</u>	<u>769</u>	<u>769</u>	<u>769</u>
Total Expenditures and Other Financing Uses	<u>11,045</u>	<u>769</u>	<u>11,814</u>	<u>11,814</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 9,955</u>	<u>\$ (9,955)</u>	<u>\$ -</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	\$ 21,000
Revised Authorized Cost	\$ 11,814
Percentage Completion	100%
Original Target Completion Date	2018/19
Revised Target Completion Date	2018/19

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ROOF REPLACEMENT OF ATHLETICS FIELDHOUSE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	-	\$ 19,850	\$ 19,850	\$ 19,850
Total Revenues and Other Financing Sources	-	19,850	19,850	19,850
EXPENDITURES AND OTHER FINANCING USES				
Construction Services	-	19,850	19,850	19,850
Total Expenditures and Other Financing Uses	-	19,850	19,850	19,850
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	-	-	-	-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 22,000
Revised Authorized Cost	\$ 19,850
Percentage Completion	100%
Original Target Completion Date	2018/19
Revised Target Completion Date	2018/19

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
LOCKDOWN EMERGENCY NOTIFICATION PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	-	\$ 362,764	\$ 362,764	\$ 362,764
Total Revenues and Other Financing Sources	-	362,764	362,764	362,764
EXPENDITURES AND OTHER FINANCING USES				
Equipment	-	362,764	362,764	362,764
Total Expenditures and Other Financing Uses	-	362,764	362,764	362,764
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	-	-	-	-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 362,764
Revised Authorized Cost	\$ 362,764
Percentage Completion	100%
Original Target Completion Date	2018/19
Revised Target Completion Date	2018/19

TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
IP CAMERA SYSTEM PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from General Fund- Capital Reserve	-	\$ 740,915	\$ 740,915	\$ 740,915
Total Revenues and Other Financing Sources	-	740,915	740,915	740,915
EXPENDITURES AND OTHER FINANCING USES				
Equipment	-	740,915	740,915	740,915
Total Expenditures and Other Financing Uses	-	740,915	740,915	740,915
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	-	-	-	-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 740,915
Revised Authorized Cost	\$ 740,915
Percentage Completion	100%
Original Target Completion Date	2018/19
Revised Target Completion Date	2018/19

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
PARKING LOT RENOVATIONS AT CENTRAL OFFICE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	-	\$ 8,000	\$ 8,000	\$ 8,000
Total Revenues and Other Financing Sources	-	8,000	8,000	8,000
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	7,377	7,377	8,000
Total Expenditures and Other Financing Uses	-	7,377	7,377	8,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	\$ -	\$ 623	\$ 623	\$ -

Additional Project Information:

Project Number	5160-X01-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 8,000
Revised Authorized Cost	\$ 8,000
Percentage Completion	92%
Original Target Completion Date	2019/20
Revised Target Completion Date	2019/20

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
NEW TURF AND SITEWORK AT MACKAY ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	-	\$ 76,400	\$ 76,400	\$ 76,400
Total Revenues and Other Financing Sources	-	76,400	76,400	76,400
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	-	1,085	1,085	16,600
Legal Services	-	-	-	8,500
Architectural/Engineering Services	-	37,510	37,510	51,300
Total Expenditures and Other Financing Uses	-	38,595	38,595	76,400
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	-	\$ 37,805	\$ 37,805	\$ -

Additional Project Information:

Project Number	5160-080-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 76,400
Revised Authorized Cost	\$ 76,400
Percentage Completion	51%
Original Target Completion Date	2019/20
Revised Target Completion Date	2019/20

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
STORM WATER DAMAGE AT SMITH ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	-	\$ 35,000	\$ 35,000	\$ 35,000
Total Revenues and Other Financing Sources	-	35,000	35,000	35,000
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services			-	2,000
Legal Services			-	2,500
Architectural/Engineering Services	-	20,928	20,928	30,500
Total Expenditures and Other Financing Uses	-	20,928	20,928	35,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	-	\$ 14,072	\$ 14,072	-

Additional Project Information:

Project Number	5160-070-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 35,000
Revised Authorized Cost	\$ 35,000
Percentage Completion	60%
Original Target Completion Date	2019/20
Revised Target Completion Date	2019/20

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
TOILET RENOVATIONS AT MAUGHAM ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	-	\$ 37,000	\$ 37,000	\$ 37,000
Total Revenues and Other Financing Sources	-	37,000	37,000	37,000
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	-	62	62	62
Architectural/Engineering Services	-	17,483	17,483	36,938
Total Expenditures and Other Financing Uses	-	17,545	17,545	37,000
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	\$ -	\$ 19,455	\$ 19,455	\$ -

Additional Project Information:

Project Number	5160-090-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 37,000
Revised Authorized Cost	\$ 37,000
Percentage Completion	47%
Original Target Completion Date	2019/20
Revised Target Completion Date	2019/20

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
LIBRARY CEILING AND LIGHTS AT STILLMAN ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	-	\$ 7,200	\$ 7,200	\$ 7,200
Total Revenues and Other Financing Sources	-	7,200	7,200	7,200
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	6,860	6,860	7,200
Total Expenditures and Other Financing Uses	-	6,860	6,860	7,200
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	-	\$ 340	\$ 340	-

Additional Project Information:

Project Number	5160-100-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 7,200
Revised Authorized Cost	\$ 7,200
Percentage Completion	95%
Original Target Completion Date	2019/20
Revised Target Completion Date	2019/20

ENTERPRISE FUNDS

**TENAFLY BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

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, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 401,208	\$ 59,427	\$ 460,635
Total Assets	<u>\$ 401,208</u>	<u>\$ 59,427</u>	<u>\$ 460,635</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 28,714	\$ 28,714
Accrued Salaries and Wages		557	557
Due to Student Groups	\$ 401,208		401,208
Due to Other Funds		336	336
Flexible Spending (Sect. 125) Plan	<u>-</u>	<u>29,820</u>	<u>29,820</u>
Total Liabilities	<u>\$ 401,208</u>	<u>\$ 59,427</u>	<u>\$ 460,635</u>

TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Private Purpose Trust Funds		
	TEF Funds	Scholarship Funds	Total
ADDITIONS			
Investment Earnings			
Interest	\$ 93	\$ 2,088	\$ 2,181
Donations	21,099	4,200	25,299
Total Additions	<u>21,192</u>	<u>6,288</u>	<u>27,480</u>
DEDUCTIONS			
Scholarship Payments		10,350	10,350
Local Contributions	21,975	-	21,975
Total Deductions	<u>21,975</u>	<u>10,350</u>	<u>32,325</u>
Change in Net Position	(783)	(4,062)	(4,845)
Net Position, Beginning of Year	<u>2,813</u>	<u>115,960</u>	<u>118,773</u>
Net Position, End of Year	<u>\$ 2,030</u>	<u>\$ 111,898</u>	<u>\$ 113,928</u>

**TENAFLY BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>School</u>	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
ELEMENTARY SCHOOLS	\$ 49,174	\$ 7,595	\$ 1,842	\$ 54,927
MIDDLE SCHOOL	64,506	283,260	248,847	98,919
HIGH SCHOOL				
Class Accounts	21,740	75,643	70,363	27,020
Student Organization Accounts	152,976	329,864	279,654	203,186
Athletic Account	4,423	100,219	87,486	17,156
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 292,819</u>	<u>\$ 796,581</u>	<u>\$ 688,192</u>	<u>\$ 401,208</u>

**PAYROLL AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
Due to Other Funds	\$ 336	\$ 9,881	\$ 9,881	\$ 336
Payroll Deductions and Withholdings	40,381	21,002,712	21,014,379	28,714
Flexible Spending (Sect. 125) Plan	20,224	168,683	159,087	29,820
Accrued Salaries and Wages	2,766	25,602,528	25,604,737	557
Due from Other Funds	(11,297)	11,297	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 52,410</u>	<u>\$ 46,795,101</u>	<u>\$ 46,788,084</u>	<u>\$ 59,427</u>

LONG-TERM DEBT

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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<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, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>					
			<u>Date</u>	<u>Amount</u>										
Refunding School Bonds	9/20/2012	\$ 21,690,000	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									
												\$ 20,095,000	\$ 795,000	\$ 19,300,000
Refunding School Bonds	6/11/2015	5,715,000	4/1/2020	245,000	4.000	%								
			4/1/2021	250,000	4.000									
			4/1/2022	280,000	4.000									
			4/1/2023	300,000	3.000									
			4/1/2024	310,000	3.000									
			4/1/2025	330,000	3.000									
			4/1/2026	350,000	3.000									
			4/1/2027	560,000	3.000									
			4/1/2028	595,000	3.000									
			4/1/2029	635,000	3.000									
			4/1/2030	650,000	3.000									
			4/1/2031	690,000	3.000									
												5,420,000	225,000	5,195,000
			Refunding School Bonds	1/29/2016	\$ 7,090,000	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												
									5,475,000	755,000	4,720,000			
						\$ 30,990,000	\$ 1,775,000	\$ 29,215,000						
							Paid by Budget Appropriation		\$ 1,775,000					

**TENAFLY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR JUNE 30, 2019**

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
Digital Desktop - Licensed Software and Services	\$ 1,389,500	\$ 555,800	\$ 277,900	\$ 277,900
Digital Desktop - Hardware	<u>1,702,000</u>	<u>536,248</u>	<u>266,496</u>	<u>269,752</u>
	<u>\$ 3,091,500</u>	<u>\$ 1,092,048</u>	<u>\$ 544,396</u>	<u>\$ 547,652</u>
			<u>\$ 544,396</u>	
			Paid by Budget Appropriation	

**TENAFLY BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 2,445,852		\$ 2,445,852	\$ 2,445,852	
State Source					
State Aid - Type II	377,436		377,436	377,436	
Total Revenues	<u>2,823,288</u>	<u>-</u>	<u>2,823,288</u>	<u>2,823,288</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	1,775,000	-	1,775,000	1,775,000	-
Interest	1,052,665	-	1,052,665	1,052,511	\$ 154
Total Expenditures	<u>2,827,665</u>	<u>-</u>	<u>2,827,665</u>	<u>2,827,511</u>	<u>154</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,377)</u>	<u>-</u>	<u>(4,377)</u>	<u>(4,223)</u>	<u>154</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,377)	-	(4,377)	(4,223)	154
Fund Balance, Beginning of Year	4,457	-	4,457	4,457	-
Fund Balance, End of Year	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ 234</u>	<u>\$ 154</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:

Available for Future Use	\$ 154
Designated for Subsequent Year's Budget (2019/2020)	<u>80</u>

Total Fund Balance -

Restricted for Debt Service	<u>\$ 234</u>
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STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2010	2011 (Restated)	2012	2013	2014 (Restated)	2015 (Restated)	2016	2017 (Restated)	2018	2019
Governmental Activities										
Investment in Capital Assets	\$ 2,467,267	\$ 3,599,085	\$ 4,505,354	\$ 4,152,656	\$ 7,441,887	\$ 8,346,793	\$ 10,584,155	\$ 15,807,868	\$ 15,349,943	\$ 17,214,953
Restricted	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492	4,675,373	4,102,698	4,771,369	5,036,700
Unrestricted	(820,236)	173,688	2,761,743	3,481,958	(13,505,241)	(16,178,727)	(15,618,732)	(16,836,620)	(17,311,720)	(17,211,977)
Total Governmental Activities Net Position	\$ 2,120,877	\$ 4,279,616	\$ 8,266,214	\$ 9,305,232	\$ (2,239,113)	\$ (2,295,442)	\$ (359,204)	\$ 3,073,946	\$ 2,809,592	\$ 5,039,676
Business-Type Activities										
Investment in Capital Assets	\$ 41,370	\$ 38,992	\$ 37,093	\$ 40,668	\$ 43,996	\$ 42,195	\$ 38,602	\$ 55,670	\$ 93,190	\$ 87,670
Restricted										
Unrestricted	523,671	452,784	467,329	493,608	426,293	421,955	400,476	351,472	285,182	348,899
Total Business-Type Activities Net Position	\$ 565,041	\$ 491,776	\$ 504,422	\$ 534,276	\$ 470,289	\$ 464,150	\$ 439,078	\$ 407,142	\$ 378,372	\$ 436,569
District-Wide										
Investment in Capital Assets	\$ 2,508,637	\$ 3,638,077	\$ 4,542,447	\$ 4,193,324	\$ 7,485,883	\$ 8,388,988	\$ 10,622,757	\$ 15,863,538	\$ 15,443,133	\$ 17,302,623
Restricted	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492	4,675,373	4,102,698	4,771,369	5,036,700
Unrestricted	(296,565)	626,472	3,229,072	3,975,566	(13,078,948)	(15,756,772)	(15,218,256)	(16,485,148)	(17,026,538)	(16,863,078)
Total District Net Position	\$ 2,685,918	\$ 4,771,392	\$ 8,770,636	\$ 9,839,508	\$ (1,768,824)	\$ (1,831,292)	\$ 79,874	\$ 3,481,088	\$ 3,187,964	\$ 5,476,245

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 27,985,048	\$ 27,929,141	\$ 28,034,634	\$ 29,612,216	\$ 29,657,538	\$ 35,358,704	\$ 37,467,586	\$ 41,889,707	\$ 42,091,248	\$ 38,834,411
Special Education	8,327,025	8,861,354	8,822,053	8,958,381	9,341,120	10,259,084	11,145,085	12,141,526	12,590,425	14,133,496
Other Instruction	2,127,521	1,997,649	1,942,642	2,135,580	2,083,253	2,382,084	2,666,858	3,083,645	3,321,720	3,048,403
School Sponsored Activities And Athletics	1,241,373	1,209,328	1,232,990	1,263,021	1,305,116	1,605,092	1,800,560	2,015,311	2,087,955	1,936,665
Other Instructional Programs			8,694	7,741	7,091	30,770	37,539	48,487	43,806	199,623
Support Services:										
Student & Instruction Related Services	8,400,229	7,555,685	7,594,498	8,722,193	9,466,929	11,412,708	12,814,119	12,910,400	14,088,044	11,773,011
General Administration	656,614	1,206,499	1,082,148	1,190,942	1,366,283	1,006,071	977,527	979,519	1,097,035	1,066,259
School Administrative Services	4,789,042	4,377,208	4,631,725	4,969,181	4,408,156	5,101,918	5,228,684	5,792,404	6,069,970	5,440,821
Plant Operations And Maintenance	5,707,258	5,344,993	5,507,613	7,513,429	6,713,229	6,668,670	6,833,786	7,035,256	7,723,842	7,523,497
Pupil Transportation	1,108,733	1,013,923	1,112,729	1,049,857	995,730	1,204,927	1,282,758	1,304,784	1,379,792	1,486,506
Other Support Services	1,142,588	1,178,922	1,326,849	1,132,397	1,611,780	1,815,707	1,963,307	2,341,269	2,182,543	2,204,265
Interest and Other Charges On Long-Term Debt	1,835,994	1,782,896	1,768,513	1,433,612	1,538,470	1,525,790	1,289,116	1,231,175	1,174,565	1,116,501
Total Governmental Activities Expenses	63,321,425	62,257,598	63,065,088	67,988,550	68,494,695	78,371,525	83,506,925	90,773,483	93,850,945	88,763,258
Business-Type Activities:										
Food Service	627,700	683,234	680,768	705,758	722,465	687,143	692,228	700,170	630,638	793,266
Child Care	293,629	306,305	309,747	282,243	396,282	329,221	357,217	438,450	433,708	390,287
Tiger Tots	-	-	-	-	-	-	-	134,258	140,376	142,355
Total Business-Type Activities Expense	921,329	989,539	990,515	987,981	1,118,747	1,016,364	1,049,445	1,272,878	1,204,722	1,325,908
Total District Expenses	\$ 64,242,754	\$ 63,247,137	\$ 64,055,603	\$ 68,976,531	\$ 69,613,442	\$ 79,387,889	\$ 84,556,370	\$ 92,046,361	\$ 95,055,667	\$ 90,089,166
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 790,786	\$ 992,304	\$ 1,043,013	\$ 1,116,602	\$ 1,161,307	\$ 1,202,117	\$ 1,458,902	\$ 1,154,999	\$ 1,202,529	\$ 976,934
School Sponsored Activities and Athletics		133,692	123,831	96,356	82,583	-	-	-	-	148,290
Plant Operations and Maintenance										157,170
Operating Grants And Contributions	8,713,095	6,550,845	8,247,559	9,443,278	8,588,388	16,083,705	19,418,155	25,455,999	26,847,935	22,353,568
Capital Grants And Contributions	485,430	439,758	456,799	380,735	913,675	497,375	584,147	1,155,461	246,762	290,675
Total Governmental Activities Program Revenues	9,989,311	8,116,599	9,871,202	11,036,971	10,745,953	17,783,197	21,461,204	27,766,459	28,297,226	23,926,637
Business-Type Activities:										
Charges For Services:										
Food Service	568,396	587,234	605,928	594,204	627,312	648,766	669,219	677,739	584,056	773,680
Child Care	225,680	253,355	319,359	341,454	325,690	360,960	354,835	372,286	416,002	460,997
Tiger Tots								137,900	143,775	148,390
Operating Grants And Contributions	65,618	74,512	77,381	71,871	89,319	-	-	-	-	-
Total Business Type Activities Program Revenues	859,694	915,101	1,002,668	1,007,529	1,042,321	1,009,726	1,024,054	1,187,925	1,143,833	1,383,067
Total District Program Revenues	\$ 10,849,005	\$ 9,031,700	\$ 10,873,870	\$ 12,044,500	\$ 11,788,274	\$ 18,792,923	\$ 22,485,258	\$ 28,954,384	\$ 29,441,059	\$ 25,309,704
Net (Expense)/Revenue										
Governmental Activities	\$ (53,332,114)	\$ (54,140,999)	\$ (53,193,886)	\$ (56,951,579)	\$ (57,748,742)	\$ (60,588,328)	\$ (62,045,721)	\$ (63,007,024)	\$ (65,553,719)	\$ (64,836,621)
Business-Type Activities	(61,635)	(74,438)	12,153	19,548	(76,426)	(6,638)	(25,391)	(84,953)	(60,889)	57,159
Total District-Wide Net Expense	\$ (53,393,749)	\$ (54,215,437)	\$ (53,181,733)	\$ (56,932,031)	\$ (57,825,168)	\$ (60,594,966)	\$ (62,071,112)	\$ (63,091,977)	\$ (65,614,608)	\$ (64,779,462)

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 53,782,022	\$ 56,048,259	\$ 56,805,637	\$ 57,887,796	\$ 58,953,614	\$ 59,990,128	\$ 61,707,367	\$ 63,737,435	\$ 64,871,921	\$ 66,570,472
Investment Earnings	53,640	63,125	39,467	44,604	43,477	32,565	33,236	33,079	165,454	225,549
Miscellaneous Income	377,993	238,630	331,972	309,110	596,176	509,306	638,766	332,224	283,428	270,684
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(40,092)	(31,438)	-
Total Governmental Activities	54,213,655	56,350,014	57,177,076	58,241,510	59,593,267	60,531,999	62,379,369	64,062,646	65,289,365	67,066,705
Business-Type Activities:										
Investment Earnings	1,271	1,173	493	606	657	499	319	285	681	1,038
Transfers	-	-	-	-	-	-	-	40,092	31,438	-
Total Business-Type Activities	1,271	1,173	493	606	657	499	319	40,377	32,119	1,038
Total District-Wide	\$ 54,214,926	\$ 56,351,187	\$ 57,177,569	\$ 58,242,116	\$ 59,593,924	\$ 60,532,498	\$ 62,379,688	\$ 64,103,023	\$ 65,321,484	\$ 67,067,743
Change in Net Position										
Governmental Activities	\$ 881,541	\$ 2,209,015	\$ 3,983,190	\$ 1,289,931	\$ 1,844,525	\$ (56,329)	\$ 333,648	\$ 1,055,622	\$ (264,354)	\$ 2,230,084
Business-Type Activities	(60,364)	(73,265)	12,646	20,154	(75,769)	(6,139)	(25,072)	(44,576)	(28,770)	58,197
Total District Wide	\$ 821,177	\$ 2,135,750	\$ 3,995,836	\$ 1,310,085	\$ 1,768,756	\$ (62,468)	\$ 308,576	\$ 1,011,046	\$ (293,124)	\$ 2,288,281

Sources: District's financial statements

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 1,782,685									
Unreserved	477,859									
Restricted		\$ 2,333,856	\$ 4,775,177	\$ 4,732,304	\$ 5,215,987	\$ 5,183,117	\$ 4,255,257	\$ 6,376,707	\$ 6,736,790	\$ 6,833,410
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	1,167,435	1,305,715
Unassigned	-	607,687	577,090	1,087,841	1,126,026	1,144,340	1,208,586	1,181,815	1,221,046	1,239,877
Total General Fund	\$ 2,260,544	\$ 4,393,253	\$ 6,232,932	\$ 7,058,920	\$ 7,983,288	\$ 7,899,067	\$ 7,020,657	\$ 8,804,048	\$ 9,125,271	\$ 9,379,002
All Other Governmental Funds										
Reserved	\$ 59,044									
Unreserved	102,326									
Restricted		\$ 17,363	\$ 17,321	\$ 77,473	\$ 537,435	\$ 2,269,051	\$ 2,598,479	\$ 246,861	\$ 222,699	\$ 72,529
Committed										
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 161,370	\$ 17,363	\$ 17,321	\$ 77,473	\$ 537,435	\$ 2,269,051	\$ 2,598,479	\$ 246,861	\$ 222,699	\$ 72,529

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 53,782,022	\$ 56,048,259	\$ 56,805,637	\$ 57,887,796	\$ 58,953,614	\$ 59,990,128	\$ 61,707,367	\$ 63,737,435	\$ 64,871,921	\$ 66,570,472
Tuition Charges	790,786	813,030	869,043	936,982	1,011,177	1,030,447	1,050,511	994,660	979,918	779,296
Interest Earnings	53,640	63,125	39,467	44,604	43,477	32,565	33,236	33,079	165,454	225,549
Miscellaneous	413,362	606,797	693,940	695,047	1,435,641	962,870	695,865	522,820	515,354	808,768
State Sources	7,756,610	5,789,462	7,633,612	8,880,214	7,981,206	8,941,717	10,530,252	11,983,296	12,387,774	14,474,751
Federal Sources	1,387,801	1,107,300	930,373	833,838	836,196	900,736	1,027,981	1,157,601	1,236,773	1,035,289
Total Revenue	64,184,221	64,427,973	66,972,072	69,278,481	70,261,311	71,858,463	75,045,212	78,428,891	80,157,194	83,894,125
Expenditures										
Instruction										
Regular Instruction	27,395,217	27,383,273	27,374,992	29,109,156	28,969,431	30,191,190	30,908,379	32,285,717	33,432,534	33,748,213
Special Education Instruction	8,263,320	8,777,305	8,725,095	8,938,253	9,264,156	9,344,858	9,892,994	10,221,343	10,855,643	12,932,230
Other Instruction	2,094,229	1,974,898	1,946,674	2,151,728	2,079,479	2,062,903	2,231,195	2,409,362	2,639,951	2,699,486
School Sponsored Activities and Athletics	1,241,373	1,209,328	1,232,990	1,238,272	1,280,354	1,396,868	1,522,592	1,599,890	1,704,161	1,721,361
Other Instructional Programs			8,694	7,741	7,091	8,780	7,832	7,195	5,094	176,349
Community Services										
Support Services										
Student and Inst. Related Services	8,312,881	7,445,708	7,540,515	8,669,666	9,429,992	11,601,075	12,354,942	11,387,820	12,260,783	11,240,210
General Administration	909,871	1,153,097	1,078,885	1,038,465	1,342,109	981,112	941,810	916,355	1,020,947	988,558
School Administrative Services	4,792,361	4,294,492	4,877,185	5,084,880	4,399,746	4,794,942	4,749,411	4,911,583	5,182,515	5,025,532
Plant Operations And Maintenance	5,604,865	5,322,895	5,478,121	6,050,483	5,227,826	5,176,949	5,539,325	5,510,818	5,695,282	5,758,169
Pupil Transportation	1,097,270	1,001,139	1,099,061	1,035,544	972,930	1,182,039	1,263,571	1,284,271	1,352,454	1,460,833
Other Support Services	1,114,440	1,156,870	1,294,966	1,187,742	1,608,650	1,780,810	1,859,646	1,955,867	1,959,463	2,095,761
Capital Outlay	507,177	601,136	404,705	978,814	1,388,169	1,879,879	957,268	3,109,171	351,777	2,565,405
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	1,276,631	1,442,597	2,304,055	1,430,000	1,385,000	1,435,000	2,150,268	2,193,004	2,256,180	2,319,396
Interest and Other Charges	1,833,924	1,781,092	1,766,497	1,471,597	1,522,048	1,466,163	1,214,961	1,164,630	1,112,624	1,059,061
Total Expenditures	64,443,559	63,543,830	65,132,435	71,233,623	68,876,981	73,789,759	75,627,194	78,957,026	79,829,408	83,790,564
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(259,338)	884,143	1,839,637	(1,955,142)	1,384,330	(1,931,296)	(581,982)	(528,135)	327,786	103,561
Other Financing Sources (Uses)										
Proceeds From Borrowing										
Capital Leases / Lease Purchase Proceeds (Non-Budgeted)		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	42	48,521			124,937	2,451,361		1,388,348	629,641	3,186,660
Transfers Out	(42)	(48,521)			(124,937)	(2,451,361)		(1,428,440)	(660,366)	(3,186,660)
Total Other Financing Sources (Uses)	-	1,104,559	-	2,841,282	-	3,578,691	33,000	(40,092)	(30,725)	-
Net Change in Fund Balances	\$ (259,338)	\$ 1,988,702	\$ 1,839,637	\$ 886,140	\$ 1,384,330	\$ 1,647,395	\$ (548,982)	\$ (568,227)	\$ 297,061	\$ 103,561
Debt Service as a Percentage of Noncapital Expenditures	4.87%	5.12%	6.29%	4.13%	4.31%	4.03%	4.51%	4.43%	4.24%	4.16%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended <u>June 30</u>	<u>Tuition</u>	Summer School <u>Fees</u>	Interest on <u>Deposits</u>	Extracurricular Activities <u>Fees</u>	Solar Panel Project <u>Escrow</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2018	979,918	175,830	165,454	7,615		318,443	1,647,260
2019	779,296	197,638	225,549	148,290		427,854	1,778,627

**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
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
2018	45,288,300	3,658,491,300	240,386,300	10,462,000	36,741,000	3,991,368,900		3,991,368,900	4,570,330,078	1.647
2019	48,584,100	3,675,015,500	237,100,200	10,462,000	36,660,500	4,007,822,300		4,007,822,300	4,694,527,300	1.678

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>
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
2018	2.532	1.647	0.605	0.269	0.011
2019	2.572	1.678	0.609	0.274	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	2019		2010	
	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	0.58%
Clinton Lodging, LLC			7,276,900	0.24%
Knickerbocker Country Club			6,814,300	0.22%
Individual Taxpayer			3,462,800	0.11%
Tenaflly Shopping Center LP			5,445,700	0.18%
Quirk Properties Tenaflly, LLC			3,990,200	0.13%
County Manor Realty			3,614,500	0.12%
TRC Property LLC			3,325,900	0.11%
Stonegarth Equities, LLC			4,135,100	0.13%
Knickerbocker Country Club			3,244,800	0.11%
Marlborough Co-Op Corporation	\$ 22,510,300	0.56%		
A.S.D.D.J LLC	11,830,100	0.30%		
145 Dean Drive LLC	9,747,700	0.24%		
Knickerbocker Country Club	8,227,200	0.21%		
Tenaflly Shopping Center LP	7,209,400	0.18%		
Quirk Properties Tenaflly, LLC	6,696,400	0.17%		
30 Engle Street-Tenaflly Realty Resident	6,524,200	0.16%		
TRC Property LLC	4,653,100	0.12%		
County Manor Realty	4,485,600	0.11%		
	4,215,500	0.11%		
	<u>\$ 86,099,500</u>	<u>2.15%</u>	<u>\$ 59,310,200</u>	<u>1.93%</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	
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
2018	64,871,921	64,871,921	100.00%	N/A
2019	66,570,472	66,570,472	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,	Governmental Activities		Total District	Percentage of Personal Income	Population	Per Capita
	General Obligation Bonds	Capital Lease/Lease Purchase Agreements				
2010	\$ 41,710,000	\$ 192,093.0	\$ 41,902,093	0.16%	14,681	\$ 2,854
2011	40,510,000	1,054,055	41,564,055	0.16%	14,536	2,859
2012	39,260,000	-	39,260,000	0.17%	14,635	2,683
2013	38,256,000	-	38,256,000	0.18%	14,701	2,602
2014	36,871,000		36,871,000	0.19%	14,726	2,504
2015	35,785,000	2,721,500	38,506,500	0.18%	14,734	2,613
2016	34,360,000	2,171,232	36,531,232	0.20%	14,718	2,482
2017	32,705,000	1,633,228	34,338,228	0.21%	14,693	2,337
2018	30,990,000	1,092,048	32,082,048	0.23%	14,675	2,186
2019	29,215,000	547,652	29,762,652	0.25%	14,641	2,033

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2010	\$ 41,710,000		\$ 41,710,000	1.35 %	\$ 2,841
2011	40,510,000		40,510,000	1.06	2,787
2012	39,260,000		39,260,000	1.02	2,683
2013	38,256,000		38,256,000	0.99	2,602
2014	36,871,000		36,871,000	0.95	2,504
2015	35,785,000		35,785,000	0.92	2,429
2016	34,360,000		34,360,000	0.88	2,335
2017	32,705,000		32,705,000	0.83	2,226
2018	30,990,000		30,990,000	0.78	2,112
2019	29,215,000		29,215,000	0.73	1,995

Source: District records

**TENAFLY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)**

	<u>Net Debt</u>
Tenafly Board of Education (June 30, 2019)	
Municipal Debt: (1)	\$ 29,215,000
Borough of Tenafly	<u>21,491,081</u>
	50,706,081
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) and (3)	
County of Bergen (A)	36,983,460
Bergen County Utilities Authority - Water Pollution (B)	<u>4,424,035</u>
	<u>41,407,495</u>
Total Direct and Overlapping Debt	<u>\$ 92,113,576</u>

(A) The debt for this entity was apportioned to the Borough of Tenafly by dividing the Municipality's 2018 equalized value by the total 2018 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 2018 audit
- (3) Bergen County Debt Statement December 31, 2018

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

	Fiscal Year Ended June 30.									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 168,673,106	\$ 168,926,498	\$ 166,051,265	\$ 164,148,939	\$ 164,565,255	\$ 166,512,867	\$ 170,655,054	\$ 175,071,218	\$ 178,946,581	\$ 181,432,587
Total Net Debt Applicable to Limit	<u>41,710,000</u>	<u>40,510,000</u>	<u>39,260,000</u>	<u>38,256,000</u>	<u>36,871,000</u>	<u>35,785,000</u>	<u>34,360,000</u>	<u>32,705,000</u>	<u>30,990,000</u>	<u>29,215,000</u>
Legal Debt Margin	<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>	<u>\$ 147,956,581</u>	<u>\$ 152,217,587</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.73%	23.98%	23.64%	23.31%	22.41%	21.49%	20.13%	18.68%	17.32%	16.10%

Legal Debt Margin Calculation for Fiscal Year 2019

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
	2016 \$ 4,513,347,531
	2017 4,516,313,629
	2018 <u>4,577,782,888</u>
	<u>\$ 13,607,444,048</u>
Average Equalized Valuation of Taxable Property	<u>\$ 4,535,814,683</u>
Debt Limit (4 % of Average Equalization Value)	\$ 181,432,587
Total Net Debt Applicable to Limit	<u>29,215,000</u>
Legal Debt Margin	<u>\$ 152,217,587</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>
2009	7.8%	\$ 64,280	14,681
2010	8.0	65,992	14,536
2011	7.8	68,865	14,635
2012	8.0	71,789	14,701
2013	7.3	71,100	14,726
2014	4.0	73,637	14,734
2015	3.4	76,821	14,718
2016	3.1	77,901	14,693
2017	2.9	81,203	14,675
2018	2.5	81,203 (E)	14,641

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>2019</u>		<u>2010</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	183.90	174.90	174.70	177.30	177.90	179.50	179.30	186.20	212.70	260.20
Special Education	33.40	32.80	34.80	37.00	39.30	40.30	43.70	47.20	43.40	42.00
Other Special Education	18.55	17.15	18.20	19.20	19.60	19.80	20.30	25.40		
Other Instruction	112.61	102.15	103.40	101.60	101.00	100.70	105.00	91.70	3.00	3.00
Support Services:										
Student and Instruction Related Services	71.56	69.60	76.10	73.78	86.00	103.30	106.40	103.80	206.60	183.00
General Administration	45.90	37.50	37.50	38.50	39.00	41.00	41.00	34.00	25.00	22.00
School Administrative Services	27.30	23.70	24.20	25.20	25.40	25.40	25.40	29.00	23.00	22.50
Other Administrative Services									15.50	15.00
Plant Operations And Maintenance	<u>38.00</u>	<u>36.00</u>	<u>36.00</u>	<u>36.00</u>	<u>36.00</u>	<u>36.00</u>	<u>36.00</u>	<u>36.00</u>	<u>38.00</u>	<u>39.00</u>
Total	<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>	<u>567.20</u>	<u>586.70</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2018	3,677	76,113,960	20,700	4.50%	288.00	14.80	10.1	13.3	3,685	3,548.74	1.43%	96.30%
2019	3,648	77,846,702	21,340	5.00%	302.00	11.00	10	10.6	3,687	3,550.00	0.05%	96.28%

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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<u>Elementary</u>										
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	356	376	390	385	393	409	400	394	392	396
Maugham										
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	380	385	390	405	409	402	403	397	412	410
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	367	365	365	371	376	391	380	375	374	376
Stillman										
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	401	384	395	408	409	414	392	356	372	376
<u>Middle School</u>										
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	802	827	847	831	852	842	891	917	904	907
<u>High School</u>										
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	1,183	1,236	1,232	1,212	1,152	1,151	1,142	1,164	1,223	1,222
<u>Administration Building</u>										
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, 2019
 Elementary = 4
 Middle School = 1
 Senior High School = 1
 Administration = 1

Source: District Records

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES										
* School Facilities										
Mackay Elementary School	\$ 67,186	\$ 71,644	\$ 83,475	\$ 86,162	\$ 43,752	\$ 52,353	\$ 48,508	\$ 51,969	\$ 51,609	\$ 49,068
Maugham Elementary School	85,267	90,925	105,940	109,351	50,050	59,719	54,976	56,745	58,860	55,972
Smith Elementary School	113,766	121,314	141,348	145,899	46,036	54,896	50,933	52,243	54,138	51,451
Stillman Elementary School	38,314	40,856	47,603	49,136	49,241	58,754	54,167	55,645	57,909	55,068
Middle School	116,802	124,552	145,121	149,793	220,074	262,465	241,731	244,990	258,811	245,996
High School	177,354	189,121	209,362	216,102	314,810	375,413	346,022	350,432	370,221	351,858
Total School Facilities	598,689	638,412	732,849	756,443	723,963	863,600	796,337	812,024	851,548	809,413
Other Facilities										
Administration Building	49,591	52,881	10,990	11,343	11,206	13,329	2,702	12,442	13,178	12,493
Grand Total	\$ 648,280	\$ 691,293	\$ 743,839	\$ 767,786	\$ 735,169	\$ 876,929	\$ 799,039	\$ 824,466	\$ 864,726	\$ 821,906

* 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, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property-Blanket Building/Contents	\$ 108,862,868	\$ 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)	500,000	100,000
Forgery Alteration	100,000	1,000
Umbrella Liability - Great American Insurance Co.	9,000,000	
Commercial Umbrella Excess - Fireman's Fund	50,000,000	N/A
Educator's Professional Liability - XL Catlin	1,000,000	20,000
Cyber Liability - Indian Harbor Insurance Co. Policy Aggregate	6,000,000	15,000
Pollution Coverage - ACE American Insurance Company	2,000,000	15,000
Group Aggregate Limit - Pollution Coverage	20,000,000	
Aggregate Sublimit per Named Insured	4,000,000	
Per Fungi or Legionella Pneumophila Condition		25,000

Source: School Insurance Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2019 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 December 5, 2019.

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 cost as item 2019-001 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 2019-001.

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 December 5, 2019.

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

Donna L. Japhet

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 5, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, 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 Education
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, 2019. 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, 2019.

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 Tenafly Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 5, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 5, 2019

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019			Memo	GAAP Receivable	Cumulative Total Expenditure	
						June 30, 2018	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		
U.S. Department of Education																	
Passed-through State Department of Education																	
General Fund:																	
Medical Assistance Program	93.778	1905NJSMAP	N/A	7/1/18-6/30/19	\$ 21,171	-	-	-	\$ 21,171	\$ 21,171	-	-	-	-	-	-	\$ 21,171
Total General Fund						-	-	-	21,171	21,171	-	-	-	-	-	-	21,171
Special Revenue Fund:																	
L.D.E.A. Part B, Basic	84.027	H027A170100	IDEA5160-18	7/1/17-6/30/18	704,923	\$ (20,483)	\$ (316)	\$ 316	20,483								
L.D.E.A. Part B, Basic	84.027	H027A180100	IDEA5160-19	7/1/18-9/30/19	732,168		316	(316)	660,789	711,380			\$ (71,695)	\$ 21,104		\$ (50,591)	711,380
L.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA5160-19	7/1/18-9/30/19	38,271		-	-	37,111	37,111			(1,160)	1,160		-	37,111
Total Special Education Cluster (IDEA)						(20,483)	-	-	718,383	748,491			(72,855)	22,264		(50,591)	748,491
Title I, Part A	84.010A	S010A170030	ESEA516018	7/1/17-6/30/18	188,681	(86,091)	(9,946)	9,946	86,091							-	-
Title I, Part A	84.010A	S010A180030	ESEA516019	7/1/18-6/30/19	190,221		9,946	(9,946)	125,263	196,151			(74,904)	4,016		(70,888)	196,151
Title II, Part A	84.367	S367A170029	ESEA516018	7/1/17-6/30/18	55,010	(13,767)	(3,752)	3,752	13,767							-	-
Title II, Part A	84.367	S367A180029	ESEA516019	7/1/18-6/30/19	54,860		3,752	(3,752)		35,514			(58,612)	23,098		(35,514)	35,514
Title III-Immigrant	84.365	S365A170030	ESEA516018	7/1/17-6/30/18	17,741	(850)	(3,226)	3,226	850							-	-
Title III-Immigrant	84.365	S365A180030	ESEA516019	7/1/18-6/30/19	20,684		3,226	(3,226)		15,371			(23,910)	8,539		(15,371)	15,371
Title III	84.365	S365A170030	ESEA516018	7/1/17-6/30/18	57,938	(11,443)	(16,140)	16,140	11,443							-	-
Title III	84.365	S365A180030	ESEA516019	7/1/18-6/30/19	56,158		16,140	(16,140)		12,961	3,179	(3,179)	(69,119)	56,158		(12,961)	12,961
Total Title III Cluster						(12,293)	-	-	12,293	28,332	3,179	(3,179)	(93,029)	64,697		(28,332)	28,332
Title IV	84.424	S424A170031	ESEA516018	7/1/17-6/30/18	10,000	1	(4,261)	4,260								-	-
Title IV	84.424	S424A180031	ESEA516019	7/1/18-6/30/19	11,421		4,261	(4,260)		3,881	380	(381)	(15,301)	11,420		(3,881)	3,881
Total U.S. Department of Education						(132,633)	-	-	955,797	1,012,369	3,559	(3,560)	(314,701)	125,495		(189,206)	1,012,369
The TEACH Coalition (SAMSHA)	93.276	SP021565	1H79SP021565-01	9/30/17-9/30/18	125,000	46,607				1,749				44,858			1,749
The TEACH Coalition (SAMSHA)	93.276	SP021565	1H79SP021565-01	9/30/18-9/30/19	125,000												
Total U.S. Department of Health and Human Services						46,607	-	-		1,749				44,858			1,749
Total Special Revenue Fund						(86,026)	-	-	955,797	1,014,118	3,559	(3,560)	(314,701)	170,353		(189,206)	1,014,118
Total Federal Financial Awards						\$ (86,026)	\$ -	\$ -	\$ 976,968	\$ 1,035,289	\$ 3,559	\$ (3,560)	\$ (314,701)	\$ 170,353	\$ -	\$ (189,206)	\$ 1,035,289

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	Balance June 30, 2019			MEMO		
				Unearned Revenue/ (Accts Rec)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 1,351,747	\$ (119,162)		\$ 119,162									
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	1,551,244			1,420,595	\$ 1,551,244			\$ (130,649)			*	\$ 1,551,244	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	63,352	(5,585)		5,585							*		
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	285,644			261,586	285,644			(24,058)			*	285,644	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	36,070	(3,180)		3,180							*		
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	36,070	(3,180)		3,180							*		
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	35,850	(3,160)		3,160							*		
Host District Aid	18-495-034-5120-102	7/1/17-6/30/18	85	(7)		7							*		
Total State Aid - Public Cluster				(134,274)		1,816,455	1,836,888			(154,707)			*	1,836,888	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	80,474	(7,094)		7,094							*		
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	353,878			324,074	353,878			(29,804)			*	353,878	
Other State Aid - Non Public Transportation	18-495-034-5120-014	7/1/17-6/30/18	33,689	(33,689)		33,689							*		
Other State Aid - Non Public Transportation	19-495-034-5120-014	7/1/18-6/30/19	34,841				34,841			(34,841)			*	\$ (34,841) 34,841	
Total Transportation Aid				(40,783)		364,857	388,719			(64,645)			*	(34,841) 388,719	
Other State Aid - Extraordinary Aid	18-100-034-5120-044	7/1/17-6/30/18	1,000,810	(1,000,810)		1,000,810							*		
Other State Aid - Extraordinary Aid	19-100-034-5120-044	7/1/18-6/30/19	1,163,980				1,163,980			(1,163,980)			*	1,163,980	
TPAF On-Behalf Contributions															
Pension Contribution-Normal Costs	19-495-034-5094-002	7/1/18-6/30/19	5,644,541			5,644,541	5,644,541						*	5,644,541	
Pension Contribution-NCGI	19-495-034-5094-004	7/1/18-6/30/19	118,155			118,155	118,155						*	118,155	
Pension Contribution- Long Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	4,997			4,997	4,997						*	4,997	
Pension Contribution - Post Retirement Cost	19-495-034-5094-001	7/1/18-6/30/19	2,613,950			2,613,950	2,613,950						*	2,613,950	
Total On-Behalf TPAF Contribution Cluster						8,381,643	8,381,643						*	8,381,643	
Social Security Reimbursements	19-495-034-5094-003	7/1/18-6/30/19	2,200,987			2,200,987	2,200,987						*	2,200,987	
Total General Fund				(1,175,867)		13,764,752	13,972,217			(1,383,332)			*	(34,841) 13,972,217	
Special Revenue Fund:															
New Jersey Nonpublic Aid															
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	29,308		\$ 465			\$ 465					*		
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	28,302			28,302	26,346				\$ 1,956		*	26,346	
Auxiliary Services															
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	110,730		24,803			24,803					*		
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	99,408			99,408	89,761				9,647		*	89,761	
English as a Second Language	18-100-034-5120-067	7/1/17-6/30/18	4,517		4,517			4,517					*		
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	7,161			7,161	5,263				1,898		*	5,263	
Total Nonpublic Auxiliary Services Aid (Chap. 192) Cluster					29,320	106,569	95,024	29,320				11,545	*	95,024	
Handicapped Services															
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	81,174		12,203			12,203					*		
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	61,518			61,518	54,423				7,095		*	54,423	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	52,675		12,767			12,767					*		
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	39,283			39,283	27,945				11,338		*	27,945	
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	37,031		872			872					*		
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	38,855			38,855	33,306				5,549		*	33,306	
Total Nonpublic Handicapped Services Aid (Chap. 193) Cluster					25,842	139,656	115,674	25,842				23,982	*	115,674	
Technology															
Technology	18-100-034-5120-373	7/1/17-6/30/18	19,795		5,287			5,287					*		
Technology	19-100-034-5120-373	7/1/18-6/30/19	19,080			19,080	14,003				5,077		*	14,003	
Nursing	18-100-034-5120-070	7/1/17-6/30/18	52,865		5,329			5,329					*		
Nursing	19-100-034-5120-070	7/1/18-6/30/19	53,544			53,544	52,924				620		*	52,924	
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	40,875		10,977			10,977					*		
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	82,800			82,800	53,883				28,917		*	53,883	
Total Special Revenue Fund					77,220	429,951	357,854	77,220				72,097	*	357,854	

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	Balance June 30, 2019			MEMO		
				Unearned Revenue/(Accts Rec)	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
Debt Service Fund:															
Type II Debt Service State Aid	19-495-034-5120-075	7/1/18-6/30/19	\$ 377,436	-	-	\$ 377,436	\$ 377,436	-	-	-	-	-	-	-	\$ 377,436
Total State Department of Education				\$ (1,175,867)	\$ 77,220	14,572,139	14,707,507	\$ 77,220	-	\$ (1,383,332)	-	\$ 72,097	\$ (34,841)	14,707,507	
Total State Financial Assistance Subject to Single Audit Determination				(1,175,867)	77,220	14,572,139	14,707,507	77,220	-	(1,383,332)	-	72,097	(34,841)	14,707,507	
State Financial Assistance Not Subject to Major Program Determination															
General Fund															
TPAF On-Behalf Pension Contributions															
Normal Costs and NCGI	19-495-034-5094-002/004	7/1/18-6/30/19	5,762,696	-	-	(5,762,696)	(5,762,696)	-	-	-	-	-	-	-	(5,762,696)
Long Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	4,997	-	-	(4,997)	(4,997)	-	-	-	-	-	-	-	(4,997)
Post Retirement Cost	19-495-034-5094-001	7/1/18-6/30/19	2,613,950	-	-	(2,613,950)	(2,613,950)	-	-	-	-	-	-	-	(2,613,950)
Total State Financial Assistance for Major Program Determination				\$ (1,175,867)	\$ 77,220	\$ 6,190,496	\$ 6,325,864	\$ 77,220	\$ -	\$ (1,383,332)	\$ -	\$ 72,097	\$ (34,841)	\$ 6,325,864	

**TENAFLY BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. 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 a decrease of \$206,313 for the general fund and a decrease of \$26,443 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	\$ 21,171	\$ 13,765,904	\$ 13,787,075
Special Revenue Fund	1,014,118	331,411	1,345,529
Debt Service Fund	-	377,436	377,436
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 1,035,289</u>	<u>\$ 14,474,751</u>	<u>\$ 15,510,040</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, 2019**

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 \$2,200,987 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$5,762,696, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,613,950 and TPAF Long-Term Disability Insurance in the amount of \$4,997 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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, 2019**

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>H027A180100</u>	<u>IDEA Part B, Basic</u>
<u>84.173</u>	<u>H173A180114</u>	<u>IDEA Part B Preschool</u>

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

Auditee qualified as low-risk auditee? X yes no

**TENAFLY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 2019-001

Our audit noted that certain expenditures charged to construction services in the Capital Projects Fund were in fact, expended for the acquisition of equipment and supplies.

Criteria or Specific Requirement

The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2018-2019

Condition

Line item account determinations were not being carefully reviewed and/or monitored, which results in certain misclassifications.

Questioned Costs

None.

Context

Purchases charged to construction services were reclassified as follows:

Equipment	\$1,103,679
Supplies	\$769

Effect

See Finding and Condition.

Cause

Unknown.

Recommendation

It is recommended that expenditures in the Capital Projects Fund be charged in the subsidiary budget reports to the correct appropriation object area in accordance with The Uniform Minimum Chart of Accounts.

View of Responsible Officials and Planned Corrective Action

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, 2019

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 U.S. Uniform 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, 2019**

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 Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2018-001:

Our audit of the District's Extraordinary Aid Application noted limited documentation available to support certain related services claimed.

Current Status

Corrective action has been taken.