



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



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2020**

Prepared by the Business Office

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Tenaflly Board of Education

Tenaflly, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by

Business Office

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INTRODUCTORY SECTION



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

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

January 28, 2021

President Ms. Jocelyn Schwarz
Vice President Ms. Jane Juhng

Members of the Board of Education:

Mr. Mark Aronson
Ms. Inbal Israeli Miller
Ms. Michelle Merchant
Ms. Yelena Meytes
Ms. Paula Newman
Mr. Edward J. Salaski
Dr. Michael Wilderman

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, 2020.

Annual Financial Report
Tenaflly Board of Education
Fiscal Year Ended June 30, 2020

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

The Tenaflly Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Tenaflly Board of Education for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Tenaflly Board of Education's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Annual Financial Report
 Tenafly Board of Education
 Fiscal Year Ended June 30, 2020

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 2019-2020 school year increased by 126 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
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
2019-2020	3,813	0.03

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 2019-2020

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, 2020.

6) DEBT ADMINISTRATION: At June 30, 2020, the District's outstanding debt issues were \$27,375,000 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 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 2019-2020 budget reflects a 2.00% general fund school tax levy increase from the previous school year budget.

10) OTHER INFORMATION:


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

Annual Financial Report
Tenafly Board of Education
Fiscal Year Ended June 30, 2020

11) ACKNOWLEDGEMENTS:

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

Respectfully submitted,



Shauna C. DeMarco
Superintendent of Schools

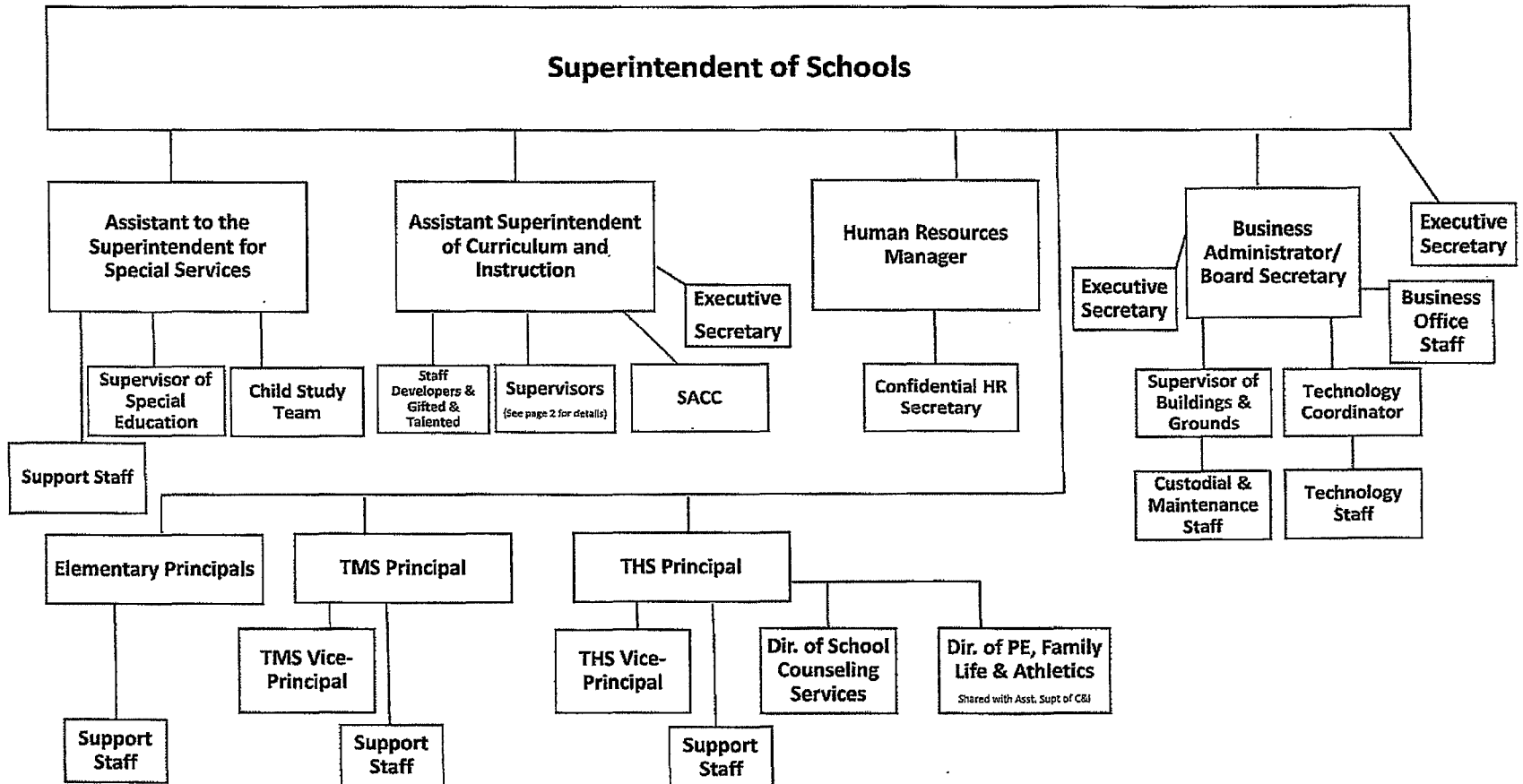


Cheryl Nardino
Business Administrator/Board Secretary

TENAFLY BOARD OF EDUCATION

ORGANIZATIONAL CHART

(Policy 1110)



TTTA

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

**ROSTER OF OFFICIALS
JULY 1, 2019 TO JUNE 30, 2020**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Janet I. Horan, President	Dec. 2020
Jocelyn Schwarz, Vice President	Dec. 2022
Mark Aronson	Dec. 2022
Paula Newman	Dec. 2022
Patricia Flynn	Dec. 2020
Inbal Israeli Miller	Dec. 2021
Jane Juhng	Dec. 2021
Edward J. Salaski	Dec. 2020
Natalie Barbanel	Dec. 2021

OTHER OFFICIALS

Shauna DeMarco, Superintendent
Dr. Evelyn Mamman, Assistant Superintendent

Cheryl Nardino, Business Administrator/Board Secretary
Fogarty & Hara, Esqs.

TENAFLY BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
2019 - 2020

ARCHITECTS

E.I.Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, 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, 2020 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, 2020, 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

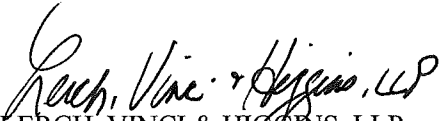
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tenaflly Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, 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 January 28, 2021 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 solely 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.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 28, 2021

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, 2020. 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 2019-2020 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 \$7,079,770 (net position).
- General revenues of \$68,238,254 accounted for 75 percent of all revenues. Program revenues of \$22,985,332 accounted for 25 percent of total revenues of \$91,223,586.
- The school district had \$88,426,827 in expenses for governmental activities; only \$22,060,250 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$68,237,932 were adequate to provide for these programs.
- Among major funds, the General Fund had \$82,532,355 in revenues and other financing sources and \$81,584,228 in expenditures and other financing uses. The General Fund's fund balance increased by 948,127.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,550,796.

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 Board'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 District'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.

Tenaflly Board of Education

Management's Discussion and Analysis (continued)

District-wide Statements

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

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

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

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

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- *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 2020 and 2019.

Net position. The District's combined net position was \$7,079,770 and \$5,476,245 on June 30, 2020 and June 30, 2019, 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 district-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, 2020 and 2019

	Net Position					
	Governmental		Business-Type			
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 11,426,939	\$ 10,100,373	\$ 252,620	\$ 381,113	\$ 11,679,559	\$ 10,481,486
Capital Assets	<u>45,429,776</u>	<u>45,919,334</u>	<u>97,025</u>	<u>87,670</u>	<u>45,526,801</u>	<u>46,007,004</u>
Total Assets	<u>56,856,715</u>	<u>56,019,707</u>	<u>349,645</u>	<u>468,783</u>	<u>57,206,360</u>	<u>56,488,490</u>
Deferred Outflows of Resources						
Deferred Amounts of Refunding of Debt	1,785,629	2,015,868			1,785,629	2,015,868
Deferred Amount of Net Pension Liability	<u>1,999,078</u>	<u>3,335,397</u>	<u>-</u>	<u>-</u>	<u>1,999,078</u>	<u>3,335,397</u>
Total Deferred Outflows of Resources	<u>3,784,707</u>	<u>5,351,265</u>	<u>-</u>	<u>-</u>	<u>3,784,707</u>	<u>5,351,265</u>
Total Assets and Deferred Outflows of Resources	<u>60,641,422</u>	<u>61,370,972</u>	<u>349,645</u>	<u>468,783</u>	<u>60,991,067</u>	<u>61,839,755</u>
Liabilities						
Long-Term Liabilities	46,760,180	49,298,440			46,760,180	49,298,440
Other Liabilities	<u>1,268,505</u>	<u>1,062,709</u>	<u>40,123</u>	<u>32,214</u>	<u>1,308,628</u>	<u>1,094,923</u>
Total Liabilities	<u>48,028,685</u>	<u>50,361,149</u>	<u>40,123</u>	<u>32,214</u>	<u>48,068,808</u>	<u>50,393,363</u>
Deferred Inflows of Resources						
Deferred Amount of Net Pension Liability	<u>5,842,489</u>	<u>5,970,147</u>	<u>-</u>	<u>-</u>	<u>5,842,489</u>	<u>5,970,147</u>
Total Deferred Inflows of Resources	<u>5,842,489</u>	<u>5,970,147</u>	<u>-</u>	<u>-</u>	<u>5,842,489</u>	<u>5,970,147</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,871,174</u>	<u>56,331,296</u>	<u>40,123</u>	<u>32,214</u>	<u>53,911,297</u>	<u>56,363,510</u>
Net Position:						
Net Investment in Capital Assets	18,493,143	17,214,953	97,025	87,670	18,590,168	17,302,623
Restricted	6,517,776	5,036,700			6,517,776	5,036,700
Unrestricted	<u>(18,240,671)</u>	<u>(17,211,977)</u>	<u>212,497</u>	<u>348,899</u>	<u>(18,028,174)</u>	<u>(16,863,078)</u>
Total Net Position	<u>\$ 6,770,248</u>	<u>\$ 5,039,676</u>	<u>\$ 309,522</u>	<u>\$ 436,569</u>	<u>\$ 7,079,770</u>	<u>\$ 5,476,245</u>

The table on the on the following page shows changes in net position for fiscal years 2020 and 2019.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Changes in Net Position For the Fiscal Years Ended June 30, 2020 and 2019

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,044,881	\$ 1,282,394	\$ 925,082	\$ 1,383,067	\$ 1,969,963	\$ 2,665,461
Operating Grants and Contributions	20,764,881	22,353,568			20,764,881	22,353,568
Capital Grants and Contributions	250,488	290,675			250,488	290,675
General Revenues						
Property Taxes	67,859,661	66,570,472			67,859,661	66,570,472
Investment Earnings	189,791	225,549	322	1,038	190,113	226,587
Other	188,480	270,684	-	-	188,480	270,684
Total Revenues	<u>90,298,182</u>	<u>90,993,342</u>	<u>925,404</u>	<u>1,384,105</u>	<u>91,223,586</u>	<u>92,377,447</u>
Expenses						
Instruction						
Regular	38,435,042	38,834,411			38,435,042	38,834,411
Special Education	13,929,669	14,133,496			13,929,669	14,133,496
Other Instruction	3,054,817	3,048,403			3,054,817	3,048,403
School Sponsored Activities and Athletics	1,890,832	1,936,665			1,890,832	1,936,665
Other Instructional Programs	250,422	199,623			250,422	199,623
Support Services						
Student and Instruction Related Services	11,550,106	11,773,011			11,550,106	11,773,011
General Administrative Services	1,099,881	1,066,259			1,099,881	1,066,259
School Administrative Services	4,894,104	5,440,821			4,894,104	5,440,821
Plant Operations and Maintenance	7,514,642	7,523,497			7,514,642	7,523,497
Pupil Transportation	1,518,070	1,486,506			1,518,070	1,486,506
Business and Other Support Services	3,236,651	2,204,265			3,236,651	2,204,265
Food Services Program			567,651	793,266	567,651	793,266
Child Care Program			453,317	390,287	453,317	390,287
Tiger Tots Program			172,266	142,355	172,266	142,355
Interest and Other Charges on Long-Term Debt	1,052,591	1,116,301	-	-	1,052,591	1,116,301
Total Expenses	<u>88,426,827</u>	<u>88,763,258</u>	<u>1,193,234</u>	<u>1,325,908</u>	<u>89,620,061</u>	<u>90,089,166</u>
Increase/(Decrease) in Net Position						
Before Transfers	1,871,355	2,230,084	(267,830)	58,197	1,603,525	2,288,281
Transfers	<u>(140,783)</u>	<u>-</u>	<u>140,783</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,730,572	2,230,084	(127,047)	58,197	1,603,525	2,288,281
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 6,770,248</u>	<u>\$ 5,039,676</u>	<u>\$ 309,522</u>	<u>\$ 436,569</u>	<u>\$ 7,079,770</u>	<u>\$ 5,476,245</u>

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Governmental Activities. The district's total revenues were \$90,298,182. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to \$68,237,932 or 76% of total revenues. Funding from state, federal and local sources and capital contributions amounted to \$21,015,369 or 23%. The remaining revenues of \$1,044,881 (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 \$57,560,782 (65%) and student and other support services totaled \$29,813,454 (34%) of total expenditures. In addition, interest and other charges on long-term debt totaled \$1,052,591 (1%) of total expenditures.

Total and Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Cost of Services</u>	<u>Net Cost of Services</u>
Governmental Activities		
Instruction		
Regular	\$ 38,435,042	\$ 27,154,279
Special Education	13,929,669	7,657,329
Other Instruction	3,054,817	1,909,484
School Sponsored Activities and Athletics	1,890,832	1,308,569
Other Instructional Program	250,422	233,401
Support Services		
Student and Instruction Related Svcs.	11,550,106	10,782,359
General Administrative Services	1,099,881	998,957
School Administrative Services	4,894,104	4,245,047
Plant Operations and Maintenance	7,514,642	6,935,604
Pupil Transportation	1,518,070	1,162,712
Business and Other Support Services	3,236,651	3,157,798
Interest on Long-Term Debt	<u>1,052,591</u>	<u>821,038</u>
 Total Governmental Activities	 <u>\$ 88,426,827</u>	 <u>\$ 66,366,577</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, 2020 was \$1,193,234. These costs were funded by charges for services, transfers from General Fund 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, 2020, its governmental funds reported a combined fund balance of \$10,550,796. At June 30, 2019, the fund balance was \$9,451,531.

Revenues and other financing sources for the District’s governmental funds were \$88,285,873, while total expenditures and other financing uses were \$87,186,608 for the fiscal year ended June 30, 2020, thereby resulting in an increase in fund balance of \$1,099,265.

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>2020</u>	Fiscal Year Ended June 30, <u>2019</u>	Increase <u>(Decrease)</u>	Percent <u>Change</u>
Local Sources:				
Property Taxes	\$ 65,407,112	\$ 64,124,620	\$ 1,282,492	2.0%
Tuition	723,362	779,296	(55,934)	-7.2%
Interest Earnings	189,791	225,549	(35,758)	-15.9%
Miscellaneous	509,999	773,782	(263,783)	-34.1%
Intergovernmental				
State Sources	14,424,103	13,765,904	658,199	4.8%
Federal Sources	<u>11,707</u>	<u>21,171</u>	<u>(9,464)</u>	-44.7%
 Total Revenues	 <u>\$ 81,266,074</u>	 <u>\$ 79,690,322</u>	 <u>\$ 1,575,752</u>	 2.0%

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Total General Fund Revenues increased by \$1,575,752 over the previous year. Local property taxes increased 2% over the previous year. Miscellaneous revenues decreased by 34%, as a result of lower summer school fees realized compared to the prior year. Interest earnings decreased by \$35,758 due to lower available balances. Tuition revenues decreased by 7% due to lower enrollments in high school students received from Alpine. State aid revenues increased by \$658,199 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, 2020	Fiscal Year Ended June 30, 2019	Increase (Decrease)	Percent Change
Instruction	\$ 51,525,351	\$ 50,338,949	\$ 1,186,402	2.4%
Support Services	27,278,193	26,130,969	1,147,224	4.4%
Capital Outlay	553,892	475,829	78,063	16.4%
Debt Service	550,947	550,946	1	0.0%
Total Expenditures	<u>\$ 79,908,383</u>	<u>\$ 77,496,693</u>	<u>\$ 2,411,690</u>	3.1%

Total General Fund expenditures increased by \$2,411,690 or 3% compared to the previous year. The District realized significant increases in instruction. The increase in support services is largely attributable to the lease purchase the District entered into for the acquisition of virtual desktop software licenses and services. 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 2020 and 2019, the school district had invested in land, buildings, land improvements, furniture, machinery and equipment as follows:

Capital Assets as of June 30, 2020 and 2019

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 222,500	\$ 222,500			\$ 222,500	\$ 222,500
Construction In Progress	294,750	91,305			294,750	
Buildings	57,347,124	57,159,271			57,347,124	57,159,271
Improvements Other Than Buildings	3,191,030	2,570,330			3,191,030	2,570,330
Machinery and Equipment	<u>10,338,191</u>	<u>9,846,738</u>	<u>\$ 328,845</u>	<u>\$ 305,399</u>	<u>10,667,036</u>	<u>10,152,137</u>
 Total	 71,393,595	 69,890,144	 328,845	 305,399	 71,722,440	 70,104,238
 Less: Accumulated Depreciation	 <u>(25,963,819)</u>	 <u>(23,970,810)</u>	 <u>(231,820)</u>	 <u>(217,729)</u>	 <u>(26,195,639)</u>	 <u>(24,188,539)</u>
 Total Capital Assets, Net	 <u>\$ 45,429,776</u>	 <u>\$ 45,919,334</u>	 <u>\$ 97,025</u>	 <u>\$ 87,670</u>	 <u>\$ 45,526,801</u>	 <u>\$ 45,915,699</u>

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

Debt Administration. As of June 30, 2020 and 2019 the school district had long-term debt and outstanding long-term liabilities in the amount of \$46,760,180 and \$49,298,440, respectively.

Outstanding Long-Term Liabilities

	<u>2020</u>	<u>2019</u>
Serial Bonds Payable (Including Unamortized Premium)	\$ 28,722,262	\$ 30,720,249
Lease Purchase Agreements Payable	1,266,281	547,652
Compensated Absences Payable	1,755,899	1,655,232
Net Pension Liability	<u>15,015,738</u>	<u>16,375,307</u>
 Total	 <u>\$ 46,760,180</u>	 <u>\$ 49,298,440</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

The District has continued to maintain a fund balance within the state recommended guidelines. The Table below comprises the District's General Fund year end fund balance from June 30, 2015 through 2020.

ANALYSIS OF FUND BALANCE – GENERAL FUND FROM 2015 – 2020

	BALANCE, JUNE 30,				
	<u>2015</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
UNRESTRICTED					
UNASSIGNED YEAR END (GAAP)	\$ 1,144,340	\$ 1,181,815	\$ 1,221,046	\$ 1,239,877	\$ 1,189,817
USED TO OFFSET TAX SUBSEQUENT YEAR	2,450,000	2,392,774	2,292,774	2,098,506	1,905,329
UNRESTRICTED					
UNASSIGNED YEAR END(BUDGETARY)	2,327,813	2,208,492	2,363,224	2,588,368	2,454,971
MODIFIED BUDGET					
APPROPRIATIONS	65,298,508	68,037,794	70,113,229	73,903,188	74,892,717
PERCENT OF MODIFIED APPROPRIATIONS TO BUDGETARY UNRESERVED, UNRESTRICTED, UNASSIGNED FUND BALANCE	<u>3.56%</u>	<u>3.25%</u>	<u>3.37%</u>	<u>3.50%</u>	<u>3.28%</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 2019-20 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 health, safety and wellness issues by continuation of all current services, including F/T Care Plus Clinicians at both the High School and the Middle School. Summer hours for collaboration of anti-bullying specialists to support SEL standards integration into Curriculum based on thorough analysis of HIB data. Another factor was in technology. The District replaced Chromebooks that will no longer be supported by Google, replaced desktops, iMACs, laptops and interactive displays. The renewal of VDI license through 5-year lease which allows offsite access to district desktop, network and services. We also added a full-time technician for Website maintenance, Communication and Client/Staff Systems Servicing.

Tenaflly Board of Education

Management's Discussion and Analysis (continued)

These indicators were considered when adopting the budget for fiscal year 2020-2021. The District will strive to increase student achievement by developing, implementing and evaluating a common practice of designing cognitively engaging, high-level, student-centered multi-discipline & interdisciplinary tasks. Increase student achievement with common practice of purposeful differentiated instruction to assess and advance all students through the learning process as well as personalize student learning through adoption and implementation of a whole-school approach to technology integration. The District will continue with curriculum revisions and enhancements – social studies, science, visual & performing arts, computer science and design thinking. Also, the enrichment of all curricula with opportunities for creativity and innovation, with a focus on interdisciplinary connections and authentic assessments that enhance instruction. Expand SILAS program to enhance social emotional learning opportunities to classes with students with autism, ELLs, as well as for use by guidance counselors. Expand utilization of technology with Milo the Robot in classes for students with autism. Expand offerings for “Strengthening Gifted and Education Act”. Workshops to support district goals: SEL, and physical improvement of spaces. The District’s General Fund increased 2.85% percent to \$75,237,236 for fiscal year 2020-2021 with a 1.34% tax levy increase. Capital projects funded with Capital Reserve accounted for a total of \$2,076,680. The projects included: Geissinger Field bleachers and coaches box renovations; air conditioning window units and electrical upgrades at each elementary school as well as the middle school. Circle and parking area at Mackay School.

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, 2020**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 11,336,100	\$ 223,269	\$ 11,559,369
Receivables, net	90,839	15,074	105,913
Inventory		14,277	14,277
Capital Assets			
Not Being Depreciated	517,250		517,250
Being Depreciated, Net	44,912,526	97,025	45,009,551
Total Assets	<u>56,856,715</u>	<u>349,645</u>	<u>57,206,360</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	1,785,629		1,785,629
Deferred Amount of Net Pension Liability	1,999,078		1,999,078
Total Deferred Outflows of Resources	<u>3,784,707</u>		<u>3,784,707</u>
Total Assets and Deferred Outflows of Resources	<u>60,641,422</u>	<u>349,645</u>	<u>60,991,067</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	654,931	1,739	656,670
Payable to State/Federal Government	141,331		141,331
Unearned Revenue	79,881	38,384	118,265
Accrued Interest Payable	392,362		392,362
Noncurrent Liabilities			
Due Within One Year	2,484,968		2,484,968
Due Beyond One Year	44,275,212		44,275,212
Total Liabilities	<u>48,028,685</u>	<u>40,123</u>	<u>48,068,808</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	5,842,489		5,842,489
Total Deferred Inflows of Resources	<u>5,842,489</u>	<u>-</u>	<u>5,842,489</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,871,174</u>	<u>40,123</u>	<u>53,911,297</u>
NET POSITION			
Net Investment in Capital Assets	18,493,143	97,025	18,590,168
Restricted for:			
Debt Service	156		156
Capital Projects	5,008,870		5,008,870
Other Purposes	302,900		302,900
Maintenance	1,205,850		1,205,850
Unrestricted	(18,240,671)	212,497	(18,028,174)
Total Net Position	<u>\$ 6,770,248</u>	<u>\$ 309,522</u>	<u>\$ 7,079,770</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, 2020**

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	\$ 38,435,042	\$ 833,072	\$ 10,447,691		\$ (27,154,279)		\$ (27,154,279)
Special Education	13,929,669		6,272,340		(7,657,329)		(7,657,329)
Other Instruction	3,054,817		1,145,333		(1,909,484)		(1,909,484)
School Sponsored Activities and Athletics	1,890,832	126,264	455,999		(1,308,569)		(1,308,569)
Other Instructional Programs	250,422		17,021		(233,401)		(233,401)
Support Services							
Student and Instruction Related Svcs.	11,550,106		767,747		(10,782,359)		(10,782,359)
General Administrative Services	1,099,881		100,924		(998,957)		(998,957)
School Administrative Services	4,894,104		649,057		(4,245,047)		(4,245,047)
Plant Operations and Maintenance	7,514,642	85,545	474,558	\$ 18,935	(6,935,604)		(6,935,604)
Pupil Transportation	1,518,070		355,358		(1,162,712)		(1,162,712)
Business/Admin Info Technology Services	3,236,651		78,853		(3,157,798)		(3,157,798)
Interest and Other Charges on Long-Term Debt	1,052,591			231,553	(821,038)	-	(821,038)
Total Governmental Activities	88,426,827	1,044,881	20,764,881	250,488	(66,366,577)	-	(66,366,577)
Business-Type Activities							
Food Service	567,651	505,489				\$ (62,162)	(62,162)
Child Care	453,317	301,186				(152,131)	(152,131)
Tiger Tots	172,266	118,407				(53,859)	(53,859)
Total Business-Type Activities	1,193,234	925,082	-	-	-	(268,152)	(268,152)
Total Primary Government	\$ 89,620,061	\$ 1,969,963	\$ 20,764,881	\$ 250,488	(66,366,577)	(268,152)	(66,634,729)
General Revenues:							
Property Taxes, Levied for General Purposes					65,407,112		65,407,112
Property Taxes, Levied for Debt Service					2,452,549		2,452,549
Investment Earnings					189,791	322	190,113
Miscellaneous Income					188,480	-	188,480
Transfers					(140,783)	140,783	-
Total General Revenues and Transfers					68,097,149	141,105	68,238,254
Change in Net Position					1,730,572	(127,047)	1,603,525
Net Position, Beginning of Year					5,039,676	436,569	5,476,245
Net Position, End of Year					\$ 6,770,248	\$ 309,522	\$ 7,079,770

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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 10,791,775	\$ 182,561	\$ 361,608	\$ 156	\$ 11,336,100
Due From Other Funds	336				336
Receivables, Net					
Receivables From Other Governments	<u>-</u>	<u>90,503</u>	<u>-</u>	<u>-</u>	<u>90,503</u>
 Total Assets	 <u>\$ 10,792,111</u>	 <u>\$ 273,064</u>	 <u>\$ 361,608</u>	 <u>\$ 156</u>	 <u>\$ 11,426,939</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 464,982	\$ 51,852	\$ 138,097		\$ 654,931
Payable to State Government		96,473			96,473
Payable to Federal Government		44,858	-		44,858
Unearned Revenue	<u>-</u>	<u>79,881</u>	<u>-</u>	<u>-</u>	<u>79,881</u>
 Total Liabilities	 <u>464,982</u>	 <u>273,064</u>	 <u>138,097</u>	 <u>-</u>	 <u>876,143</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for					
Subsequent Year's Budget (2020/21)	970,393				970,393
Excess Surplus	900,669				900,669
Capital Reserve	2,708,679				2,708,679
Capital Reserve- Designated for Subsequent					
Year's Budget (2020/21)	2,076,680				2,076,680
Maintenance Reserve	605,850				605,850
Maintenance Reserve- Designated for					
Subsequent Year's Budget (2020/21)	600,000				600,000
Emergency Reserve	302,900				302,900
Capital Projects			223,511		223,511
Debt Service				\$ 156	156
Assigned Fund Balance					
Designated for Subsequent Year's Budget (2020/21)	934,936				934,936
Year End Encumbrances	37,205				37,205
Unassigned Fund Balance	<u>1,189,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,189,817</u>
 Total Fund Balances	 <u>10,327,129</u>	 <u>-</u>	 <u>223,511</u>	 <u>156</u>	 <u>10,550,796</u>
 Total Liabilities and Fund Balances	 <u>\$ 10,792,111</u>	 <u>\$ 273,064</u>	 <u>\$ 361,608</u>	 <u>\$ 156</u>	 <u>\$ 11,426,939</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, 2020**

Total Fund Balance (Exhibit B-1) \$ 10,550,796

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 \$71,393,595 and the accumulated depreciation is \$25,963,819. 45,429,776

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) (46,760,180)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (392,362)

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. 1,785,629

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	\$ 1,999,078	
Deferred Inflows of Resources	<u>(5,842,489)</u>	
		<u>(3,843,411)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 6,770,248

**TENAFLY BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 65,407,112			\$ 2,452,549	\$ 67,859,661
Tuition Charges	723,362				723,362
Interest	189,791				189,791
Miscellaneous	509,999	\$ 35,117			545,116
Total - Local Sources	66,830,264	35,117	-	2,452,549	69,317,930
State Sources	14,424,103	321,182		385,922	15,131,207
Federal Sources	11,707	1,023,686	-		1,035,393
Total Revenues	81,266,074	1,379,985	-	2,838,471	85,484,530
EXPENDITURES					
Current					
Instruction					
Regular Instruction	34,636,750	33,049			34,669,799
Special Education Instruction	12,362,464	717,436			13,079,900
Other Instruction	2,562,387	221,698			2,784,085
School Sponsored Activities and Athletics	1,730,618				1,730,618
Other Instructional Programs	233,132				233,132
Support Services					
Student and Instruction Related Services	11,019,975	388,867	\$ 15,400		11,424,242
General Administrative Services	1,048,740				1,048,740
School Administrative Services	4,699,168				4,699,168
Plant Operations and Maintenance	5,798,101		375,383		6,173,484
Pupil Transportation	1,497,429				1,497,429
Business/Admin Info Technology Services	3,214,780				3,214,780
Debt Service					
Principal	547,652			1,840,000	2,387,652
Interest	3,295			998,549	1,001,844
Capital Outlay	553,892	18,935	993,063		1,565,890
Total Expenditures	79,908,383	1,379,985	1,383,846	2,838,549	85,510,763
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,357,691	-	(1,383,846)	(78)	(26,233)
OTHER FINANCING SOURCES (USES)					
Lease Purchase Proceeds	1,266,281				1,266,281
Transfers In			1,535,062		1,535,062
Transfers Out	(1,675,845)				(1,675,845)
Total Other Financing Sources and Uses	(409,564)	-	1,535,062	-	1,125,498
Net Change in Fund Balance	948,127	-	151,216	(78)	1,099,265
Fund Balance, Beginning of Year	9,379,002	-	72,295	234	9,451,531
Fund Balance, End of Year	<u>\$ 10,327,129</u>	<u>\$ -</u>	<u>\$ 223,511</u>	<u>\$ 156</u>	<u>\$ 10,550,796</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, 2020**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,099,265

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	\$	1,565,890	
Depreciation Expense		<u>(2,055,448)</u>	(489,558)

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).

1,121,371

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)

(72,252)

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		(100,667)	
Net Decrease in Pension Expense		150,908	

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>21,505</u>	
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,730,572**

**TENAFLY BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	School Age Child Care	Non-Major Tiger Tots	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 29,923	\$ 193,346		\$ 223,269
Other Receivables	9,760	5,314		15,074
Inventory	14,277			14,277
Total Current Assets	<u>53,960</u>	<u>198,660</u>	<u>-</u>	<u>252,620</u>
Noncurrent Assets				
Furniture, Machinery and Equipment	328,845			328,845
Less Accumulated Depreciation	<u>(231,820)</u>			<u>(231,820)</u>
Total Capital Assets, Net	<u>97,025</u>	<u>-</u>	<u>-</u>	<u>97,025</u>
Total Assets	<u>150,985</u>	<u>198,660</u>	<u>-</u>	<u>349,645</u>
LIABILITIES				
Accounts Payable	1,739			1,739
Unearned Revenue	<u>38,384</u>	<u>-</u>		<u>38,384</u>
Total Liabilities	<u>40,123</u>	<u>-</u>	<u>-</u>	<u>40,123</u>
NET POSITION				
Investment in Capital Assets	97,025			97,025
Unrestricted	<u>13,837</u>	<u>198,660</u>		<u>212,497</u>
Total Net Position	<u>\$ 110,862</u>	<u>\$ 198,660</u>	<u>\$ -</u>	<u>\$ 309,522</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, 2020**

	Business-Type Activities - Enterprise Fund			Totals
	Food Service	School Age Child Care	Non-Major Tiger Tots	
OPERATING REVENUES				
Charges for Services				
Daily Sales	\$ 495,124			\$ 495,124
Special Functions	10,365			10,365
Program Fees		\$ 301,186	\$ 118,407	419,593
Total Operating Revenues	<u>505,489</u>	<u>301,186</u>	<u>118,407</u>	<u>925,082</u>
OPERATING EXPENSES				
Cost of Sales	220,648			220,648
Salaries and Benefits	225,119	401,994	136,365	763,478
Management Fee	40,655			40,655
Other Purchased Services	4,110	9,787		13,897
Other Expenses	18,086	2,045		20,131
Repairs	6,291			6,291
Supplies and Materials	35,800	4,854	19,221	59,875
Miscellaneous Expenditures	2,851	34,637	16,680	54,168
Depreciation	14,091			14,091
Total Operating Expenses	<u>567,651</u>	<u>453,317</u>	<u>172,266</u>	<u>1,193,234</u>
Operating Income/(Loss)	<u>(62,162)</u>	<u>(152,131)</u>	<u>(53,859)</u>	<u>(268,152)</u>
NONOPERATING REVENUES				
Interest Revenue	322			322
Total Nonoperating Revenues	<u>322</u>	<u>-</u>		<u>322</u>
Net Income/(Loss) Before Transfers	(61,840)	(152,131)	(53,859)	(267,830)
Transfers	100,000		40,783	140,783
Change in Net Position	38,160	(152,131)	(13,076)	(127,047)
Net Position, Beginning of Year	72,702	350,791	13,076	436,569
Net Position, End of Year	<u>\$ 110,862</u>	<u>\$ 198,660</u>	<u>\$ -</u>	<u>\$ 309,522</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, 2020**

	Business-Type Activities - Enterprise Funds			Total
	Food Service	School Age Child Care	Non-Major Tiger Tots	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 520,974	\$ 302,417	\$ 115,107	\$ 938,498
Payments for Employees Salaries and Benefits	(225,119)	(402,645)	(136,365)	(764,129)
Payments to Suppliers	(345,938)	(51,323)	(35,901)	(433,162)
Net Cash Provided/(Used) by Operating Activities	(50,083)	(151,551)	(57,159)	(258,793)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments from General Fund	100,000		40,783	140,783
Net Cash Provided (Used) by Noncapital Financing Activities	100,000		40,783	140,783
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(23,446)			(23,446)
Net Cash (Used By) Capital and Related Financing Activities	(23,446)	-	-	(23,446)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	322	-	-	322
Net Cash Provided By Investing Activities	322	-	-	322
Net Change in Cash and Cash Equivalents	26,793	(151,551)	(16,376)	(141,134)
Cash and Cash Equivalents, Beginning of Year	3,130	344,897	16,376	364,403
Cash and Cash Equivalents, End of Year	\$ 29,923	\$ 193,346	\$ -	\$ 223,269
Reconciliation of Operating Income (Loss) to Net Cash Provided/ (Used) by Operating Activities:				
Operating Income/(Loss)	\$ (62,162)	\$ (152,131)	\$ (53,859)	\$ (268,152)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	14,091			14,091
Changes in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	(9,760)	6,595		(3,165)
(Increase) Decrease in Inventories	(9,476)			(9,476)
Increase (Decrease) in Accounts Payable	1,739	(651)		1,088
Increase (Decrease) in Unearned Revenue	15,485	(5,364)	(3,300)	6,821
Total Adjustments	12,079	580	(3,300)	9,359
Net Cash Provided/(Used) by Operating Activities	\$ (50,083)	\$ (151,551)	\$ (57,159)	\$ (258,793)

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, 2020**

	<u>Private Purpose Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 109,918	\$ 532,142	\$ 623,716
Intergovernmental Receivable		1,229	
Due From Other Funds		16,379	-
	<u>109,918</u>	<u>549,750</u>	<u>\$ 623,716</u>
LIABILITIES			
Due To Other Funds			\$ 16,715
Intergovernmental Payable		27,737	
Payable To Student Groups			350,926
Payroll Deductions and Withholdings			188,560
Accrued Salaries and Wages			602
Flexible Spending (Sect. 125) Plan	-	-	66,913
	<u>-</u>	<u>-</u>	<u>66,913</u>
Total Liabilities	<u>-</u>	<u>27,737</u>	<u>\$ 623,716</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 109,918</u>	<u>\$ 522,013</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, 2020**

	Private Purpose Trust Funds	Unemployment Compensation Trust
ADDITIONS		
Investment Earnings		
Interest	\$ 1,624	\$ 7,321
Payroll Deductions		78,643
Donations	19,272	-
	<hr/>	<hr/>
Total Additions	20,896	85,964
	<hr/>	<hr/>
DEDUCTIONS		
Scholarship Payments	6,550	
Local Contributions	18,356	
Unemployment Claims and Contributions		86,100
	<hr/>	<hr/>
Total Deductions	24,906	86,100
	<hr/>	<hr/>
Change in Net Position	(4,010)	(136)
Net Position, Beginning of Year	113,928	522,149
	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 109,918</u>	<u>\$ 522,013</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, 2020**

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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a kindergarten through grade twelve (12) school district.

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 Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. 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, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. 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*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and 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.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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 administrators, 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.

Additionally, the District 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".

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

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	20-50
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation, personal 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 and proprietary fund types in the fund 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, 2020

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 Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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)

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

Capital Reserve - Designated for Subsequent Year's Budget– This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2020/2021 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 3D).

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

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

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

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 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, 2020**

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 Board of Education 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 school district's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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 Board 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, 2020**

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 2018-2019 and 2019-2020 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 payable, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$ (27,375,000)
Unamortized Premium	(1,347,262)
Lease Purchase Agreement Payable	(1,266,281)
Compensated Absences	(1,755,899)
Net Pension Liability	<u>(15,015,738)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	<u>\$ (46,760,180)</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 states 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 of governmental funds. Neither transaction, however, has any effect on net position.” The details of this difference are as follows:

Debt Issued	
Lease Purchase Agreement	\$ (1,266,281)
Principal Repayments	
General Obligation Bonds	1,840,000
Lease Purchase Agreement	<u>547,652</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 <u>\$ 1,121,371</u>

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

Amortization of Deferred Charge on Refunding	\$ (230,239)
Amortization of Bond Premiums	<u>157,987</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	 <u>\$ (72,252)</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, 2020**

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. 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. Only a school board decision to exceed the tax levy cap would require voter approval. In 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 2019/2020. Also, during 2019/2020 the Board increased the original general fund budget by \$1,741,804. The increase was funded by the additional appropriation of unassigned fund balance, capital reserve, maintenance reserve, grant awards and the appropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved the following appropriations: \$1,163,980 of prior year Extraordinary Aid, \$471,766 of withdrawals from capital reserve and \$106,058 of prior year encumbrances. The Board increased the Special Revenue Fund's budget by \$633,666. 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, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 3,710,421
Increased by:		
Interest Earnings	\$ 10,000	
Budgeted Amount Restored to Capital Reserve	278,929	
Deposit Approved by Board Resolution	<u>2,600,000</u>	
		<u>2,888,929</u>
		6,599,350
Decreased by:		
Withdrawals Approved in District Budget	1,442,225	
Withdrawals Approved by Board Resolution	<u>371,766</u>	
		<u>1,813,991</u>
Balance, June 30, 2020		<u>\$ 4,785,359</u>
Designated for Subsequent Year's Budget (2020/21)		\$ 2,076,680
Available Capital Reserve		<u>2,708,679</u>
		<u>\$ 4,785,359</u>

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 952,850
Increased by:		
Interest Earnings	\$ 3,000	
Deposit Approved by Board Resolution	<u>600,000</u>	
		<u>603,000</u>
		1,555,850
Decreased by:		
Withdrawals Approved in District Budget		<u>350,000</u>
Balance, June 30, 2020		<u>\$ 1,205,850</u>
Designated for Subsequent Year's Budget (2020/21)	\$ 600,000	
Available Maintenance Reserve		<u>605,850</u>
		<u>\$ 1,205,850</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,483,205. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

D. Emergency Reserve

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

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, June 30, 2019	\$ 300,900
Increased by:	
Interest Earnings	<u>2,000</u>
Balance, June 30, 2020	<u>\$ 302,900</u>

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2020 is \$1,871,062. Of this amount, \$970,393 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$900,669 will be appropriated in the 2021/2022 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.

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, 2020, the book value of the Board's deposits were \$12,825,145 and bank and brokerage firm balances of the Board’s deposits amounted to \$14,764,728. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 14,764,728</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2020 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, 2020, 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.

B. Receivables

Receivables as of June 30, 2020 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Special Revenue</u>	<u>Food Service</u>	<u>School Age Child Care</u>	<u>Total</u>
Receivables:				
Accounts		\$ 9,760	\$ 5,314	\$ 15,074
Intergovernmental				
Federal	\$ 66,920			66,920
State	23,583	-	-	23,583
Gross Receivables	90,503	9,760	5,314	105,577
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 90,503</u>	<u>\$ 9,760</u>	<u>\$ 5,314</u>	<u>\$ 105,577</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ <u>79,881</u>
 Total Unearned Revenue for Governmental Funds	 \$ <u>79,881</u>

D. Capital Assets

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

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2020</u>
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 222,500				\$ 222,500
Construction in Progress	<u>91,305</u>	\$ 294,750	-	\$ (91,305)	<u>294,750</u>
Total Capital Assets, Not Being Depreciated	<u>313,805</u>	<u>294,750</u>	-	<u>(91,305)</u>	<u>517,250</u>
Capital Assets, Being Depreciated:					
Buildings	57,159,271	96,548		91,305	57,347,124
Improvements Other Than Buildings	2,570,330	620,700			3,191,030
Machinery and Equipment	<u>9,846,738</u>	<u>553,892</u>	\$ (62,439)	-	<u>10,338,191</u>
Total Capital Assets Being Depreciated	<u>69,576,339</u>	<u>1,271,140</u>	<u>(62,439)</u>	<u>91,305</u>	<u>70,876,345</u>
Less Accumulated Depreciation For:					
Buildings	(14,947,242)	(1,273,759)			(16,221,001)
Improvements Other Than Buildings	(2,652,515)	(151,785)			(2,804,300)
Machinery and Equipment	<u>(6,371,053)</u>	<u>(629,904)</u>	62,439	-	<u>(6,938,518)</u>
Total Accumulated Depreciation	<u>(23,970,810)</u>	<u>(2,055,448)</u>	<u>62,439</u>	<u>-</u>	<u>(25,963,819)</u>
Total Capital Assets, Being Depreciated, net	<u>45,605,529</u>	<u>(784,308)</u>	-	<u>91,305</u>	<u>44,912,526</u>
Governmental Activities Capital Assets, net	<u>\$ 45,919,334</u>	<u>\$ (489,558)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,429,776</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
Business-Type Activities				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 305,399	\$ 23,446	-	\$ 328,845
Total Capital Assets Being Depreciated	<u>305,399</u>	<u>23,446</u>	<u>-</u>	<u>328,845</u>
Less Accumulated Depreciation For:				
Machinery and Equipment	(217,729)	(14,091)	-	(231,820)
Total Accumulated Depreciation	<u>(217,729)</u>	<u>(14,091)</u>	<u>-</u>	<u>(231,820)</u>
Total Capital Assets, Being Depreciated, net	<u>87,670</u>	<u>9,355</u>	<u>-</u>	<u>97,025</u>
Business-Type Activities Capital Assets, net	<u>\$ 87,670</u>	<u>\$ 9,355</u>	<u>\$ -</u>	<u>\$ 97,025</u>

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

Governmental Activities

Instruction

Regular	\$ 575,525
Special Education	61,664
School-Sponsored Activities and Athletics	20,554
Total Instruction	<u>657,743</u>

Support Services

Student and Instruction Related Services	20,554
General Administrative Services	20,554
Plant Operations and Maintenance	1,336,043
Pupil Transportation	20,554
Total Support Services	<u>1,397,705</u>

Total Depreciation Expense - Governmental Activities \$ 2,055,448

Business-Type Activities:

Food Service Fund	\$ 14,091
Total Depreciation Expense-Business-Type Activities	<u>\$ 14,091</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund Unemployment Compensation Trust Fund	Payroll Agency Fund Payroll Agency Fund	\$ 336 <u>16,379</u>
Total		<u>\$ 16,715</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.

Interfund Transfers

	<u>Transfer In:</u>			<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Food Service Enterprise Fund</u>	<u>Non Major- Tiger Tots Enterprise Fund</u>	
Transfer Out: General Fund	\$ <u>1,535,062</u>	\$ <u>100,000</u>	\$ <u>40,783</u>	\$ <u>1,575,845</u>
Total Transfers Out	<u>\$ 1,535,062</u>	<u>\$ 100,000</u>	<u>\$ 40,783</u>	<u>\$ 1,575,845</u>

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Lease Purchase Agreements

The District is leasing digital desktop-licensed software and services totaling \$1,266,281 under a lease purchase agreement. The lease is for term of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Fiscal Year Ending <u>June 30,</u>	Governmental <u>Activities</u>
2021	\$ 253,257
2022	253,256
2023	253,256
2024	253,256
2025	<u>253,256</u>
Present Value of Minimum Lease Payments	<u><u>1,266,281</u></u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or 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, 2020 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%	\$18,440,000
\$5,715,000, 2015 Refunding Bonds, due in annual installments of \$250,000 to \$690,000 through April 1, 2031, interest at 3.00% to 4.00%	4,950,000
\$7,090,000, 2016 Refunding Bonds, due in annual installments of \$610,000 to \$720,000 through April 1, 2026, interest at 1.790%	<u>3,985,000</u>
Total	<u><u>\$27,375,000</u></u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
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	2,260,000	634,158	2,894,158
2026-2030	13,860,000	1,757,051	15,617,051
2031	<u>3,120,000</u>	<u>57,150</u>	<u>3,177,150</u>
Total	<u>\$ 27,375,000</u>	<u>\$ 5,774,308</u>	<u>\$ 33,149,308</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 184,442,075
Less: Net Debt	<u>27,375,000</u>
Remaining Borrowing Power	<u>\$ 157,067,075</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Balance			Balance,	Due
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>Within</u>
					<u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 29,215,000		\$ 1,840,000	\$ 27,375,000	\$ 1,910,000
Unamortized Premium	<u>1,505,249</u>	-	<u>157,987</u>	<u>1,347,262</u>	-
Total Bonds Payable	30,720,249	-	1,997,987	28,722,262	1,910,000
Compensated Absences	1,655,232	\$ 100,667		1,755,899	321,712
Lease Purchase Agreements	547,652	1,266,281	547,652	1,266,281	253,256
Net Pension Liability	<u>16,375,307</u>	-	<u>1,359,569</u>	<u>15,015,738</u>	-
Governmental Activities Long-Term Liabilities	<u>\$ 49,298,440</u>	<u>\$ 1,366,948</u>	<u>\$ 3,905,208</u>	<u>\$ 46,760,180</u>	<u>\$ 2,484,968</u>

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG 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 funds attributable to a membership year during which they were a member.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of 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>
2020	\$ 78,643	\$ 88,704	\$ 519,409
2019	71,567	41,714	522,149
2018	44,367	52,654	483,360

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, 2020, 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, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

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.

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.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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
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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, 2020**

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, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 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 2020.

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, 2020 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 the 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 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 unfunded 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>
2020	\$ 810,610	\$ 6,217,326	\$ 77,197
2019	827,250	5,762,696	69,366
2018	779,338	4,238,433	78,041

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$2,778, \$3,037 and \$8,240, respectively for PERS and the State contributed \$4,007, \$4,997 and \$5,309, 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 \$2,284,210 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both 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, 2018 through June 30, 2019. 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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$15,015,738 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .08333 percent, which was an increase of .00016 percent from its proportionate share measured as of June 30, 2018 of .08317 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)

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$659,702 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, 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	\$ 269,513	\$ 66,333
Changes of Assumptions	1,499,377	5,211,915
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		237,029
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>230,188</u>	<u>327,212</u>
Total	<u>\$ 1,999,078</u>	<u>\$ 5,842,489</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2021	\$ (481,145)
2022	(1,443,289)
2023	(1,252,895)
2024	(606,966)
2025	(59,116)
Thereafter	<u>-</u>
	<u>\$ (3,843,411)</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**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)**

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, 2019) 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 rates 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 PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

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>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2057

Municipal Bond Rate * From July 1, 2057
and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 6.28%, 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 18,967,317</u>	<u>\$ 15,015,738</u>	<u>\$ 11,685,973</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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 employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. 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, 2019, 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,388,790 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$176,132,894. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .28700 percent, which was an increase of .00601 percent from its proportionate share measured as of June 30, 2018 of .28099 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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**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, 2019) 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 TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

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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
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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, 2054

Municipal Bond Rate * From July 1, 2054
 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 207,699,666</u>	<u>\$ 176,132,894</u>	<u>\$ 149,942,441</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 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, 2019. 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, 2020**

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, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>364,943</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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 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, 2018 which were rolled forward to June 30, 2019.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

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. over a period not to exceed thirty years. 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, 2020, 2019 and 2018 were \$2,306,514, \$2,613,950 and \$2,737,514 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.

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, 2018 through June 30, 2019. 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,839,226. 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, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$91,980,306. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .22 percent, which was unchanged from its proportionate share measured as of June 30, 2018.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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)

Actuarial Assumptions (Continued)

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

100% of active members are considered to participate in the plan upon retirement.

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 2.00% as of June 30, 2019.

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>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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, 2020**

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, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2018 Measurement Date	\$ <u>100,190,701</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,040,713
Interest on the Total OPEB Liability	3,981,243
Differences Between Expected and Actual Experience	(14,863,961)
Changes of Assumptions	1,371,434
Gross Benefit Payments	(2,823,521)
Contributions from the Member	<u>83,697</u>
Net Changes	\$ <u>(8,210,395)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>91,980,306</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>108,665,089</u>	\$ <u>91,980,306</u>	\$ <u>78,726,829</u>

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)	\$ <u>75,787,672</u>	\$ <u>91,980,306</u>	\$ <u>113,416,028</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

On August 24, 2020 the Board approved the appropriation of an additional \$296,481 of General Fund unassigned fund balance to the 2020/2021 budget due to the reduction in State aid.

Lease Purchase Agreements

On October 1, 2020, the District entered into a lease purchase agreement which provides for acquisition of computer supplies in the amount of \$1,042,026. The lease term is 4 years.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

G. 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.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 65,407,112		\$ 65,407,112	\$ 65,407,112	
Other Local Sources					
Tuition - Other LEA's	810,000		810,000	723,362	\$ (86,638)
Interest Earned on Current Expense Emergency Reserve	2,000		2,000	2,000	
Interest Earned on Capital Reserve Funds	10,000		10,000	10,000	
Interest Earned on Maintenance Reserve	3,000		3,000	3,000	
Interest	165,000		165,000	174,791	9,791
Summer School Fees	165,000		165,000	109,710	(55,290)
Miscellaneous	212,605	-	212,605	400,289	187,684
Total Local Sources	<u>66,774,717</u>	<u>-</u>	<u>66,774,717</u>	<u>66,830,264</u>	<u>55,547</u>
State Sources					
Special Education Aid	1,821,518	-	1,821,518	1,821,518	-
Security Aid	285,644		285,644	285,644	-
Transportation Aid	353,878		353,878	353,878	-
Extraordinary Aid				1,067,669	1,067,669
TPAF Pension Contribution - Normal					
Costs and Accrued Liability (Non-Budget)				6,107,850	6,107,850
TPAF Pension Contribution- NCGI (Non-Budget)				109,476	109,476
TPAF Pension Contribution- Long Term Disability Insurance (Non-Budget)				4,007	4,007
TPAF Pension Contribution - Post Retirement (Non-Budget)				2,306,514	2,306,514
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,284,210	2,284,210
Total State Sources	<u>2,461,040</u>	<u>-</u>	<u>2,461,040</u>	<u>14,340,766</u>	<u>11,879,726</u>
Federal Sources					
Medicaid Reimbursement	24,425	-	24,425	11,707	(12,718)
Total Federal Sources	<u>24,425</u>	<u>-</u>	<u>24,425</u>	<u>11,707</u>	<u>(12,718)</u>
Total Revenues	<u>69,260,182</u>	<u>-</u>	<u>69,260,182</u>	<u>81,182,737</u>	<u>11,922,555</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	955,888	\$ (1,050)	954,838	949,788	5,050
Grades 1-5	6,544,298	87,409	6,631,707	6,540,546	91,161
Grades 6-8	5,310,619	(46,231)	5,264,388	5,192,550	71,838
Grades 9-12	7,861,022	163,090	8,024,112	7,981,273	42,839
Regular Programs - Home Instruction					
Salaries of Teachers	20,000	(15,000)	5,000		5,000
Purchased Professional/Educational Services	25,000	-	25,000	12,622	12,378
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		62,726	62,726	53,795	8,931
Purchased Professional/Educational Services	3,000	37,178	40,178	34,178	6,000
Other Purchased Services	1,068,345	(9,750)	1,058,595	976,269	82,326
General Supplies	1,402,762	(267,382)	1,135,380	805,363	330,017
Textbooks	197,457	(4,858)	192,599	162,570	30,029
Other Objects	32,000	1,366	33,366	18,226	15,140
Total Regular Programs	<u>23,420,391</u>	<u>7,498</u>	<u>23,427,889</u>	<u>22,727,180</u>	<u>700,709</u>

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Learning and / or Language Disabled					
Salaries of Teachers	\$ 132,948	\$ 5,622	\$ 138,570	\$ 138,570	\$ -
Other Salaries for Instruction	114,434	(45,274)	69,160	68,156	1,004
General Supplies	4,000	-	4,000	2,749	1,251
Textbooks	5,000	-	5,000	4,943	57
Total Learning and/or Language Disabled	<u>256,382</u>	<u>(39,652)</u>	<u>216,730</u>	<u>214,418</u>	<u>2,312</u>
Multiple Disabled					
Salaries of Teachers	144,248	(4,859)	139,389	138,152	1,237
Other Salaries for Instruction	363,659	(45,285)	318,374	318,043	331
General Supplies	3,500	-	3,500	1,925	1,575
Total Multiple Disabled	<u>511,407</u>	<u>(50,144)</u>	<u>461,263</u>	<u>458,120</u>	<u>3,143</u>
Resource Room/Resource Center					
Salaries of Teachers	3,062,276	(88,264)	2,974,012	2,971,268	2,744
Other Salaries for Instruction	1,152,791	(72,740)	1,080,051	1,049,895	30,156
General Supplies	23,300	-	23,300	15,172	8,128
Textbooks	6,880	-	6,880	1,249	5,631
Total Resource Room/Resource Center	<u>4,245,247</u>	<u>(161,004)</u>	<u>4,084,243</u>	<u>4,037,584</u>	<u>46,659</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	116,586	-	116,586	116,301	285
Other Salaries for Instruction	62,217	300	62,517	62,133	384
General Supplies	1,000	459	1,459	1,459	-
Total Preschool Disabilities - Part-Time	<u>179,803</u>	<u>759</u>	<u>180,562</u>	<u>179,893</u>	<u>669</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	86,874	-	86,874	85,320	1,554
Other Salaries for Instruction	145,215	3,036	148,251	145,818	2,433
Supplies and Materials	2,000	-	2,000	922	1,078
Total Preschool Disabilities - Full-Time	<u>234,089</u>	<u>3,036</u>	<u>237,125</u>	<u>232,060</u>	<u>5,065</u>
Home Instruction					
Salaries of Teachers	16,000	9,271	25,271	25,271	-
Purchased Professional-Educational Services	20,000	(2,921)	17,079	17,042	37
Total Home Instruction	<u>36,000</u>	<u>6,350</u>	<u>42,350</u>	<u>42,313</u>	<u>37</u>
Total Special Education	<u>5,462,928</u>	<u>(240,655)</u>	<u>5,222,273</u>	<u>5,164,388</u>	<u>57,885</u>
Basic Skills/Remedial					
Salaries of Teachers	553,264	8,741	562,005	562,005	-
General Supplies	1,670	107	1,777	1,157	620
Textbooks	-	-	-	-	-
Total Basic Skills/Remedial	<u>554,934</u>	<u>8,848</u>	<u>563,782</u>	<u>563,162</u>	<u>620</u>

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRICULUM (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 1,046,892	\$ (1,221)	\$ 1,045,671	\$ 1,045,441	\$ 230
Purchased Professional-Educational Services	100	-	100		100
Other Purchased Services	100	-	100		100
General Supplies	5,850	-	5,850	4,199	1,651
Textbooks	5,900	-	5,900	1,244	4,656
Other Objects	400	-	400	-	400
Total Bilingual Education	<u>1,059,242</u>	<u>(1,221)</u>	<u>1,058,021</u>	<u>1,050,884</u>	<u>7,137</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	326,657	4,069	330,726	327,864	2,862
Purchased Services	31,798	(4,675)	27,123	25,000	2,123
Supplies and Materials	1,000	-	1,000		1,000
Other Objects	7,357	700	8,057	5,308	2,749
Total School Sponsored Co/Extra Curricular Activities	<u>366,812</u>	<u>94</u>	<u>366,906</u>	<u>358,172</u>	<u>8,734</u>
School Sponsored Athletics					
Salaries	583,531	19,046	602,577	579,258	23,319
Purchased Services	234,001	(14,933)	219,068	172,541	46,527
Supplies and Materials	65,040	-	65,040	59,116	5,924
Other Objects	52,300	-	52,300	42,250	10,050
Total School Sponsored Athletics	<u>934,872</u>	<u>4,113</u>	<u>938,985</u>	<u>853,165</u>	<u>85,820</u>
Other Instructional Programs - Instruction					
Salaries	107,404	55,064	162,468	162,468	-
Purchased Services	12,700	-	12,700	2,325	10,375
Supplies and Materials	4,650	-	4,650	2,465	2,185
Other Objects	-	-	-	-	-
Total Other Instructional Programs	<u>124,754</u>	<u>55,064</u>	<u>179,818</u>	<u>167,258</u>	<u>12,560</u>
Before/After School Programs					
Supplies and Materials	1,138	-	1,138	1,030	108
Total Before/After School Programs	<u>1,138</u>	<u>-</u>	<u>1,138</u>	<u>1,030</u>	<u>108</u>
Total Instruction	<u>31,925,071</u>	<u>(166,259)</u>	<u>31,758,812</u>	<u>30,885,239</u>	<u>873,573</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	1,224,813	(47,430)	1,177,383	1,137,394	39,989
Tuition to County Voc. School District-Regular	370,368	47,430	417,798	388,602	29,196
Tuition to CSSD and Regional Day Schools	413,880	41,180	455,060	455,060	-
Tuition to APSSD - w/i state	2,007,779	500,000	2,507,779	1,979,876	527,903
Tuition to APSSD & Other LEAs-Special- Out of State	260,857	(109,310)	151,547	9,345	142,202
Tuition - Other	690,655	79,948	770,603	686,076	84,527
Total Undistributed Expenditures - Instruction	<u>4,968,352</u>	<u>511,818</u>	<u>5,480,170</u>	<u>4,656,353</u>	<u>823,817</u>
Attendance and Social Work					
Salaries	127,751	-	127,751	127,751	-
Total Attendance and Social Work	<u>127,751</u>	<u>-</u>	<u>127,751</u>	<u>127,751</u>	<u>-</u>

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 613,941	\$ 2,174	\$ 616,115	\$ 615,148	\$ 967
Purchased Professional and Technical Services	10,000	(7,124)	2,876	1,763	1,113
Other Purchased Services	6,840	(1,634)	5,206	315	4,891
Supplies and Materials	<u>18,010</u>	<u>(1,813)</u>	<u>16,197</u>	<u>12,474</u>	<u>3,723</u>
Total Health Services	<u>648,791</u>	<u>(8,397)</u>	<u>640,394</u>	<u>629,700</u>	<u>10,694</u>
Speech, OT, PT & Related Services					
Salaries	634,547	(12,142)	622,405	611,469	10,936
Purchased Professional-Educational Services	775,274	315,506	1,090,780	610,142	480,638
Supplies and Materials	<u>350</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>350</u>
Total Speech, OT, PT & Related Services	<u>1,410,171</u>	<u>303,364</u>	<u>1,713,535</u>	<u>1,221,611</u>	<u>491,924</u>
Other Support Services - Students - Extra Services					
Salaries	606,248	83,629	689,877	682,648	7,229
Purchased Professional- Educational Services	1,544,818	335,905	1,880,723	1,475,322	405,401
Supplies and Materials	8,500	-	8,500	3,612	4,888
Other Objects	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>1,882</u>	<u>618</u>
Total Other Supp.Serv. Student - Extra Services	<u>2,162,066</u>	<u>419,534</u>	<u>2,581,600</u>	<u>2,163,464</u>	<u>418,136</u>
Guidance					
Salaries of Other Professional Staff	1,239,073	(86,697)	1,152,376	1,152,168	208
Salaries of Secretarial & Clerical Assistants	200,425	175	200,600	200,600	-
Other Salaries	136,000	7,792	143,792	142,375	1,417
Other Purchased Professional and Technical Svc	33,362	-	33,362	33,362	-
Other Purchased Services	3,750	15,969	19,719	17,196	2,523
Supplies and Materials	11,598	-	11,598	8,292	3,306
Other Objects	<u>-</u>	<u>129</u>	<u>129</u>	<u>129</u>	<u>-</u>
Total Guidance	<u>1,624,208</u>	<u>(62,632)</u>	<u>1,561,576</u>	<u>1,554,122</u>	<u>7,454</u>
Child Study Teams					
Salaries of Other Professional Staff	1,205,808	(33,660)	1,172,148	1,163,543	8,605
Salaries of Secretarial & Clerical Assistants	155,950	-	155,950	155,950	-
Purchased Professional- Educational Services	65,500	-	65,500	63,063	2,437
Other Purchased Services	-	502	502	469	33
Supplies and Materials	63,595	(502)	63,093	62,399	694
Other Objects	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>2,442</u>	<u>58</u>
Total Child Study Teams	<u>1,493,353</u>	<u>(33,660)</u>	<u>1,459,693</u>	<u>1,447,866</u>	<u>11,827</u>
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	361,852	46,475	408,327	408,326	1
Salaries of Secretarial & Clerical Assistants	41,199	-	41,199	41,199	-
Salaries of Facilitators, Math & Literacy Coaches	206,008	-	206,008	206,008	-
Purchased Professional- Educational Services	-	29,895	29,895	20,950	8,945
Supplies and Materials	31,770	(31,770)	-	-	-
Other Objects	<u>2,469</u>	<u>15</u>	<u>2,484</u>	<u>583</u>	<u>1,901</u>
Total Other Support Services - Improvement of Inst. Svcs.	<u>643,298</u>	<u>44,615</u>	<u>687,913</u>	<u>677,066</u>	<u>10,847</u>
Educational Media/School Library					
Salaries	670,656	(10,747)	659,909	658,459	1,450
Other Purchased Services	2,000	-	2,000	1,703	297
Supplies and Materials	<u>65,950</u>	<u>3,400</u>	<u>69,350</u>	<u>59,747</u>	<u>9,603</u>
Total Educational Media/School Library	<u>738,606</u>	<u>(7,347)</u>	<u>731,259</u>	<u>719,909</u>	<u>11,350</u>

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Other Salaries	\$ 65,000	\$ (41,334)	\$ 23,666	\$ 23,291	\$ 375
Purchased Professional/Educational Services	42,125	35,835	77,960	57,094	20,866
Other Purchased Services	36,885	(1,482)	35,403	22,494	12,909
Supplies and Materials	-	2,150	2,150	512	1,638
	<u>144,010</u>	<u>(4,831)</u>	<u>139,179</u>	<u>103,391</u>	<u>35,788</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	369,343	5,255	374,598	363,999	10,599
Legal Services	150,000	-	150,000	118,357	31,643
Audit Fees	49,000	-	49,000	46,017	2,983
Other Purchased Professional Service	10,000	38,521	48,521	41,421	7,100
Architectural/Engineering Services	6,000	24,000	30,000	10,000	20,000
Communications/Telephone	135,000	(874)	134,126	120,339	13,787
Miscellaneous Purchased Services	127,575	(10,266)	117,309	94,311	22,998
BOE Other Purchased Services	4,000	-	4,000	-	4,000
General Supplies	3,900	(105)	3,795	2,493	1,302
Miscellaneous Expenditures	16,200	-	16,200	13,633	2,567
BOE Membership Dues and Fees	28,000	-	28,000	24,787	3,213
	<u>899,018</u>	<u>56,531</u>	<u>955,549</u>	<u>835,357</u>	<u>120,192</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	1,241,170	1,704	1,242,874	1,241,132	1,742
Salaries of Other Professional Staff	1,238,874	(4,160)	1,234,714	1,160,385	74,329
Salaries of Secretarial and Clerical Assistants	851,350	2,876	854,226	841,256	12,970
Supplies and Materials	5,650	(870)	4,780	3,880	900
Other Objects	18,000	-	18,000	15,492	2,508
	<u>3,355,044</u>	<u>(450)</u>	<u>3,354,594</u>	<u>3,262,145</u>	<u>92,449</u>
Total Support Services School Administration					
Central Services					
Salaries	747,776	(1,509)	746,267	736,570	9,697
Purchased Professional Services	-	500	500	265	235
Purchased Technical Services	68,200	(3,626)	64,574	47,505	17,069
Misc. Purchased Services	7,800	(98)	7,702	5,503	2,199
Supplies and Materials	8,675	1,297	9,972	7,057	2,915
Miscellaneous Expenditures	8,400	(190)	8,210	1,795	6,415
	<u>840,851</u>	<u>(3,626)</u>	<u>837,225</u>	<u>798,695</u>	<u>38,530</u>
Total Central Services					
Admin. Info. Technology					
Salaries	532,008	43,177	575,185	574,686	499
Purchased Professional Services	100	-	100	-	100
Purchased Technical Services	159,700	(91,791)	67,909	67,908	1
Other Purchased Services	2,300	(814)	1,486	1,486	-
Other Purchased Services - Acquired Under Lease Purchase (Non-Budget)	-	-	-	1,266,281	(1,266,281)
Supplies and Materials	1,950	-	1,950	1,678	272
Other Objects	1,700	(260)	1,440	1,440	-
	<u>697,758</u>	<u>(49,688)</u>	<u>648,070</u>	<u>1,913,479</u>	<u>(1,265,409)</u>
Total Admin. Info. Technology					
Required Maintenance for School Facilities					
Salaries	470,021	-	470,021	460,315	9,706
Unused Vacation Payment to Terminated/Retired Staff	6,510	-	6,510	-	6,510
Cleaning, Repair and Maintenance	288,000	15,769	303,769	288,041	15,728
Lead Testing for Drinking Water	3,500	-	3,500	100	3,400
General Supplies	130,000	2,067	132,067	110,943	21,124
Other Objects	1,800	780	2,580	2,580	-
	<u>899,831</u>	<u>18,616</u>	<u>918,447</u>	<u>861,979</u>	<u>56,468</u>
Total Required Maintenance for School Facilities					

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 1,792,223	\$ (52,534)	\$ 1,739,689	\$ 1,697,252	\$ 42,437
Salaries of Non-Instructional Aides	248,018	(900)	247,118	232,363	14,755
Unused Vacation Payment to Terminated/Retired Staff	4,975	-	4,975	4,975	4,975
Purchased Professional and Technical Services	2,500	5,341	7,841	5,341	2,500
Cleaning, Repair and Maintenance	11,500	882	12,382	11,989	393
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	17,338	-	17,338	17,338	-
Other Purchased Property Services	354,550	-	354,550	313,824	40,726
Insurance	353,850	(23,837)	330,013	319,347	10,666
Miscellaneous Purchased Services	800	(107)	693	262	431
General Supplies	128,500	189,586	318,086	312,550	5,536
Energy (Natural Gas)	530,000	(267,329)	262,671	212,368	50,303
Energy (Electricity)	591,000	(601)	590,399	448,077	142,322
Total Custodial Services	<u>4,035,254</u>	<u>(149,499)</u>	<u>3,885,755</u>	<u>3,570,711</u>	<u>315,044</u>
Care & Upkeep of Grounds					
Salaries	284,039	(7,900)	276,139	268,204	7,935
Cleaning, Repair and Maintenance	41,000	23,569	64,569	64,569	-
General Supplies	40,000	(8,649)	31,351	30,842	509
Total Care & Upkeep of Grounds	<u>365,039</u>	<u>7,020</u>	<u>372,059</u>	<u>363,615</u>	<u>8,444</u>
Security					
Purchased Professional and Technical Services	34,312	9,424	43,736	35,401	8,335
Cleaning, Repair and Maintenance	5,000	(1,830)	3,170	3,170	3,170
General Supplies	20,000	(4,170)	15,830	1,570	14,260
Total Security	<u>59,312</u>	<u>3,424</u>	<u>62,736</u>	<u>36,971</u>	<u>25,765</u>
Student Transportation Services					
Sal. For Pupil Trans (Other than Bet. Home & School)	10,000	-	10,000	441	9,559
Sal. For Pupil Trans (Bet. Home & School)- NonPub Sch	6,829	-	6,829	5,378	1,451
Cleaning, Repair and Maintenance Services	1,500	-	1,500	150	1,350
Contracted Services (Between Home and School) - Vendors	144,000	4,204	148,204	138,398	9,806
Contracted Services (Other Than Between Home and School) - Vendors	138,835	3,806	142,641	84,008	58,633
Contracted Services (Special Ed. Students) - Joint Agreements	1,100,000	95,658	1,195,658	1,188,033	7,625
Contracted Services-Aid In Lieu of Payments- Non-Public Schools	123,760	(4,204)	119,556	78,078	41,478
Transportation Supplies	1,000	-	1,000	831	169
Total Student Transportation Services	<u>1,525,924</u>	<u>99,464</u>	<u>1,625,388</u>	<u>1,495,317</u>	<u>130,071</u>
Unallocated Benefits- Employee Benefits					
Social Security Contributions	950,000	-	950,000	835,879	114,121
Other Retirement Contributions - PERS	885,000	(46,728)	838,272	813,388	24,884
Other Retirement Contributions - Regular	87,000	-	87,000	77,197	9,803
Workmen's Compensation	359,000	(156,375)	202,625	197,557	5,068
Health Benefits	10,090,030	(204,236)	9,885,794	8,874,370	1,011,424
Tuition Reimbursement	41,000	82	41,082	41,082	-
Unused Sick Payment to Terminated/Retired Staff	266,150	-	266,150	-	266,150
Other Employee Benefits	226,000	25,000	251,000	225,289	25,711
Total Unallocated Benefits	<u>12,904,180</u>	<u>(382,257)</u>	<u>12,521,923</u>	<u>11,064,762</u>	<u>1,457,161</u>

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES					
CURRENT (Continued)					
TPAF Pension Contribution - Non-Budgeted					
Normal Costs and Accrued Liability (Non-Budgeted)				\$ 6,107,850	\$ (6,107,850)
NCGI				109,476	(109,476)
Long Term Disability Insurance				4,007	(4,007)
Post Retirement				2,306,514	(2,306,514)
TPAF Social Security Reimbursements (Non-Budgeted)	-	-	-	2,284,210	(2,284,210)
Total On-Behalf TPAF Contributions and Reimbursements	-	-	-	10,812,057	(10,812,057)
Total Undistributed Expenditures	\$ 39,542,817	\$ 761,999	\$ 40,304,816	48,316,321	(8,011,505)
Interest Earned on Maintenance Reserve	3,000	-	3,000	-	3,000
Interest Earned on Current Expense Emergency Reserve	2,000	-	2,000	-	2,000
Total Current Expenditures	71,472,888	595,740	72,068,628	79,201,560	(7,132,932)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5		108,926	108,926	108,726	200
Grades 6-8		23,772	23,772	23,772	-
Grades 9-12		17,829	17,829	17,829	-
Undistributed Expenditures					
Health Services		8,760	8,760	8,760	-
Admin. Info. Technology		245,574	245,574	238,321	7,253
Custodial Services		42,100	42,100	42,100	-
Care and Upkeep of Grounds	32,000	86,554	118,554	114,383	4,171
Total Equipment	32,000	533,515	565,515	553,891	11,624
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	10,000	-	10,000	-	10,000
Total Capital Outlay	82,082	533,515	615,597	593,973	21,624
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	112,000	(1,750)	110,250	101,340	8,910
Purchased Professional and Technical Services	1,000	1,750	2,750	2,750	-
Other Purchased Services	1,000	-	1,000	-	1,000
General Supplies	8,000	1,500	9,500	8,455	1,045
Other Objects	3,000	(1,500)	1,500	305	1,195
Total Summer School	125,000	-	125,000	112,850	12,150
Total Special Schools	125,000	-	125,000	112,850	12,150
CHARTER SCHOOLS					
Transfers of Funds to Charter Schools	28,718	-	28,718	-	28,718
Total Charter Schools	28,718	-	28,718	-	28,718
Total General Fund Expenditures	71,708,688	1,129,255	72,837,943	79,908,383	(7,070,440)

**TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (2,448,506)	\$ (1,129,255)	\$ (3,577,761)	\$ 1,274,354	\$ 4,852,115
Other Financing Sources (Uses)					
Lease Purchase Proceeds				1,266,281	1,266,281
Transfers Out - Capital Reserve Transfer to Capital Projects	(1,442,225)	(471,766)	(1,913,991)	(1,535,062)	378,929
Transfers Out- Enterprise Funds	-	(140,783)	(140,783)	(140,783)	-
Total Other Financing Sources (Uses)	(1,442,225)	(612,549)	(2,054,774)	(409,564)	1,645,210
Excess /(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,890,731)	(1,741,804)	(5,632,535)	864,790	6,497,325
Fund Balance, Beginning of Year	10,727,493	-	10,727,493	10,727,493	-
Fund Balance, End of Year	\$ 6,836,762	\$ (1,741,804)	\$ 5,094,958	\$ 11,592,283	\$ 6,497,325
Recapitulation of Fund Balance					
Restricted Fund Balance					
Capital Reserve				\$ 2,708,679	
Maintenance Reserve				605,850	
Emergency Reserve				302,900	
Excess Surplus				900,669	
Excess Surplus Designated for Subsequent Year's Expenditures				970,393	
Designated for Subsequent Year's Expenditures					
Capital Reserve				2,076,680	
Maintenance Reserve				600,000	
Assigned Fund Balance					
Year End Encumbrances				37,205	
Designated for Subsequent Year's Expenditures				934,936	
Unassigned Fund Balance				2,454,971	
Fund Balance - Budgetary Basis				11,592,283	
Reconciliation to Governmental Fund Statements (GAAP)					
2019/20 State Aid Payments Not Recognized on a GAAP Basis				(1,265,154)	
Fund Balance per Governmental Funds (GAAP)				\$ 10,327,129	

**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	\$ 308,957	\$ 82,255	\$ 391,212	\$ 294,739	\$ (96,473)
Federal Sources	938,215	461,362	1,399,577	1,023,686	(375,891)
Local Sources	25,154	90,049	115,203	35,117	(80,086)
Total Revenues	<u>1,272,326</u>	<u>633,666</u>	<u>1,905,992</u>	<u>1,353,542</u>	<u>(552,450)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	117,348	(3,100)	114,248	114,248	-
Purchased Prof. and Tech. Svcs.	1,665	42,527	44,192	13,192	31,000
Tuition	591,380	127,016	718,396	717,436	960
Purchased Prof & Educ. Svcs		500	500	500	-
Other Purchased Services	1,187	19,756	20,943		20,943
Supplies and Materials	30,381	245,409	275,790	34,215	241,575
Textbooks	24,057	3,616	27,673	26,773	900
Other Objects	-	4,357	4,357	-	4,357
Total Instruction	<u>766,018</u>	<u>440,081</u>	<u>1,206,099</u>	<u>906,364</u>	<u>299,735</u>
Support Services					
Salaries	3,868	1,500	5,368	3,056	2,312
Personnel Services - Employee Benefits	43,340	22,479	65,819	65,819	-
Purchased Professional and Tech. Svc.	2,000	34,896	36,896	3,000	33,896
Purchased Prof./Educ. Svcs.	240,382	87,827	328,209	248,647	79,562
Purchased Technical Services		22,950	22,950	22,950	-
Cleaning, Repairs and Maintenance	22,950	(22,950)			-
Purchased Property Services	8,640	25,710	34,350	-	34,350
Other Purchased Services	154,370	10,661	165,031	79,411	85,620
Supplies and Materials	5,604	8,180	13,784	5,360	8,424
Other Objects	-	2,500	2,500	-	2,500
Total Support Services	<u>481,154</u>	<u>193,753</u>	<u>674,907</u>	<u>428,243</u>	<u>246,664</u>
Facilities Acquisition and Construction					
Non-Instructional Equipment		24,986	24,986	18,935	6,051
Construction Services	25,154	(25,154)	-	-	-
Total Facilities Acquisition and Construction	<u>25,154</u>	<u>(168)</u>	<u>24,986</u>	<u>18,935</u>	<u>6,051</u>
Total Expenditures	<u>1,272,326</u>	<u>633,666</u>	<u>1,905,992</u>	<u>1,353,542</u>	<u>552,450</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>

TENAFLY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>
Sources/Inflows of Resources		
Actual Revenues - Budgetary Basis	(C-1) \$ 81,182,737	(C-2) \$ 1,353,542
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. (2018/2019)	1,348,491	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2019/2020)	<u>(1,265,154)</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>81,266,074</u>	\$ <u>1,379,985</u>
Uses/Outflows of Resources		
Actual Expenditures - Budgetary Basis	(C-1) \$ 79,908,383	(C-2) \$ 1,353,542
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>79,908,383</u>	(B-2) \$ <u>1,379,985</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 Seven Fiscal Years*

	<u>2020</u>		<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)	0.08333	%	0.08317	%	0.08413	%	0.08256	%	0.08580	%	0.08392	%	0.08443	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,015,738		\$ 16,375,307		\$ 19,583,200		\$ 24,453,063		\$ 19,260,384		\$ 15,713,292		\$ 16,137,574	
District's Covered Payroll	\$ 5,868,180		\$ 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	256%		272%		339%		430%		332%		274%		281%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%		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 Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 810,610	\$ 827,250	\$ 779,338	\$ 733,486	\$ 737,650	\$ 691,876	\$ 651,311
Contributions in Relation to the Contractually Required Contribution	<u>810,610</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 5,884,162	\$ 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%	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 Seven Fiscal Years*

	<u>2020</u>	<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>\$ 176,132,894</u>	<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>\$ 176,132,894</u>	<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	\$ 32,035,603	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	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, 2020**

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 Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 4,040,713	\$ 4,503,077	\$ 5,464,446
Interest on Total OPEB Liability	3,981,243	4,243,760	3,643,389
Differences Between Expected and Actual Experiences	(14,863,961)	(9,791,839)	
Changes of Assumptions	1,371,434	(11,497,384)	(15,235,382)
Gross Benefit Payments	(2,823,521)	(2,679,064)	(2,633,940)
Contribution from the Member	<u>83,697</u>	<u>92,593</u>	<u>96,988</u>
Net Change in Total OPEB Liability	(8,210,395)	(15,128,857)	(8,664,499)
Total OPEB Liability - Beginning	<u>100,190,701</u>	<u>115,319,558</u>	<u>123,984,057</u>
Total OPEB Liability - Ending	<u>\$ 91,980,306</u>	<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>91,980,306</u>	<u>100,190,701</u>	<u>115,319,558</u>
Total OPEB Liability - Ending	<u>\$ 91,980,306</u>	<u>\$ 100,190,701</u>	<u>\$ 115,319,558</u>
District's Covered Payroll	<u>\$ 37,903,783</u>	<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%	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, 2020**

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, 2020**

REVENUES	IDEA Pre- School	IDEA Part B- Basic	Title IV	Title II	Title III	Title I	Other Local Projects	Subtotal Page 2	Total
Intergovernmental									
State								\$ 294,739	\$ 294,739
Federal	\$ 36,993	\$ 734,628	\$ 8,101	\$ 34,926	\$ 26,874	\$ 182,164		-	1,023,686
Local	-	-	-	-	-	-	\$ 35,117	-	35,117
Total Revenues	<u>\$ 36,993</u>	<u>\$ 734,628</u>	<u>\$ 8,101</u>	<u>\$ 34,926</u>	<u>\$ 26,874</u>	<u>\$ 182,164</u>	<u>\$ 35,117</u>	<u>\$ 294,739</u>	<u>\$ 1,353,542</u>
EXPENDITURES									
Instruction									
Salaries of Teachers						\$ 114,248		-	\$ 114,248
Purchased Prof. & Tech. Svcs.			\$ 4,192		\$ 9,000			-	13,192
Purchased Prof. & Educ. Svcs.							\$ 500	-	500
Tuition	\$ 36,993	\$ 680,443							717,436
Supplies and Materials			1,434		9,226	2,097	15,682	\$ 5,776	34,215
Textbooks	-	-	-	-	-	-	-	26,773	26,773
Total Instruction	<u>36,993</u>	<u>680,443</u>	<u>5,626</u>	<u>-</u>	<u>18,226</u>	<u>116,345</u>	<u>16,182</u>	<u>32,549</u>	<u>906,364</u>
Support Services									
Salaries					3,056			-	3,056
Personnel Services - Employee Benefits						65,819		-	65,819
Purchased Prof. & Tech. Svcs.					3,000			-	3,000
Purchased Prof.- Educ. Svcs.			975	\$ 11,700				235,972	248,647
Purchased Technical Services								22,950	22,950
Purchased Property Services								-	-
Other Purchased Services		54,185	\$ 1,500	23,226	500			-	79,411
Supplies and Materials	-	-	-	-	2,092	-	-	3,268	5,360
Total Support Services	<u>-</u>	<u>54,185</u>	<u>2,475</u>	<u>34,926</u>	<u>8,648</u>	<u>65,819</u>	<u>-</u>	<u>262,190</u>	<u>428,243</u>
Facilities Acquisition and Construction									
Non-Instructional Equipment							18,935	-	18,935
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,935</u>	<u>-</u>	<u>18,935</u>
Total Expenditures	<u>\$ 36,993</u>	<u>\$ 734,628</u>	<u>\$ 8,101</u>	<u>\$ 34,926</u>	<u>\$ 26,874</u>	<u>\$ 182,164</u>	<u>\$ 35,117</u>	<u>\$ 294,739</u>	<u>\$ 1,353,542</u>

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**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		<u>Non Public Aid</u>									
		<u>Auxiliary Services</u>		<u>Handicapped Services</u>							<u>Subtotal</u>
		<u>ESL</u>	<u>Comp. Education</u>	<u>Exam. and Class.</u>	<u>Corrective Speech</u>	<u>Supp. Instruction</u>	<u>Security</u>	<u>Textbooks</u>	<u>Nursing</u>	<u>Technology</u>	<u>Page 2</u>
REVENUES											
Intergovernmental											
State		\$ 6,287	\$ 69,682	\$ 34,573	\$ 36,547	\$ 31,753	\$ 25,714	\$ 26,773	\$ 48,958	\$ 14,452	\$ 294,739
Federal											-
Local		-	-	-	-	-	-	-	-	-	-
Total Revenues		<u>\$ 6,287</u>	<u>\$ 69,682</u>	<u>\$ 34,573</u>	<u>\$ 36,547</u>	<u>\$ 31,753</u>	<u>\$ 25,714</u>	<u>\$ 26,773</u>	<u>\$ 48,958</u>	<u>\$ 14,452</u>	<u>\$ 294,739</u>
EXPENDITURES											
Instruction											
Supplies and Materials										\$ 5,776	5,776
Textbooks		-	-	-	-	-	-	\$ 26,773	-	-	26,773
Total Instruction		-	-	-	-	-	-	26,773	-	5,776	32,549
Support Services											
Salaries											
Personnel Services - Employee Benefits											
Purchased Prof. & Tech. Svcs.											
Purchased Prof. & Educ. Svcs.		\$ 6,287	\$ 69,682	\$ 34,573	\$ 36,547	\$ 31,753			\$ 48,958	8,172	235,972
Purchased Technical Services							\$ 22,950				22,950
Purchased Property Services											-
Other Purchased Services											-
Supplies and Materials		-	-	-	-	-	2,764	-	-	504	3,268
Total Support Services		<u>6,287</u>	<u>69,682</u>	<u>34,573</u>	<u>36,547</u>	<u>31,753</u>	<u>25,714</u>	<u>-</u>	<u>48,958</u>	<u>8,676</u>	<u>262,190</u>
Facilities Acquisition and Construction											
Instructional Equipment		-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition		-	-	-	-	-	-	-	-	-	-
Total Expenditures		<u>\$ 6,287</u>	<u>\$ 69,682</u>	<u>\$ 34,573</u>	<u>\$ 36,547</u>	<u>\$ 31,753</u>	<u>\$ 25,714</u>	<u>\$ 26,773</u>	<u>\$ 48,958</u>	<u>\$ 14,452</u>	<u>\$ 294,739</u>

**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Project Description</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance June 30, 2020</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Parking Lot Renovations at Central Office	\$ 105,281	\$ 7,377	\$ 156		\$ 97,748
New Turf and Sitework at Mackay Elementary School	705,600	38,595	424,749	\$ 242,256	-
Storm Water Drainage at Smith Elementary School	227,500	20,928	182,861	23,711	-
Toilet Renovations at Maugham Elementary School	340,500	17,545	303,677		19,278
Library Ceiling and Lights at Stillman Elementary School	106,800	6,860	92,422	7,518	-
Auditorium Seat & Floor Replacement Middle School	273,425		267,981	5,444	-
AC Project- Window Units Installation & Electrical Upgrades	104,800		81,000		23,800
Geissinger Field- Bleachers & Coaches Box	56,800		31,000		25,800
Mackay Elem. Circle Repaving & Parking Expansion	<u>56,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,885</u>
	<u>\$ 1,977,591</u>	<u>\$ 91,305</u>	<u>\$ 1,383,846</u>	<u>\$ 278,929</u>	<u>\$ 223,511</u>

Transferred to General Fund - Capital Reserve \$ 278,929

Recapitulation of Fund Balance:

Restricted for Capital Projects:	
Designated for Capital Projects	<u>\$ 223,511</u>
Total Restricted for Capital Projects	<u>\$ 223,511</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, 2020**

Revenues and Other Financing Sources	
Transfer from General Fund - Capital Reserve	\$ 1,535,062
Total Revenues and Other Financing sources	<u>1,535,062</u>
Expenditures and Other Financing Uses	
Architectural / Engineering Services	128,096
Construction Services	993,063
Supplies	208,833
Purchased Professional and Technical Services	<u>53,854</u>
Total Expenditures and Other Financing Uses	<u>1,383,846</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	151,216
Fund Balance, Beginning of Year	<u>72,295</u>
Fund Balance, End of Year	<u>\$ 223,511</u>

**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, 2020**

	<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	\$ 97,281	\$ 105,281	\$ 105,281
Total Revenues and Other Financing Sources	<u>8,000</u>	<u>97,281</u>	<u>105,281</u>	<u>105,281</u>
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	7,377	156	7,533	61,281
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,000</u>
Total Expenditures and Other Financing Uses	<u>7,377</u>	<u>156</u>	<u>7,533</u>	<u>105,281</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 623</u>	<u>\$ 97,125</u>	<u>\$ 97,748</u>	<u>\$ -</u>

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	\$ 97,281
Revised Authorized Cost	\$ 105,281
Percentage Completion	7%
Original Target Completion Date	2019/20
Revised Target Completion Date	2020/21

**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, 2020**

	<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	\$ 386,944	\$ 463,344	\$ 463,344
Total Revenues and Other Financing Sources	<u>76,400</u>	<u>386,944</u>	<u>463,344</u>	<u>463,344</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	1,085		1,085	1,085
Legal Services	-		-	-
Architectural/Engineering Services	37,510	734	38,244	38,244
Construction Services	-	424,015	424,015	424,015
Total Expenditures and Other Financing Uses	<u>38,595</u>	<u>424,749</u>	<u>463,344</u>	<u>463,344</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 37,805</u>	<u>\$ (37,805)</u>	<u>\$ -</u>	<u>\$ -</u>

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	\$ 463,344
Percentage Completion	100%
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 DRAINAGE AT SMITH ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ 168,789	\$ 203,789	\$ 203,789
Total Revenues and Other Financing Sources	<u>35,000</u>	<u>168,789</u>	<u>203,789</u>	<u>203,789</u>
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	20,928	5,111	26,039	26,039
Construction Services	<u>-</u>	<u>177,750</u>	<u>177,750</u>	<u>177,750</u>
Total Expenditures and Other Financing Uses	<u>20,928</u>	<u>182,861</u>	<u>203,789</u>	<u>203,789</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 14,072</u>	<u>\$ (14,072)</u>	<u>\$ -</u>	<u>\$ -</u>

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	\$ 203,789
Percentage Completion	100%
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, 2020**

	<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	\$ 303,500	\$ 340,500	\$ 340,500
Total Revenues and Other Financing Sources	<u>37,000</u>	<u>303,500</u>	<u>340,500</u>	<u>340,500</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	62		62	62
Architectural/Engineering Services	17,483	8,927	26,410	36,938
Construction Services	-	294,750	294,750	303,500
Total Expenditures and Other Financing Uses	<u>17,545</u>	<u>303,677</u>	<u>321,222</u>	<u>340,500</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 19,455</u>	<u>\$ (177)</u>	<u>\$ 19,278</u>	<u>\$ -</u>

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	\$ 340,500
Percentage Completion	94%
Original Target Completion Date	2019/20
Revised Target Completion Date	2020/21

**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, 2020**

	<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	\$ 92,082	\$ 99,282	\$ 99,282
Total Revenues and Other Financing Sources	<u>7,200</u>	<u>92,082</u>	<u>99,282</u>	<u>99,282</u>
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	6,860	1,168	8,028	8,028
Purchased Professional and Technical Services		53,854	53,854	53,854
Construction Services		22,000	22,000	22,000
Supplies	<u>-</u>	<u>15,400</u>	<u>15,400</u>	<u>15,400</u>
Total Expenditures and Other Financing Uses	<u>6,860</u>	<u>92,422</u>	<u>99,282</u>	<u>99,282</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 340</u>	<u>\$ (340)</u>	<u>\$ -</u>	<u>\$ -</u>

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	\$ 99,282
Percentage Completion	100%
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
AUDITORIUM SEAT & FLOOR REPLACEMENT AT TENAFLY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ -	\$ 267,981	\$ 267,981	\$ 267,981
Total Revenues and Other Financing Sources	<u>-</u>	<u>267,981</u>	<u>267,981</u>	<u>267,981</u>
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-		-	-
Purchased Professional and Technical Services			-	-
Construction Services		74,548	74,548	267,981
Supplies	-	193,433	193,433	-
Total Expenditures and Other Financing Uses	<u>-</u>	<u>267,981</u>	<u>267,981</u>	<u>267,981</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	1000-095-19-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 273,425
Revised Authorized Cost	\$ 267,981
Percentage Completion	100%
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
AC PROJECT- WINDOW UNITS INSTALLATION & ELECTRICAL UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ -	\$ 104,800	\$ 104,800	\$ 104,800
Total Revenues and Other Financing Sources	-	104,800	104,800	104,800
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	81,000	81,000	104,800
Total Expenditures and Other Financing Uses	-	81,000	81,000	104,800
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	\$ -	\$ 23,800	\$ 23,800	\$ -

Additional Project Information:

Project Number	5160-060-020-1000 /5160-070-20-1000 /5160-090-20-1000 /5160-100-20-1000 /5160-095-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 104,800
Revised Authorized Cost	\$ 104,800
Percentage Completion	77%
Original Target Completion Date	2019/20
Revised Target Completion Date	2020/21

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
GEISSINGER FIELD- BLEACHERS & COACHES BOX
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ -	\$ 56,800	\$ 56,800	\$ 56,800
Total Revenues and Other Financing Sources	-	56,800	56,800	56,800
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	-	31,000	31,000	56,800
Total Expenditures and Other Financing Uses	-	31,000	31,000	56,800
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	\$ -	\$ 25,800	\$ 25,800	\$ -

Additional Project Information:

Project Number	5160-000-20-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 56,800
Revised Authorized Cost	\$ 56,800
Percentage Completion	55%
Original Target Completion Date	2019/20
Revised Target Completion Date	2020/21

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
MACKAY ELEMENTARY CIRCLE REPAVING & PARKING EXPANSION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ -	\$ 56,885	\$ 56,885	\$ 56,885
Total Revenues and Other Financing Sources	<u>-</u>	<u>56,885</u>	<u>56,885</u>	<u>56,885</u>
EXPENDITURES AND OTHER FINANCING USES				
Architectural/Engineering Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,885</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,885</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ -</u>	<u>\$ 56,885</u>	<u>\$ 56,885</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5160-060-20-1001
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 56,885
Revised Authorized Cost	\$ 56,885
Percentage Completion	0%
Original Target Completion Date	2019/20
Revised Target Completion Date	2020/21

ENTERPRISE FUNDS

**TENAFLY BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

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, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 350,926	\$ 272,790	\$ 623,716
Total Assets	<u>\$ 350,926</u>	<u>\$ 272,790</u>	<u>\$ 623,716</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 188,560	\$ 188,560
Accrued Salaries and Wages		602	602
Due to Student Groups	\$ 350,926		350,926
Due to Other Funds		16,715	16,715
Flexible Spending (Sect. 125) Plan	<u>-</u>	<u>66,913</u>	<u>66,913</u>
Total Liabilities	<u>\$ 350,926</u>	<u>\$ 272,790</u>	<u>\$ 623,716</u>

TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Private Purpose Trust Funds		
	TEF Funds	Scholarship Funds	Total
ADDITIONS			
Investment Earnings			
Interest	\$ 47	\$ 1,577	\$ 1,624
Donations	<u>17,972</u>	<u>1,300</u>	<u>19,272</u>
Total Additions	<u>18,019</u>	<u>2,877</u>	<u>20,896</u>
DEDUCTIONS			
Scholarship Payments		6,550	6,550
Local Contributions	<u>18,356</u>	<u>-</u>	<u>18,356</u>
Total Deductions	<u>18,356</u>	<u>6,550</u>	<u>24,906</u>
Change in Net Position	(337)	(3,673)	(4,010)
Net Position, Beginning of Year	<u>2,030</u>	<u>111,898</u>	<u>113,928</u>
Net Position, End of Year	<u>\$ 1,693</u>	<u>\$ 108,225</u>	<u>\$ 109,918</u>

**TENAFLY BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>School</u>	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2020</u>
ELEMENTARY SCHOOLS	\$ 54,927	\$ 9,712	\$ 4,720	\$ 59,919
MIDDLE SCHOOL	98,919	83,249	128,851	53,317
HIGH SCHOOL				
Class Accounts	27,020	22,852	18,819	31,053
Student Organization Accounts	203,186	219,052	241,070	181,168
Athletic Account	<u>17,156</u>	<u>71,436</u>	<u>63,123</u>	<u>25,469</u>
Total	<u>\$ 401,208</u>	<u>\$ 406,301</u>	<u>\$ 456,583</u>	<u>\$ 350,926</u>

**PAYROLL AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2020</u>
Due to General Fund	\$ 336			\$ 336
Payroll Deductions and Withholdings	28,714	21,606,984	21,447,138	188,560
Flexible Spending (Sect. 125) Plan	29,820	192,368	155,275	66,913
Accrued Salaries and Wages	557	25,860,613	25,860,568	602
Due to Unemployment Fund	<u>-</u>	<u>16,379</u>	<u>-</u>	<u>16,379</u>
	<u>\$ 59,427</u>	<u>\$ 47,676,344</u>	<u>\$ 47,462,981</u>	<u>\$ 272,790</u>

LONG-TERM DEBT

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<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, 2019</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>						
			<u>Date</u>	<u>Amount</u>											
Refunding School Bonds	9/20/2012	\$ 21,690,000	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										
													\$ 19,300,000	\$ 860,000	\$ 18,440,000
Refunding School Bonds	6/11/2015	5,715,000	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										
													5,195,000	245,000	4,950,000
			Refunding School Bonds	1/29/2016	\$ 7,090,000					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													
									4,720,000	735,000	3,985,000				
						\$ 29,215,000	\$ 1,840,000	\$ 27,375,000							

**TENAFLY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR JUNE 30, 2020**

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Digital Desktop - Licensed Software and Services	\$ 1,389,500	\$ 277,900		\$ 277,900	
Digital Desktop - Licensed Software and Services			\$ 1,266,281		\$ 1,266,281
Digital Desktop - Hardware	<u>1,702,000</u>	<u>269,752</u>	<u>-</u>	<u>269,752</u>	<u>-</u>
	<u>\$ 3,091,500</u>	<u>\$ 547,652</u>	<u>\$ 1,266,281</u>	<u>\$ 547,652</u>	<u>\$ 1,266,281</u>

**TENAFLY BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 2,452,549		\$ 2,452,549	\$ 2,452,549	
State Source					
State Aid	385,922		385,922	385,922	
Total Revenues	<u>2,838,471</u>	<u>-</u>	<u>2,838,471</u>	<u>2,838,471</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	1,840,000	-	1,840,000	1,840,000	-
Interest	<u>998,551</u>	<u>-</u>	<u>998,551</u>	<u>998,549</u>	<u>\$ 2</u>
Total Expenditures	<u>2,838,551</u>	<u>-</u>	<u>2,838,551</u>	<u>2,838,549</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80)	-	(80)	(78)	2
Fund Balance, Beginning of Year	<u>234</u>	<u>-</u>	<u>234</u>	<u>234</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ 154</u>	<u>\$ 156</u>	<u>\$ 2</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:

Available for Future Use	\$ 2
Designated for Subsequent Year's Budget (2020/2021)	<u>154</u>

Total Fund Balance -

Restricted for Debt Service	<u>\$ 156</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.									
	2011 (Restated)	2012	2013	2014 (Restated)	2015 (Restated)	2016	2017 (Restated)	2018	2019	2020
Governmental Activities										
Investment in Capital Assets	\$ 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	\$ 18,493,143
Restricted	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	6,517,776
Unrestricted	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)	(18,240,671)
Total Governmental Activities Net Position	\$ 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	\$ 6,770,248
Business-Type Activities										
Investment in Capital Assets	\$ 38,992	\$ 37,093	\$ 40,668	\$ 43,996	\$ 42,195	\$ 38,602	\$ 55,670	\$ 93,190	\$ 87,670	\$ 97,025
Restricted										
Unrestricted	452,784	467,329	493,608	426,293	421,955	400,476	351,472	285,182	348,899	212,497
Total Business-Type Activities Net Position	\$ 491,776	\$ 504,422	\$ 534,276	\$ 470,289	\$ 464,150	\$ 439,078	\$ 407,142	\$ 378,372	\$ 436,569	\$ 309,522
District-Wide										
Investment in Capital Assets	\$ 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	\$ 18,590,168
Restricted	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	6,517,776
Unrestricted	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)	(18,028,174)
Total District Net Position	\$ 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	\$ 7,079,770

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.									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 38,435,042
Special Education	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	13,929,669
Other Instruction	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	3,054,817
School Sponsored Activities And Athletics	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	1,890,832
Other Instructional Programs		8,694	7,741	7,091	30,770	37,539	48,487	43,806	199,623	250,422
Support Services:										
Student & Instruction Related Services	7,355,685	7,594,498	8,722,193	9,466,929	11,412,708	12,814,119	12,910,400	14,088,044	11,773,011	11,550,106
General Administration	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	1,099,881
School Administrative Services	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	4,894,104
Plant Operations And Maintenance	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	7,514,642
Pupil Transportation	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	1,518,070
Other Support Services	1,178,922	1,326,849	1,132,397	1,611,780	1,815,707	1,965,307	2,341,269	2,182,543	2,204,265	3,236,651
Interest and Other Charges On Long-Term Debt	1,782,896	1,768,513	1,433,612	1,538,470	1,525,790	1,289,116	1,231,175	1,174,565	1,116,301	1,052,591
Total Governmental Activities Expenses	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	88,426,827
Business-Type Activities:										
Food Service	683,234	680,768	705,738	722,465	687,143	692,228	700,170	630,638	793,266	567,651
Child Care	306,305	309,747	282,243	396,282	329,221	357,217	438,450	433,708	390,287	453,317
Tiger Tots	-	-	-	-	-	-	134,258	140,376	142,355	172,266
Total Business-Type Activities Expense	989,539	990,515	987,981	1,118,747	1,016,364	1,049,445	1,272,878	1,204,722	1,325,908	1,193,234
Total District Expenses	\$ 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	\$ 89,620,061
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 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	\$ 833,072
School Sponsored Activities and Athletics	133,692	123,831	96,356	82,583	-	-	-	-	148,290	126,264
Plant Operations and Maintenance									157,170	85,545
Operating Grants And Contributions	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	20,764,881
Capital Grants And Contributions	439,758	456,799	380,735	913,675	497,375	584,147	1,155,461	246,762	290,675	250,488
Total Governmental Activities Program Revenues	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	22,060,250
Business-Type Activities:										
Charges For Services:										
Food Service	587,234	605,928	594,204	627,312	648,766	669,219	677,739	584,056	773,680	505,489
Child Care	253,355	319,359	341,454	325,690	360,960	354,835	372,286	416,002	460,997	301,186
Tiger Tots							137,900	143,775	148,390	118,407
Operating Grants And Contributions	74,512	77,381	71,871	89,319	-	-	-	-	-	-
Total Business Type Activities Program Revenues	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	925,082
Total District Program Revenues	\$ 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	\$ 22,985,332
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (66,366,577)
Business-Type Activities	(74,438)	12,153	19,548	(76,426)	(6,638)	(25,391)	(84,953)	(60,889)	57,159	(268,152)
Total District-Wide Net Expense	\$ (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)	\$ (66,634,729)

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

	Fiscal Year Ended June 30.									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 67,859,661
Investment Earnings	63,125	39,467	44,604	43,477	32,565	33,236	33,079	165,454	225,549	189,791
Miscellaneous Income	238,630	331,972	309,110	596,176	509,306	638,766	332,224	283,428	270,684	188,480
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(40,092)	(31,438)	-	(140,783)
Total Governmental Activities	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	68,097,149
Business-Type Activities:										
Investment Earnings	1,173	493	606	657	499	319	285	681	1,038	322
Transfers	-	-	-	-	-	-	40,092	31,438	-	140,783
Total Business-Type Activities	1,173	493	606	657	499	319	40,377	32,119	1,038	141,105
Total District-Wide	\$ 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	\$ 68,238,254
Change in Net Position										
Governmental Activities	\$ 2,209,015	\$ 3,983,190	\$ 1,289,931	\$ 1,844,525	\$ (56,329)	\$ 333,648	\$ 1,055,622	\$ (264,354)	\$ 2,230,084	\$ 1,730,572
Business-Type Activities	(73,265)	12,646	20,154	(75,769)	(6,139)	(25,072)	(44,576)	(28,770)	58,197	(127,047)
Total District Wide	\$ 2,135,750	\$ 3,995,836	\$ 1,310,085	\$ 1,768,756	\$ (62,468)	\$ 308,576	\$ 1,011,046	\$ (293,124)	\$ 2,288,281	\$ 1,603,525

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
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	\$ 8,165,171
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	972,141
Unassigned	<u>607,687</u>	<u>577,090</u>	<u>1,087,841</u>	<u>1,126,026</u>	<u>1,144,340</u>	<u>1,208,586</u>	<u>1,181,815</u>	<u>1,221,046</u>	<u>1,239,877</u>	<u>1,189,817</u>
Total General Fund	<u>\$ 4,393,253</u>	<u>\$ 6,232,932</u>	<u>\$ 7,058,920</u>	<u>\$ 7,983,288</u>	<u>\$ 7,899,067</u>	<u>\$ 7,020,657</u>	<u>\$ 8,804,048</u>	<u>\$ 9,125,271</u>	<u>\$ 9,379,002</u>	<u>\$ 10,327,129</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 17,363	\$ 17,321	\$ 77,473	\$ 537,435	\$ 2,269,051	\$ 2,598,479	\$ 246,861	\$ 222,699	\$ 72,529	\$ 223,667
Committed										
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 17,363</u>	<u>\$ 17,321</u>	<u>\$ 77,473</u>	<u>\$ 537,435</u>	<u>\$ 2,269,051</u>	<u>\$ 2,598,479</u>	<u>\$ 246,861</u>	<u>\$ 222,699</u>	<u>\$ 72,529</u>	<u>\$ 223,667</u>

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 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	\$ 67,859,661
Tuition Charges	813,030	869,043	936,982	1,011,177	1,030,447	1,050,511	994,660	979,918	779,296	723,362
Interest Earnings	63,125	39,467	44,604	43,477	32,565	33,236	33,079	165,454	225,549	189,791
Miscellaneous	606,797	693,940	695,047	1,435,641	962,870	695,865	522,820	515,354	808,768	545,116
State Sources	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	15,131,207
Federal Sources	1,107,300	930,373	833,838	836,196	900,736	1,027,981	1,157,601	1,236,773	1,035,289	1,035,393
Total Revenue	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	85,484,530
Expenditures										
Instruction										
Regular Instruction	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	34,669,799
Special Education Instruction	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	13,079,900
Other Instruction	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	2,784,085
School Sponsored Activities and Athletics	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	1,730,618
Other Instructional Programs		8,694	7,741	7,091	8,780	7,832	7,195	5,094	176,349	233,132
Community Services										
Support Services										
Student and Inst. Related Services	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	11,424,242
General Administration	1,153,097	1,078,885	1,038,465	1,342,109	981,112	941,810	916,355	1,020,947	988,558	1,048,740
School Administrative Services	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	4,699,168
Plant Operations And Maintenance	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	6,173,484
Pupil Transportation	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	1,497,429
Other Support Services	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	3,214,780
Capital Outlay	601,136	404,705	978,814	1,388,169	1,879,879	957,268	3,109,171	351,777	2,565,405	1,565,890
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	1,442,597	2,304,055	1,430,000	1,385,000	1,435,000	2,150,268	2,193,004	2,256,180	2,319,396	2,387,652
Interest and Other Charges	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	1,001,844
Total Expenditures	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	85,510,763
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	884,143	1,839,637	(1,955,142)	1,384,330	(1,931,296)	(581,982)	(528,135)	327,786	103,561	(26,233)
Other Financing Sources (Uses)										
Proceeds From Borrowing										
Capital Leases / Lease Purchase Proceeds (Non-Budg)	1,104,559				3,091,500					1,266,281
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	48,521			124,937	2,451,361		1,388,348	629,641	3,186,660	1,535,062
Transfers Out	(48,521)	-	-	(124,937)	(2,451,361)	-	(1,428,440)	(660,366)	(3,186,660)	(1,675,845)
Total Other Financing Sources (Uses)	1,104,559	-	2,841,282	-	3,578,691	33,000	(40,092)	(30,725)	-	1,125,498
Net Change in Fund Balances	\$ 1,988,702	\$ 1,839,637	\$ 886,140	\$ 1,384,330	\$ 1,647,395	\$ (548,982)	\$ (568,227)	\$ 297,061	\$ 103,561	\$ 1,099,265
Debt Service as a Percentage of Noncapital Expenditures	5.12%	6.29%	4.13%	4.31%	4.03%	4.51%	4.43%	4.24%	4.16%	4.04%

* 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>
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
2020	723,362	109,710	189,791	126,264		274,025	1,423,152

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate ^a
2011	\$ 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
2020	49,306,000	3,676,744,800	236,376,700	10,462,000	36,660,500	4,009,550,000		4,009,550,000	4,748,365,079	1.704

Source: County Abstract of Ratables

^a Tax rates are per \$100

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)**

Calendar Year	Total	Local School District	Municipality (1)	County	County Open Space
2011	\$ 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
2020	2.618	1.704	0.621	0.281	0.012

(1) 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	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Marlborough Co-Op Corporation	\$ 22,510,300	0.56%	\$ 22,510,300	0.59%
Clinton Lodging, LLC			9,747,700	0.25%
Knickerbocker Country Club	8,227,200	0.21%	8,782,100	0.23%
Tenafly Shopping Center LP	7,209,400	0.18%	7,209,400	0.19%
Quirk Properties Tenafly, LLC	6,696,400	0.17%	6,696,400	0.17%
Stonegarh Equities, LLC			6,524,200	0.17%
Knickerbocker Country Club Individual Taxpayer			4,540,500	0.12%
TRC Property LLC	4,485,600	0.11%	4,506,800	0.12%
County Manor Realty			4,485,600	0.12%
A.S.D.D.J LLC	11,830,100	0.30%		
145 Dean Drive LLC	9,747,700	0.24%		
30 Engle Street-Tenafly Realty	6,524,200	0.16%		
Resident	4,653,100	0.12%		
Resident	3,800,000	0.09%		
	<u>\$ 85,684,000</u>	<u>2.14%</u>	<u>\$ 79,218,500</u>	<u>2.07%</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	
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
2020	67,859,661	67,859,661	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				
2011	\$ 40,510,000	\$ 1,054,055	\$ 41,564,055	0.16%	14,538	\$ 2,859
2012	39,260,000	-	39,260,000	0.17%	14,638	2,682
2013	38,256,000	-	38,256,000	0.18%	14,702	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%	14,732	2,614
2016	34,360,000	2,171,232	36,531,232	0.20%	14,712	2,483
2017	32,705,000	1,633,228	34,338,228	0.21%	14,684	2,338
2018	30,990,000	1,092,048	32,082,048	0.23%	14,661	2,188
2019	29,215,000	547,652	29,762,652	0.25%	14,584	2,041
2020	27,375,000	1,266,281	28,641,281	0.26%	14,453	1,982

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 Valuation of Property	Per Capita
	General Obligation Bonds	Deductions			
2011	\$ 40,510,000		\$ 40,510,000	1.06	\$ 2,786
2012	39,260,000		39,260,000	1.02	2,682
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	2,336
2017	32,705,000		32,705,000	0.83	2,227
2018	30,990,000		30,990,000	0.78	2,114
2019	29,215,000		29,215,000	0.73	2,003
2020	27,375,000		27,375,000	0.68	1,894

Source: District records

**TENAFLY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)**

	<u>Net Debt</u>
Tenafly Board of Education (June 30, 2020)	\$ 27,375,000
Municipal Debt: (1)	
Borough of Tenafly	22,196,583
	49,571,583
 Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) and (3)	
County of Bergen (A)	36,675,056
Bergen County Utilities Authority - Water Pollution (B)	3,196,518
	39,871,574
 Total Direct and Overlapping Debt	\$ 89,443,157

(A) The debt for this entity was apportioned to the Borough of Tenafly by dividing the Municipality's 2019 equalized value by the total 2019 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 2019 audit
- (3) Bergen County Debt Statement December 31, 2019

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 184,442,075
Total Net Debt Applicable to Limit	<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>	<u>27,375,000</u>
Legal Debt Margin	<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>	<u>\$ 157,067,075</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.98%	23.64%	23.31%	22.41%	21.49%	20.13%	18.68%	17.32%	16.10%	14.84%

Legal Debt Margin Calculation for Fiscal Year 2020

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

2017	\$ 4,516,313,629
2018	4,577,782,888
2019	<u>4,739,059,123</u>
	<u>\$ 13,833,155,640</u>
Average Equalized Valuation of Taxable Property	<u>\$ 4,611,051,880</u>
Debt Limit (4 % of Average Equalization Value)	\$ 184,442,075
Total Net Debt Applicable to Limit	<u>27,375,000</u>
Legal Debt Margin	<u>\$ 157,067,075</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>
2010	8.0 %	\$ 66,064	14,538
2011	7.8	69,053	14,638
2012	8.0	72,152	14,702
2013	7.3	71,679	14,726
2014	4.0	74,452	14,732
2015	3.4	77,666	14,712
2016	3.1	79,145	14,684
2017	2.9	81,483	14,661
2018	2.5	85,951	14,584
2019	2.4	85,951 (E)	14,453

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

(E) Estimated

(1) County of Bergen

(2) Estimated

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

<u>Employer</u>	<u>2020</u>		<u>2011</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>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>	<u>2020</u>
Instruction										
Regular	174.90	174.70	177.30	177.90	179.50	179.30	186.20	212.70	260.20	264.00
Special Education	32.80	34.80	37.00	39.30	40.30	43.70	47.20	43.40	42.00	48.00
Other Special Education	17.15	18.20	19.20	19.60	19.80	20.30	25.40			
Other Instruction	102.15	103.40	101.60	101.00	100.70	105.00	91.70	3.00	3.00	3.00
Support Services:										
Student and Instruction Related Services	69.60	76.10	73.78	86.00	103.30	106.40	103.80	206.60	183.00	183.00
General Administration	37.50	37.50	38.50	39.00	41.00	41.00	34.00	25.00	22.00	20.00
School Administrative Services	23.70	24.20	25.20	25.40	25.40	25.40	29.00	23.00	22.50	19.00
Other Administrative Services								15.50	15.00	15.00
Plant Operations And Maintenance	36.00	36.00	36.00	36.00	36.00	36.00	36.00	38.00	39.00	39.00
Total	<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>	<u>591.00</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio			Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School					
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	0.58%	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	7.08%	280.20	21.80	20	17.6	3,610	3,484.93	0.50%	96.54%
2016	3,598	71,271,697	19,809	2.75%	284.30	22.00	17	17.8	3,607	3,479.94	-0.08%	96.48%
2017	3,567	72,490,221	20,322	2.59%	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	1.86%	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	3.09%	302.00	11.00	10	10.6	3,687	3,550.00	0.05%	96.28%
2020	3,652	80,555,377	22,058	3.37%	312.00	11.21	10.86	11.4	3,759	3,667.00	1.95%	97.55%

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)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<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	376	390	385	393	409	400	394	392	396	378
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	385	390	405	409	402	403	397	412	410	376
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	365	365	371	376	391	380	375	374	376	384
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	384	395	408	409	414	392	356	372	376	373
<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	827	847	831	852	842	891	917	904	907	899
<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	1,236	1,232	1,212	1,152	1,151	1,142	1,164	1,223	1,222	1,242
<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, 2020

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>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>	<u>2020</u>
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES										
* School Facilities										
Mackay Elementary School	\$ 71,644	\$ 83,475	\$ 86,162	\$ 43,752	\$ 52,353	\$ 48,508	\$ 51,969	\$ 51,609	\$ 49,068	\$ 51,460
Maugham Elementary School	90,925	105,940	109,351	50,050	59,719	54,976	56,745	58,860	55,972	58,702
Smith Elementary School	121,314	141,348	145,899	46,036	54,896	50,933	52,243	54,138	51,451	53,960
Stillman Elementary School	40,856	47,603	49,136	49,241	58,754	54,167	55,645	57,909	55,068	57,753
Middle School	124,552	145,121	149,793	220,074	262,465	241,731	244,990	258,811	245,996	257,990
High School	189,121	209,362	216,102	314,810	375,413	346,022	350,432	370,221	351,858	369,013
Total School Facilities	638,412	732,849	756,443	723,963	863,600	796,337	812,024	851,548	809,413	848,878
Other Facilities										
Administration Building	52,881	10,990	11,343	11,206	13,329	2,702	12,442	13,178	12,493	13,101
Grand Total	\$ 691,293	\$ 743,839	\$ 767,786	\$ 735,169	\$ 876,929	\$ 799,039	\$ 824,466	\$ 864,726	\$ 821,906	\$ 861,979

* 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, 2020
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property-Blanket Building/Contents	\$ 112,078,984	\$ 5,000
Comprehensive General Liability	1,000,000	
Public Employee Dishonesty	\$100,000 / employee	5,000
Public Employee Dishonesty (per loss)	500,000	100,000
Forgery Alteration	100,000	1,000
Boiler and Machinery/Equipment	Blanket Limit	5,000
Umbrella Liability - Great American Insurance Co.	9,000,000	
Excess Umbrella Liability - Starstone/Markel	30,000,000	
Excess Liability - Fireman's Fund	50,000,000	N/A
Educator's Professional Liability - XL Catlin	1,000,000	20,000
Pollution Coverage - Markel	2,000,000	25,000
Aggregate Sublimit per Named Insured Mold	4,000,000	50,000
Public Officials Bonds		
Treasurer of School Monies	350,000	
School Business Administrator/Board Secretary	50,000	

Source: School Insurance Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, 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, 2020 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 January 28, 2021.

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 certain a deficiency in internal control, described in the schedule of findings and questioned costs as item 2020-001 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 2020-001.

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 January 28, 2021.


Tenafly Board of Education’s Responses to Findings

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
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 28, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

**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, 2020. 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 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, 2020.

Report on Internal Control Over Compliance

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

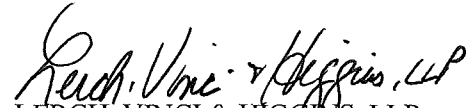
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 28, 2021

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	Balance at June 30, 2020			Memo			
						July 1, 2019 Unearned Revenue/ (Account Receivable)	Revenue Carryover Amount	Receivable Carryover Amount	Cash Received	Budgetary Expenditures	(Account Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditure
U.S. Department of Education Passed-through State Department of Education															
General Fund:															
Medical Assistance Program	93.778	2005NJSMAP	N/A	7/1/19-6/30/20	\$ 11,707	-	-	-	\$ 11,707	\$ 11,707	-	-	-	-	\$ 11,707
Total General Fund						-	-	-	11,707	11,707	-	-	-	-	11,707
Special Revenue Fund:															
I.D.E.A. Part B, Basic	84.027	H027A190100	IDEA5160-20	7/1/19-9/30/20	721,152		\$ 21,304	\$ (21,304)	729,749	734,628	\$ (12,707)	\$ 7,828		\$ (4,879)	734,628
I.D.E.A. Part B, Basic	84.027	H027A180100	IDEA5160-19	7/1/18-9/30/19	732,168	\$ (50,591)	(21,304)	21,304	50,591		-	-		-	-
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA5160-20	7/1/19-9/30/20	38,473		1,160	(1,160)	5,556	36,993	(34,077)	2,640		(31,437)	36,993
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA5160-19	7/1/18-9/30/19	38,271	-	(1,160)	1,160	-	-	-	-		-	-
Total Special Education Cluster (IDEA)						(50,591)	-	-	785,896	771,621	(46,784)	10,468		(36,316)	771,621
Title I, Part A	84.010A	S010A190030	ESEA516020	7/1/19-9/30/20	178,148		4,016	(4,016)	182,164	182,164	-	-		-	182,164
Title I, Part A	84.010A	S010A180030	ESEA516019	7/1/18-6/30/19	190,221	(70,888)	(4,016)	4,016	70,888		-	-		-	-
Title II, Part A	84.367	S367A190029	ESEA516020	7/1/19-9/30/20	50,699		23,098	(23,098)	34,830	34,926	(38,967)	38,871		(96)	34,926
Title II, Part A	84.367	S367A180029	ESEA516019	7/1/18-6/30/19	54,860	(35,514)	(23,098)	23,098	35,514		-	-		-	-
Title III-Immigrant	84.365	S365A190030	ESEA516020	7/1/19-9/30/20	24,357		8,539	(8,539)			(32,896)	32,896		-	-
Title III-Immigrant	84.365	S365A180030	ESEA516019	7/1/18-6/30/19	20,684	(15,371)	(8,539)	8,539	15,371		-	-		-	-
Title III	84.365	S365A190030	ESEA516020	7/1/19-9/30/20	62,059		56,158	(56,158)		26,874	(118,217)	91,343		(26,874)	26,874
Title III	84.365	S365A180030	ESEA516019	7/1/18-6/30/19	56,158	(12,961)	(56,158)	56,158	12,961		-	-		-	-
Total Title III Cluster						(28,332)	-	-	28,332	26,874	(151,113)	124,239		(26,874)	26,874
Title IV	84.424	S424A190031	ESEA516020	7/1/19-9/30/20	11,102		11,421	(11,421)	4,467	8,101	(18,056)	14,422		(3,634)	8,101
Title IV	84.424	S424A180031	ESEA516019	7/1/18-6/30/19	11,421	(3,881)	(11,421)	11,421	3,881		-	-		-	-
Total U.S. Department of Education						(189,206)	-	-	1,145,972	1,023,686	(254,920)	188,000		(66,920)	1,023,686
The TEACH Coalition (SAMSHA)	93.276	SP021565	1H79SP021565-01	9/30/17-9/30/18	125,000	44,858							\$ 44,858		-
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						44,858	-	-	-	-	-	-	44,858		-
CARES Emergency Relief Grant	84.425D	S425D2000027		3/15/20-9/30/20	143,233						(143,233)	143,233		-	-
Total Special Revenue Fund						(144,348)	-	-	1,145,972	1,023,686	(398,153)	331,233	44,858	(66,920)	1,023,686
Total Federal Financial Awards						\$ (144,348)	\$ -	\$ -	\$ 1,157,679	\$ 1,035,393	\$ (398,153)	\$ 331,233	\$ 44,858	\$ (66,920)	\$ 1,035,393

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2019		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	Balance June 30, 2020			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	20-495-034-5120-089	7/1/19-6/30/20	\$ 1,821,518			\$ 1,675,351	\$ 1,821,518			\$ (146,167)				\$ 1,821,518
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	1,551,244	(130,649)		130,649								
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	285,644			262,723	285,644			(22,921)				285,644
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	285,644	(24,058)	\$ -	24,058								
Total State Aid- Public Cluster				(154,707)	-	2,092,781	2,107,162	-	-	(169,088)	-	-	-	2,107,162
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	353,878			325,481	353,878			(28,397)				353,878
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	353,878	(29,804)		29,804								
Other State Aid - Non Public Transportation	19-495-034-5120-014	7/1/18-6/30/19	34,841	(34,841)	-	34,841								
Total Transportation Aid				(64,645)	-	390,126	353,878	-	-	(28,397)	-	-	-	353,878
Other State Aid - Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	1,067,669				1,067,669			(1,067,669)				1,067,669
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								
TPAF On-Behalf Contributions														
Pension Contribution-Normal Costs	20-495-034-5094-002	7/1/19-6/30/20	6,107,850			6,107,850	6,107,850							6,107,850
Pension Contribution-NCGI	20-495-034-5094-004	7/1/19-6/30/20	109,476			109,476	109,476							109,476
Pension Contribution- Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	4,007			4,007	4,007							4,007
Pension Contribution- Post Retirement Cost	20-495-034-5094-001	7/1/19-6/30/20	2,306,514			2,306,514	2,306,514							2,306,514
Total On-Behalf TPAF Contribution Cluster						8,527,847	8,527,847							8,527,847
Social Security Reimbursements	20-495-034-5094-003	7/1/19-6/30/20	2,284,210			2,284,210	2,284,210							2,284,210
Total General Fund				(1,383,332)	-	14,458,944	14,340,766	-	-	(1,265,154)	-	-	-	14,340,766
Special Revenue Fund:														
New Jersey Nonpublic Aid														
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	27,673			27,673	26,773					\$ 900		26,773
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	28,302		\$ 1,956			\$ 1,956						
Auxiliary Services														
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	77,063			69,300	69,682			(7,763)		7,381	\$ (7,763)	69,682
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	99,408		9,647			9,647						
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	8,272			7,410	6,287			(862)		1,985	(862)	6,287
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	7,161		1,898			1,898						
Total Nonpublic Auxiliary Services Aid (Chap. 192) Cluster					11,545	76,710	75,969	11,545		(8,625)		9,366	(8,625)	75,969
Handicapped Services														
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	69,481			62,425	34,573			(7,056)		34,908	(7,056)	34,573
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	61,518		7,095			7,095						
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	41,377			37,175	36,547			(4,202)		4,830	(4,202)	36,547
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	39,283		11,338			11,338						
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	36,427			32,727	31,753			(3,700)		4,674	(3,700)	31,753
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	38,855		5,549			5,549						
Total Nonpublic Handicapped Services Aid (Chap. 193) Cluster					23,982	132,327	102,873	23,982		(14,958)		44,412	(14,958)	102,873
Technology	20-100-034-5120-373	7/1/19-6/30/20	18,900			18,900	14,452					4,448		14,452
Technology	19-100-034-5120-373	7/1/18-6/30/19	19,080		5,077			5,077						
Nursing	20-100-034-5120-070	7/1/19-6/30/20	51,119			51,119	48,958					2,161		48,958
Nursing	19-100-034-5120-070	7/1/18-6/30/19	53,544		620			620						
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	60,900			60,900	25,714					35,186		25,714
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	82,800		28,917			28,917						
Total Special Revenue Fund					72,097	367,629	294,739	72,097		(23,583)		96,473	(23,583)	294,739

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2019		Balance June 30, 2020					MEMO			
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Debt Service Fund:														
Debt Service State Aid	20-495-034-5120-075	7/1/19-6/30/20	\$ 385,922	-	-	\$ 385,922	\$ 385,922	-	-	-	-	-	-	\$ 385,922
Total State Department of Education				\$ (1,383,332)	\$ 72,097	15,212,495	15,021,427	\$ 72,097	-	\$ (1,288,737)	-	\$ 96,473	\$ (23,583)	15,021,427
Total State Financial Assistance Subject to Single Audit Determination				(1,383,332)	72,097	15,212,495	15,021,427	72,097	-	(1,288,737)	-	96,473	(23,583)	15,021,427
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
TPAF On-Behalf Pension Contributions														
Normal Costs and NCGI	20-495-034-5094-002/004	7/1/19-6/30/20	6,217,326			(6,217,326)	(6,217,326)							(6,217,326)
Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	4,007			(4,007)	(4,007)							(4,007)
Post Retirement Cost	20-495-034-5094-001	7/1/19-6/30/20	2,306,514	-	-	(2,306,514)	(2,306,514)	-	-	-	-	-	-	(2,306,514)
Total State Financial Assistance for Major Program Determination				\$ (1,383,332)	\$ 72,097	\$ 6,684,648	\$ 6,493,580	\$ 72,097	\$ -	\$ (1,288,737)	\$ -	\$ 96,473	\$ (23,583)	\$ 6,493,580

**TENAFLY BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$83,337 for the general fund and an increase 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	\$ 11,707	\$ 14,424,103	\$ 14,435,810
Special Revenue Fund	1,023,686	321,182	1,344,868
Debt Service Fund	<u>-</u>	<u>385,922</u>	<u>385,922</u>
Total Financial Assistance	<u>\$ 1,035,393</u>	<u>\$ 15,131,207</u>	<u>\$ 16,166,600</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, 2020**

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

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,284,210 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$6,217,326, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,306,514 and TPAF Long-Term Disability Insurance in the amount of \$4,007 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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 payments 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, 2020

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>H027A190100</u>	<u>IDEA Part B, Basic</u>
<u>84.173</u>	<u>H173A190114</u>	<u>IDEA Part B Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

TENAFLY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Part I - Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified?
2) Significant deficiency(ies) identified?

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

Identification of major state programs:

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include: 20-495-034-5120-044 (Extraordinary Aid), 20-495-034-5094-003 (TPAF Social Security Reimbursements), 20-495-034-5120-089 (State Aid Public-Special Education Aid), 20-495-034-5120-084 (State Aid Public-Security Aid).

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

Auditee qualified as low-risk auditee? X yes

**TENAFLY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 2020-001:

Our audit of the general ledger account balances revealed certain adjusting journal entries were required to reconcile the Board records to agree with subsidiary records and supporting documentation.

Criteria or specific requirement:

The State Department of Education's GAAP Technical Systems Manual

Condition:

Certain adjusting journal entries were required to reclassify receipts, accrue revenues and correct general ledger entries in all funds.

Questioned Costs:

None.

Context:

Certain journal entries were required to reclassify mis-postings and record certain transactions in the District's Funds.

Effect:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action Plan:

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

**TENAFLY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

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 2019-001:

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

Current Status

Corrective action was taken.