

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



**Comprehensive Annual Financial Report
For the Fiscal Year Ending
June 30, 2015**

Prepared by the Business Office

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Tenafly Board of Education

Tenafly, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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INTRODUCTORY SECTION



Office of Business Administrator/
Board Secretary

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

November 23, 2015

President Mr. Edward J. Salaski
Vice President Ms. Lynne W. Stewart

Members of the Board of Education:

Ms. Stephanie Addison-Fontaine
Mr. Mark Aronson
Mr. Sam A. Bruno
Ms. Janet I. Horan
Ms. Eileen D. Pleva
Mr. Richard H. Press
Ms. April Uram

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

Dear Board Members:

State Department of Education statutes require that all local governments publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Tenafly Board of Education for the fiscal year ended June 30, 2015.

Annual Financial Report
Tenafly Board of Education
Fiscal Year Ended June 30, 2015

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

The Tenafly Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Tenafly Board of Education for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Tenafly Board of Education's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Annual Financial Report
 Tenafly Board of Education
 Fiscal Year Ended June 30, 2015

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 2014-2015 school year increased by 18 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
2005-2006	3,239	1.70
2006-2007	3,382	4.41
2007-2008	3,470	2.60
2008-2009	3,504	0.98
2009-2010	3,557	1.51
2010-2011	3,594	1.04
2011-2012	3,619	0.70
2012-2013	3,612	(0.19)
2013-2014	3,592	(0.55)
2014-2015	3,610	0.50

2) **ECONOMIC CONDITION AND OUTLOOK:** Tenafly is in the "I" District Factor Grouping which is assigned by the State.

3) **MAJOR INITIATIVES:**

DISTRICT GOALS FOR 2014-2015

GOAL 1

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

This will be completed through:

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

GOAL 2

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

This will be accomplished through:

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

GOAL 3

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

This will be accomplished through:

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

GOAL 4

To generate additional revenue

This will be accomplished through:

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

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state

Annual Financial Report
Tenafly Board of Education
Fiscal Year Ended June 30, 2015

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 assignments of fund balance at June 30, 2015.

6) DEBT ADMINISTRATION: At June 30, 2015, the District's outstanding debt issues were \$35,785,000 of general obligation bonds and refund school bonds to fund the referendum projects approved by the voters on January 25, 2000 and September 27, 2005. These bonds will mature in serial installments through July 2031.

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

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

9) PROPERTY TAX LEVY HISTORY:

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

The 2014-2015 budget reflects a 2.00% general fund school tax levy increase for the Borough tax year 2015.

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 OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGEMENTS:

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

Respectfully submitted,



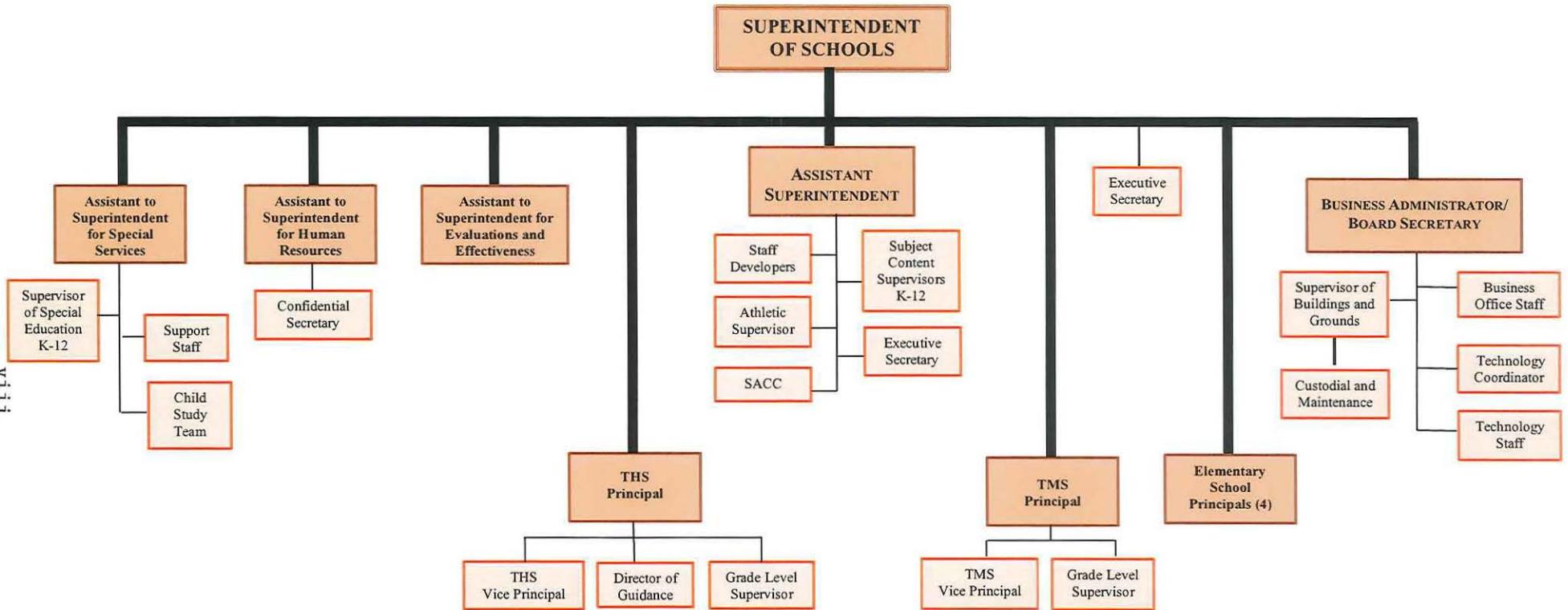
Lynn Trager
Superintendent of Schools



Yas Usami
Business Administrator/Board Secretary

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

V.T.T.A



Updated July 22, 2013

Board Approved 9-10-2013

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

**ROSTER OF OFFICIALS
JULY 1, 2014 to JUNE 30, 2015**

MEMBERS OF THE BOARD OF EDUCATION

TERM
EXPIRES

Edward J. Salaski, President	2017
Lynne W. Stewart, Vice President	2017
Stephanie Addison-Fontaine	2015
Mark Aronson	2016
Sam A. Bruno	2016
Janet I. Horan	2017
Eileen D. Pleva	2015
Richard H. Press	2015
April Uram	2016

OTHER OFFICIALS

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

**TENAFLY BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
2014-15**

ARCHITECTS

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

AUDIT FIRM

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

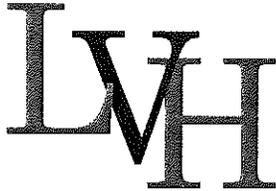
ATTORNEY

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

OFFICIAL DEPOSITORY

Capital One Bank
191 County Road
Cresskill, NJ 07626

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

INDEPENDENT AUDITOR'S REPORT

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education as of June 30, 2015, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Tenafly Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tenafly Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Tenafly Board of Education.

The combining 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 November 23, 2015 on our consideration of the Tenafly Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tenafly Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CR00829

Fair Lawn, New Jersey
November 23, 2015

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, 2015. 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 2014-2015 fiscal year are as follows:

- The liabilities and deferred inflows of resources of the Tenaflly Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$1,831,292 (net position).
- General revenues of \$60,532,498 accounted for 76 percent of all revenues. Program revenues of \$18,792,923 accounted for 24 percent of total revenues of \$79,325,421.
- The school district had \$78,371,525 in expenses for governmental activities; only \$17,783,197 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$60,531,999 were adequate to provide for these programs.
- Among major funds, the General Fund had \$68,098,105 in revenues and other financing sources and \$68,182,326 in expenditures and other financing uses. The General Fund's fund balance decreased by \$84,221.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,168,118.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Tenafly Board of Education

Management's Discussion and Analysis (continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
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: Food Service and School-Age Child Care
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
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
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
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.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

District-wide Statements

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

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

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

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

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and the School Age Child Care 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).

Tenafly Board of Education

Management's Discussion and Analysis (continued)

The district has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE TENAFLY BOARD OF EDUCATION AS A WHOLE

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

The table on the next page provides a summary of the school district's net position for 2015 and 2014.

Net position. The district's combined deficit net position were \$(1,831,292) and \$(1,768,824) on June 30, 2015 and June 30, 2014, respectively.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Statement of Net Position
As of June 30, 2015 and 2014

	Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 11,133,191	\$ 9,103,658	\$ 447,777	\$ 447,299	\$ 11,580,968	\$ 9,550,957
Capital Assets	<u>43,463,923</u>	<u>43,859,134</u>	<u>42,195</u>	<u>43,996</u>	<u>43,506,118</u>	<u>43,903,130</u>
Total Assets	<u>54,597,114</u>	<u>52,962,792</u>	<u>489,972</u>	<u>491,295</u>	<u>55,087,086</u>	<u>53,454,087</u>
Deferred Amounts of Refunding of Debt	2,816,482	2,619,437	-	-	2,816,482	2,619,437
Deferred Amount of Net Pension Liability	<u>494,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>494,110</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>3,310,592</u>	<u>2,619,437</u>	<u>-</u>	<u>-</u>	<u>3,310,592</u>	<u>2,619,437</u>
Total Assets and Deferred Outflows of Resources	<u>57,907,706</u>	<u>55,582,229</u>	<u>489,972</u>	<u>491,295</u>	<u>58,397,678</u>	<u>56,073,524</u>
Long-Term Liabilities	57,736,400	56,680,346			57,736,400	56,680,346
Other Liabilities	<u>1,447,878</u>	<u>1,140,996</u>	<u>25,822</u>	<u>19,991</u>	<u>1,473,700</u>	<u>1,160,987</u>
Total Liabilities	<u>59,184,278</u>	<u>57,821,342</u>	<u>25,822</u>	<u>19,991</u>	<u>59,210,100</u>	<u>57,841,333</u>
Deferred Amount of Net Pension Liability	1,018,870				1,018,870	
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015</u>	<u>-</u>	<u>1,015</u>
Total Deferred Inflows of Resources	<u>1,018,870</u>	<u>-</u>	<u>-</u>	<u>1,015</u>	<u>1,018,870</u>	<u>1,015</u>
Total Liabilities and Deferred Outflows Inflows of Resources	<u>60,203,148</u>	<u>57,821,342</u>	<u>25,822</u>	<u>21,006</u>	<u>60,228,970</u>	<u>57,842,348</u>
Net Position:						
Net Investment in Capital Assets	8,346,793	7,441,887	42,195	43,996	8,388,988	7,485,883
Restricted	5,536,492	3,824,241			5,536,492	3,824,241
Unrestricted	<u>(16,178,727)</u>	<u>(13,505,241)</u>	<u>421,955</u>	<u>426,293</u>	<u>(15,756,772)</u>	<u>(13,078,948)</u>
Total Net Position (Deficit)	<u>\$ (2,295,442)</u>	<u>\$ (2,239,113)</u>	<u>\$ 464,150</u>	<u>\$ 470,289</u>	<u>\$ (1,831,292)</u>	<u>\$ (1,768,824)</u>

Tenafly Board of Education

Management's Discussion and Analysis (continued)

The table on the on the following page shows changes in net position for fiscal years 2015 and 2014.

Changes in Net Position For the Fiscal Years Ended June 30, 2015 and 2014

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,202,117	\$ 1,243,890	\$ 1,009,726	\$ 953,002	\$ 2,211,843	\$ 2,196,892
Operating Grants and Contributions	16,083,705	8,588,388		89,319	16,083,705	8,677,707
Capital Grants and Contributions	497,375	913,675			497,375	913,675
General Revenues						
Property Taxes	59,990,128	58,953,614			59,990,128	58,953,614
Investment Earnings	32,565	43,477	499		33,064	43,477
Other	509,306	596,176	-	657	509,306	596,833
Total Revenues	<u>78,315,196</u>	<u>70,339,220</u>	<u>1,010,225</u>	<u>1,042,978</u>	<u>79,325,421</u>	<u>71,382,198</u>
Expenses						
Instruction						
Regular	35,358,704	29,657,538			35,358,704	29,657,538
Special Education	10,259,084	9,341,120			10,259,084	9,341,120
Other Instruction	2,382,084	2,083,253			2,382,084	2,083,253
School Sponsored Activities and Athletics	1,605,092	1,305,116			1,605,092	1,305,116
Other Instructional Programs	30,770	7,091			30,770	7,091
Support Services						
Student and Instruction Related Services	11,412,708	9,466,929			11,412,708	9,466,929
General Administrative Services	1,006,071	1,366,283			1,006,071	1,366,283
School Administrative Services	5,101,918	4,408,156			5,101,918	4,408,156
Plant Operations and Maintenance	6,668,670	6,713,229			6,668,670	6,713,229
Pupil Transportation	1,204,927	995,730			1,204,927	995,730
Business and Other Support Services	1,815,707	1,611,780			1,815,707	1,611,780
Food Services			687,143	722,465	687,143	722,465
Child Care			329,221	396,282	329,221	396,282
Interest on Long-Term Debt	1,525,790	1,538,470	-	-	1,525,790	1,538,470
Total Expenses	<u>78,371,525</u>	<u>68,494,695</u>	<u>1,016,364</u>	<u>1,118,747</u>	<u>79,387,889</u>	<u>69,613,442</u>
Change in Net Position	(56,329)	1,844,525	(6,139)	(75,769)	(62,468)	1,768,756
Net Position, Beginning of Year	(2,239,113)	9,305,232	470,289	534,276	(1,768,824)	9,839,508
Prior Period Adjustment, Net Pension		(16,137,574)				(16,137,574)
Prior Period Adjustment, Capital Assets	-	2,748,704	-	11,782	-	2,760,486
Net Position, End of Year	<u>\$ (2,295,442)</u>	<u>\$ (2,239,113)</u>	<u>\$ 464,150</u>	<u>\$ 470,289</u>	<u>\$ (1,831,292)</u>	<u>\$ (1,768,824)</u>

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Governmental Activities. The district's total revenues were \$78,315,196. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to \$60,531,999 or 77% of total revenues. Funding from state, federal and local sources and capital contributions amounted to \$16,581,080 or 21%. The remaining revenues of \$1,202,117 (2%) were from charges for services (tuition and program fees for network wiring program with the Borough).

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$49,635,734 (63%) and student and other support services totaled \$27,210,001 (35%) of total expenditures. In addition, interest on long-term debt and other charges totaled \$1,525,790 (2%) of total expenditures.

Total and Net Cost of Governmental Activities For the Fiscal Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Cost of Services</u>	<u>Net Cost of Services</u>
Governmental Activities		
Instruction		
Regular	\$ 35,358,704	\$ 25,155,291
Special Education	10,259,084	5,792,815
Other Instruction	2,382,084	1,605,124
School Sponsored Activities and Athletics	1,605,092	1,242,273
Other Instructional Program	30,770	30,770
Support Services		
Student and Instruction Related Svcs.	11,412,708	10,831,336
General Administrative Services	1,006,071	1,006,071
School Administrative Services	5,101,918	4,524,376
Plant Operations and Maintenance	6,668,670	6,189,292
Pupil Transportation	1,204,927	1,116,943
Business and Other Support Services	1,815,707	1,787,707
Interest on Long-Term Debt	<u>1,525,790</u>	<u>1,306,330</u>
 Total Governmental Activities	 <u>\$ 78,371,525</u>	 <u>\$ 60,588,328</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, 2015 was \$1,016,364. These costs were funded by charges for services and investment earnings.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year ended June 30, 2015, its governmental funds reported a combined fund balance of \$10,168,118. At June 30, 2014, the fund balance was \$8,520,723.

Revenues and other financing sources for the District's governmental funds were \$80,803,154, while total expenditures and other financing uses were \$79,155,759 for the fiscal year ended June 30, 2015.

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>2015</u>	Fiscal Year Ended June 30, <u>2014</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 57,527,828	\$ 56,399,832	\$ 1,127,996	2.0%
Tuition	1,030,447	1,011,177	19,270	1.9%
Interest Earnings	32,565	43,477	(10,912)	-25.1%
Miscellaneous	652,976	828,889	(175,913)	-21.2%
Intergovernmental				
State Sources	<u>8,241,566</u>	<u>7,427,671</u>	<u>813,895</u>	11.0%
 Total Revenues	 <u>\$ 67,485,382</u>	 <u>\$ 65,711,046</u>	 <u>\$ 1,774,336</u>	 2.7%

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Total General Fund Revenues increased by \$1,774,336 or less than 3% over the previous year. Local property taxes increased 2% over the previous year. Miscellaneous revenues decreased by 21%, primarily due to the solar panel project escrow that was received in fiscal year 2014. Tuition revenues increased by 2% due to higher enrollments in high school students received from Alpine. State aid revenues increased by \$813,895 largely due to an increase in State On-Behalf TPAF Pension costs contributed by the State and Extraordinary Aid.

General Fund Expenditures

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 42,064,542	\$ 40,817,974	\$ 1,246,568	3.1%
Support Services	23,766,771	22,494,359	1,272,412	5.7%
Capital Outlay	512,375	1,349,408	(837,033)	-62.0%
Total Expenditures	<u>\$ 66,343,688</u>	<u>\$ 64,661,741</u>	<u>\$ 1,681,947</u>	2.6%

Total General Fund expenditures increased by \$1,681,947 or less than 3% compared to the previous year. The District realized significant increases in instruction and support services.

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.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

Capital Assets. At the end of the fiscal years 2015 and 2014, the school district had invested in land, buildings, land improvements, furniture, machinery and equipment as follows:

Capital Assets as of June 30, 2015 and 2014

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 222,500	\$ 222,500			\$ 222,500	\$ 222,500
Buildings	54,666,381	54,599,881			54,666,381	54,599,881
Improvements Other Than Buildings	2,093,770	797,963			2,093,770	797,963
Machinery and Equipment	<u>6,919,961</u>	<u>6,402,389</u>	<u>\$ 245,753</u>	<u>\$ 239,100</u>	<u>7,165,714</u>	<u>6,641,489</u>
 Total	 63,902,612	 62,022,733	 245,753	 239,100	 64,148,365	 62,261,833
Less: Accumulated Depreciation	<u>(20,438,689)</u>	<u>(18,163,599)</u>	<u>(203,558)</u>	<u>(195,104)</u>	<u>(20,642,247)</u>	<u>(18,358,703)</u>
 Total Capital Assets, Net	 <u>\$ 43,463,923</u>	 <u>\$ 43,859,134</u>	 <u>\$ 42,195</u>	 <u>\$ 43,996</u>	 <u>\$ 43,506,118</u>	 <u>\$ 43,903,130</u>

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

Debt Administration. As of June 30, 2015 and 2014 the school district had long-term debt and outstanding long-term liabilities in the amount of \$55,584,356 and \$54,511,230.

Outstanding Long-Term Liabilities

	<u>2015</u>	<u>2014</u>
Serial Bonds Payable	\$ 35,785,000	\$ 36,871,000
Capital Leases Payable	2,721,500	
Compensated Absences Payable	1,364,564	1,502,656
Net Pension Liability	<u>15,713,292</u>	<u>16,137,574</u>
 Total	 <u>\$ 55,584,356</u>	 <u>\$ 54,511,230</u>

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

Tenafly Board of Education

Management's Discussion and Analysis (continued)

UNRESTRICTED – UNASSIGNED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES

Beginning with June 30, 2005, the District's fund balance was \$1,214,246 or 2.70% of the operating budget. Since then, the district has maintained a fund balance within the state recommended guidelines. A review of the below Table indicates that as of June 30, 2015, the district unassigned fund balance was \$2,327,813 on a budgetary basis or 3.56%.

ANALYSIS OF FUND BALANCE – GENERAL FUND FROM 2005 – 2015

	BALANCE, JUNE 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UNRESTRICTED										
UNASSIGNED YEAR END (GAAP)	\$ 819,257	\$ 876,111	\$ 950,629	\$ (651,919)	\$ 477,859	\$ 607,687	\$ 577,090	\$ 1,087,841	\$ 1,126,026	\$ 1,144,340
USED TO OFFSET TAX SUBSEQUENT YEAR	57,027		445,854	843,213	855,135	1,596,577	1,601,564	2,719,506	2,450,000	2,450,000
UNRESTRICTED										
UNASSIGNED YEAR END(BUDGETARY)	1,214,246	1,315,685	1,382,989	869,831	1,821,101	1,946,268	1,747,610	2,120,613	2,099,414	2,327,813
MODIFIED BUDGET										
APPROPRIATIONS	44,938,005	47,331,511	51,550,665	55,578,455	56,835,033	57,081,610	60,394,695	61,065,088	63,517,853	65,298,508
PERCENT OF MODIFIED APPROPRIATIONS TO BUDGETARY UNRESERVED,										
UNRESTRICTED, UNASSIGNED FUND BALANCE	<u>2.70%</u>	<u>2.78%</u>	<u>2.68%</u>	<u>1.57%</u>	<u>3.20%</u>	<u>3.41%</u>	<u>2.89%</u>	<u>3.47%</u>	<u>3.31%</u>	<u>3.56%</u>

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 2014-2015 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and benefit costs. Another factor was in technology. The District added computers, SMART Boards, laptop carts, and upgraded its network and infrastructure. Some of the expenditures were for the continued preparation for the Partnership for Assessment of Readiness for College and Careers (PARCC). This assessment replaced the state tests used previously to meet the requirements of the federal Elementary and Secondary Education Act (ESEA). Other expenditures addressed infrastructure needs for the District's preparation for a Virtual Desktop Infrastructure (VDI) platform which will utilize a 1:1 Chromebook initiative.

Tenafly Board of Education

Management's Discussion and Analysis (continued)

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

These indicators were considered when adopting the budget for fiscal year 2015-2016. Budgeted expenditures in the General Fund increased 3.0 percent to \$66,626,372 in fiscal year 2015-2016. Capital projects funded with Capital Reserve accounted for a total of \$1,798,868 with the remainder funded through local funds. These projects included a roof replacement at the middle school and a phone system replacement for the entire district. Both projects are School Development Authority (SDA) Regular Operating District (ROD) Grant projects where the SDA will reimburse the District 40% of eligible costs. The District utilized \$491,382 in Banked Cap which resulted in a tax levy increase of 2.85%. Banked Cap was utilized due to increased staffing at the middle school, expansion of a special education program and technology needs to support VDI. In addition, it was fiscally prudent for the District to take advantage of the ROD Grants' 40% reimbursement.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Telephone: 201-816-4504
Fax: 201-569-3678

BASIC FINANCIAL STATEMENTS

**TENAFLY BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 8,709,818	\$ 434,417	\$ 9,144,235
Restricted Cash with Fiscal Agents	1,702,000		1,702,000
Receivables, net	721,373	8,687	730,060
Inventory		4,673	4,673
Capital Assets			
Not Being Depreciated	222,500		222,500
Being Depreciated, Net	43,241,423	42,195	43,283,618
Total Assets	<u>54,597,114</u>	<u>489,972</u>	<u>55,087,086</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	2,816,482		2,816,482
Deferred Amount of Net Pension Liability	494,110		494,110
Total Deferred Outflows of Resources	<u>3,310,592</u>		<u>3,310,592</u>
Total Assets and Deferred Outflows of Resources	<u>57,907,706</u>	<u>489,972</u>	<u>58,397,678</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	377,320	1,049	378,369
Payable to State Government	18,306		18,306
Unearned Revenue	569,447	24,773	594,220
Accrued Interest Payable	482,805		482,805
Noncurrent Liabilities			
Due Within One Year	3,115,268		3,115,268
Due Beyond One Year	54,621,132		54,621,132
Total Liabilities	<u>59,184,278</u>	<u>25,822</u>	<u>59,210,100</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	1,018,870		1,018,870
Total Deferred Inflows of Resources	<u>1,018,870</u>	<u>-</u>	<u>1,018,870</u>
Total Liabilities and Deferred Inflows of Resources	<u>60,203,148</u>	<u>25,822</u>	<u>60,228,970</u>
NET POSITION			
Net Investment in Capital Assets	8,346,793	42,195	8,388,988
Restricted for:			
Debt Service	945		945
Capital Projects	4,935,397		4,935,397
Maintenance	600,150		600,150
Unrestricted	(16,178,727)	421,955	(15,756,772)
Total Net Position	<u>\$ (2,295,442)</u>	<u>\$ 464,150</u>	<u>\$ (1,831,292)</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, 2015**

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	\$ 35,358,704	\$ 1,128,659	\$ 9,074,754		\$ (25,155,291)		\$ (25,155,291)
Special Education	10,259,084	45,458	4,420,811		(5,792,815)		(5,792,815)
Other Instruction	2,382,084		776,960		(1,605,124)		(1,605,124)
School Sponsored Activities and Athletics	1,605,092		362,819		(1,242,273)		(1,242,273)
Other Instructional Programs	30,770				(30,770)		(30,770)
Support Services							
Student and Instruction Related Svcs.	11,412,708		581,372		(10,831,336)		(10,831,336)
General Administrative Services	1,006,071				(1,006,071)		(1,006,071)
School Administrative Services	5,101,918		577,542		(4,524,376)		(4,524,376)
Plant Operations and Maintenance	6,668,670		201,463	\$ 277,915	(6,189,292)		(6,189,292)
Pupil Transportation	1,204,927		87,984		(1,116,943)		(1,116,943)
Business Services	1,815,707	28,000			(1,787,707)		(1,787,707)
Interest on Long-Term Debt	1,525,790			219,460	(1,306,330)	-	(1,306,330)
Total Governmental Activities	<u>78,371,525</u>	<u>1,202,117</u>	<u>16,083,705</u>	<u>497,375</u>	<u>(60,588,328)</u>	<u>-</u>	<u>(60,588,328)</u>
Business-Type Activities							
Food Service	687,143	648,766		-		\$ (38,377)	(38,377)
Child Care	329,221	360,960				31,739	31,739
Total Business-Type Activities	<u>1,016,364</u>	<u>1,009,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,638)</u>	<u>(6,638)</u>
Total Primary Government	<u>\$ 79,387,889</u>	<u>\$ 2,211,843</u>	<u>\$ 16,083,705</u>	<u>\$ 497,375</u>	<u>(60,588,328)</u>	<u>(6,638)</u>	<u>(60,594,966)</u>
General Revenues:							
Property Taxes, Levied for General Purposes					57,527,828		57,527,828
Property Taxes, Levied for Debt Service					2,462,300		2,462,300
Investment Earnings					32,565	499	33,064
Miscellaneous Income					509,306		509,306
Total General Revenues					<u>60,531,999</u>	<u>499</u>	<u>60,532,498</u>
Change in Net Position					(56,329)	(6,139)	(62,468)
Net Position, Beginning of Year - Restated					(2,239,113)	470,289	(1,768,824)
Net Position, End of Year					<u>\$ (2,295,442)</u>	<u>\$ 464,150</u>	<u>\$ (1,831,292)</u>

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

FUND FINANCIAL STATEMENTS

TENAFLY BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 8,176,419		\$ 533,399	-	\$ 8,709,818
Due From Other Funds	62,990				62,990
Receivables, Net					
Receivables From Other Governments	118,994	\$ 150,818	374,292		644,104
Accounts Receivable	77,000	-		-	77,000
Restricted Cash with Fiscal Agents	-	-	1,702,000	-	1,702,000
Total Assets	\$ 8,435,403	\$ 150,818	\$ 2,609,691	\$ -	\$ 11,195,912
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 119,003				\$ 119,003
Compensated Absences Payable	258,317				258,317
Due To Other Funds		\$ 62,721			62,721
Payable to State Government		18,306			18,306
Unearned Revenue	159,016	69,791	\$ 340,640	-	569,447
Total Liabilities	536,336	150,818	340,640	-	1,027,794
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures	965,477				965,477
Excess Surplus	946,767				946,767
Capital Reserve	871,855				871,855
Capital Reserve- Designated for Subsequent Year's Expenditures	1,798,868				1,798,868
Maintenance Reserve	300,150				300,150
Maintenance Reserve- Designated for Subsequent Year's Expenditures	300,000				300,000
Capital Projects			2,268,106		2,268,106
Debt Service			945		945
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	1,484,523				1,484,523
Year End Encumbrances	87,087				87,087
Unassigned Fund Balance	1,144,340	-	-	-	1,144,340
Total Fund Balances	7,899,067	-	2,269,051	-	10,168,118
Total Liabilities and Fund Balances	\$ 8,435,403	\$ 150,818	\$ 2,609,691	\$ -	

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, 2015**

Total Fund Balance (Exhibit B-1) \$ 10,168,118

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 \$63,902,612 and the accumulated depreciation is \$20,438,689. 43,463,923

Long-term liabilities, including bonds payable, capital leases, 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) (58,219,205)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 2,816,482

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	\$ 49,110	
Deferred Inflows of Resources	<u>(1,018,870)</u>	
		<u>(524,760)</u>

Net Position of Governmental Activities **\$ (2,295,442)**

**TENAFLY BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 57,527,828			\$ 2,462,300	\$ 59,990,128
Tuition Charges	1,030,447				1,030,447
Interest	32,565				32,565
Miscellaneous	652,976	\$ 99,671	\$ 210,223		962,870
Total - Local Sources	59,243,816	99,671	210,223	2,462,300	62,016,010
State Sources	8,241,566	266,692	67,692	365,767	8,941,717
Federal Sources	-	900,736			900,736
Total Revenues	67,485,382	1,267,099	277,915	2,828,067	71,858,463
EXPENDITURES					
Current					
Instruction					
Regular Instruction	30,050,448	140,742			30,191,190
Special Education Instruction	8,655,111	689,747			9,344,858
Other Instruction	1,953,335	109,568			2,062,903
School Sponsored Activities and Athletics	1,396,868				1,396,868
Other Instructional Programs	8,780				8,780
Support Services					
Student and Instruction Related Services	9,519,730	321,845	1,389,500		11,231,075
General Administrative Services	981,112				981,112
School Administrative Services	4,794,942				4,794,942
Plant Operations and Maintenance	5,138,138		38,811		5,176,949
Pupil Transportation	1,182,039				1,182,039
Business Services	1,780,810				1,780,810
Debt Service					
Principal	370,000			1,435,000	1,805,000
Interest				1,466,163	1,466,163
Bond Issuance Costs				99,457	99,457
Capital Outlay	512,375	5,197	1,362,307	-	1,879,879
Payments to Escrow Agent	-	-	-	387,734	387,734
Total Expenditures	66,343,688	1,267,099	2,790,618	3,388,354	73,789,759
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,141,694	-	(2,512,703)	(560,287)	(1,931,296)
OTHER FINANCING SOURCES (USES)					
Refunding Bond Proceeds				5,715,000	5,715,000
Premium on Issuance of Refunding Bonds				138,191	138,191
Payment to Refunding Escrow Agent				(5,366,000)	(5,366,000)
Lease Purchase Proceeds			3,091,500		3,091,500
Transfers In	612,723		1,838,638		2,451,361
Transfers Out	(1,838,638)		(612,723)		(2,451,361)
Total Other Financing Sources and Uses	(1,225,915)	-	4,317,415	487,191	3,578,691
Net Change in Fund Balance	(84,221)	-	1,804,712	(73,096)	1,647,395
Fund Balance, Beginning of Year	7,983,288	-	464,339	73,096	8,520,723
Fund Balance, End of Year	\$ 7,899,067	\$ -	\$ 2,269,051	\$ -	\$ 10,168,118

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, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 1,647,395**

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

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

Capital Outlays	\$ 1,879,879	
Depreciation Expense	<u>(2,275,090)</u>	(395,211)

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

(1,385,957)

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.

(35,426)

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

Net Decrease in Compensated Absences		138,092
Net Increase in Pension Expense		<u>(100,478)</u>

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>75,256</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (56,329)**

**TENAFLY BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Internal Service Fund
	Food Service	School Age Child Care	Totals	Network Wiring Program
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 72,467	\$ 361,950	\$ 434,417	\$ -
Other Receivables		8,687	8,687	-
Inventory	4,673		4,673	-
Total Current Assets	<u>77,140</u>	<u>370,637</u>	<u>447,777</u>	<u>-</u>
Noncurrent Assets				
Furniture, Machinery and Equipment	245,753		245,753	-
Less Accumulated Depreciation	<u>(203,558)</u>		<u>(203,558)</u>	<u>-</u>
Total Capital Assets, Net	<u>42,195</u>	<u>-</u>	<u>42,195</u>	<u>-</u>
Total Assets	<u>119,335</u>	<u>370,637</u>	<u>489,972</u>	<u>-</u>
LIABILITIES				
Accounts Payable		1,049	1,049	-
Unearned Revenue	<u>21,518</u>	<u>3,255</u>	<u>24,773</u>	<u>-</u>
Total Liabilities	<u>21,518</u>	<u>4,304</u>	<u>25,822</u>	<u>-</u>
NET POSITION				
Investment in Capital Assets	42,195		42,195	-
Unrestricted	<u>55,622</u>	<u>366,333</u>	<u>421,955</u>	<u>-</u>
Total Net Position	<u>\$ 97,817</u>	<u>\$ 366,333</u>	<u>\$ 464,150</u>	<u>\$ -</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, 2015

	Business-Type Activities - Enterprise Fund			Governmental Internal Service Fund
	Food Service	School Age Child Care	Totals	Network Wiring Program
OPERATING REVENUES				
Charges for Services				
Daily Sales	\$ 643,766		\$ 643,766	
Special Functions	5,000		5,000	
Program Fees	-	\$ 360,960	360,960	\$ 28,000
Total Operating Revenues	<u>648,766</u>	<u>360,960</u>	<u>1,009,726</u>	<u>28,000</u>
OPERATING EXPENSES				
Cost of Sales	295,780		295,780	
Salaries and Benefits	288,727	317,383	606,110	3,008
Management Fee	30,100		30,100	
Other Purchased Services	6,739	2,324	9,063	
Other Expenses	14,493	5,000	19,493	
Supplies and Materials	42,850	4,514	47,364	24,992
Depreciation	8,454		8,454	-
Total Operating Expenses	<u>687,143</u>	<u>329,221</u>	<u>1,016,364</u>	<u>28,000</u>
Operating Income/(Loss)	<u>(38,377)</u>	<u>31,739</u>	<u>(6,638)</u>	<u>-</u>
NONOPERATING REVENUES				
Interest Revenue	499		499	-
Total Nonoperating Revenues	<u>499</u>	<u>-</u>	<u>499</u>	<u>-</u>
Change in Net Position	(37,878)	31,739	(6,139)	
Net Position, Beginning of Year (Restated)	<u>135,695</u>	<u>334,594</u>	<u>470,289</u>	
Net Position, End of Year	<u>\$ 97,817</u>	<u>\$ 366,333</u>	<u>\$ 464,150</u>	<u>\$ -</u>

TENAFLY BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Internal Service Fund
	Food Service	School Age Child Care	Totals	Network Wiring Program
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers (Net of Refunds)	\$ 653,709	\$ 360,073	\$ 1,013,782	\$ 28,000
Payments for Employees Salaries and Benefits	(288,727)	(316,333)	(605,060)	(24,992)
Payments to Suppliers	(381,439)	(12,706)	(394,145)	(3,008)
Net Cash Provided/(Used) by Operating Activities	(16,457)	31,034	14,577	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(6,653)		(6,653)	-
Net Cash Used By Capital and Related Financing Activities	(6,653)	-	(6,653)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	499	-	499	-
Net Cash Provided By Investing Activities	499	-	499	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(22,611)	31,034	8,423	
Cash and Cash Equivalents, Beginning of Year	95,078	330,916	425,994	
Cash and Cash Equivalents, End of Year	<u>\$ 72,467</u>	<u>\$ 361,950</u>	<u>\$ 434,417</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided/ (Used) by Operating Activities:				
Operating Income/(Loss)	\$ (38,377)	\$ 31,739	\$ (6,638)	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used) by Operating Activities				
Depreciation	8,454		8,454	
Changes in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	9,171	(1,107)	8,064	
(Increase) Decrease in Inventories	(119)		(119)	
Increase (Decrease) in Accounts Payable	-	182	182	
Increase (Decrease) in Unearned Revenue	4,414	220	4,634	
Total Adjustments	21,920	(705)	21,215	
Net Cash Provided/(Used) by Operating Activities	<u>\$ (16,457)</u>	<u>\$ 31,034</u>	<u>\$ 14,577</u>	<u>\$ -</u>

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

**TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Private Purpose Trust Funds	Unemployment Compensation Trust Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	\$ 161,930	\$ 498,152	\$ 271,558
Total Assets	161,930	498,152	\$ 271,558
LIABILITIES			
Due To Other Funds			\$ 269
Intergovernmental Payable		\$ 80	
Payable To Student Groups			252,024
Payroll Deductions and Withholdings			2,641
Accrued Salaries and Wages			411
Flexible Spending (Sect. 125) Plan	-	-	16,213
Total Liabilities	-	80	\$ 271,558
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	\$ 161,930	\$ 498,072	

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, 2015**

	Private Purpose Trust Funds	Unemployment Compensation Trust
ADDITIONS		
Investment Earnings		
Interest	\$ 580	\$ 1,621
Payroll Deductions		58,521
Donations	33,595	
	<hr/>	<hr/>
Total Additions	34,175	60,142
	<hr/>	<hr/>
DEDUCTIONS		
Scholarship	14,675	
Local Contribution	14,725	
Unemployment Claims and Contributions		25,950
	<hr/>	<hr/>
Total Deductions	29,400	25,950
	<hr/>	<hr/>
Change in Net Position	4,775	34,192
Net Position, Beginning of Year	157,155	463,880
	<hr/>	<hr/>
Net Position, End of Year	\$ 161,930	\$ 498,072
	<hr/> <hr/>	<hr/> <hr/>

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, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

Additionally, the government reports the following fund types:

The *internal service fund* accounts for the network rewiring project provided to the Borough to Tenafly, on a cost-reimbursement basis.

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts for Lease-Purchase Agreements for capital projects.

5. *Capital Assets*

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

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

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

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

6. *Deferred Outflows/Inflows of Resources*

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

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

7. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. 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.

8. *Pensions*

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.

9. *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 or resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes (See Note 3B).

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes (See Note 3C).

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 2013-2014 and 2014-2015 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 Non-Operating 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 network wiring program internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$58,219,205 difference are as follows:

Bonds Payable		\$ 35,785,000
Less:		
Issuance Premium (to be amortized over life of debt)	\$ 2,178,798	
Issuance Discount (to be amortized as interest expense)	<u>(26,754)</u>	
		2,152,044
Accrued Interest Payable		482,805
Lease Purchase Agreement Payable		2,721,500
Compensated Absences		1,364,564
Net Pension Liability		<u>15,713,292</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities		<u>\$ 58,219,205</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this \$(1,385,957) difference are as follows:

Debt Issued or Incurred:	
Capital lease financing	\$ (3,091,500)
Issuance of general obligation refunding bonds	(5,715,000)
Issuance premium	(138,191)
Principal Repayments:	
General Obligation Bonds	1,435,000
Lease Purchase Agreement	370,000
General Obligation Bonds Refunded	5,366,000
Payment to escrow agent for refunding bond	<u>387,734</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total	
Governmental Funds to Arrive at Changes in Net Position of	
Governmental Activities	<u>\$ (1,385,957)</u>

Another element of that reconciliation states that “governmental funds report the effect or premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this (\$35,426) difference are as follows:

Amortization of Deferred Charge on Refunding	\$ (190,689)
Amortization of Bond Premiums	157,751
Amotization of Bond Discounts	<u>(2,488)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total	
Governmental Funds to Arrive at Changes in Net Position of	
Governmental Activities	<u>\$ (35,426)</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original general fund budget by \$1,434,884. The increase was funded by the appropriation of the prior year extraordinary aid and the reappropriation of prior year general fund encumbrances. The Board increased the Special Revenue Fund by \$408,606. 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, 2015**

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, 2015 is as follows:

Balance, July 1, 2014		\$ 2,863,577
Increased by:		
Interest Earnings	\$ 4,000	
Return of Unexpended Capital Reserve Funds	612,723	
Deposit Approved by Board Resolution	<u>400,000</u>	
		<u>1,016,723</u>
		3,880,300
Withdrawals		
Approved by Adopted Budget		<u>(1,209,577)</u>
Balance, June 30, 2015		<u>\$ 2,670,723</u>

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

C. Maintenance Reserve

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

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 426,661
Increased by:		
Interest Earnings	\$ 150	
Deposit Approved by Board Resolution	<u>300,000</u>	
		<u>300,150</u>
		726,811
Withdrawals		
Approved by District Budget		<u>(126,661)</u>
Balance, June 30, 2015		<u>\$ 600,150</u>

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,483,205. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance 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, 2015 is \$1,912,244. Of this amount, \$965,477 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$946,767 will be appropriated in the 2016/2017 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), 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.

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$11,777,875 and bank and brokerage firm balances of the Board's deposits amounted to \$13,389,942. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with fiscal agent" are categorized as:

Depository Account

Insured	
Cash and Cash Equivalents	\$ 11,687,942
Uninsured and Collateralized	
Cash with Fiscal Agent	<u>1,702,000</u>
	<u>\$ 13,389,942</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 the Board's bank balance of \$1,702,000 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:	
Collateral held by Board's Agent in the Board's name	\$ 1,702,000
	<u>\$ 1,702,000</u>

Investments

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

As of June 30, 2015, the Board had no outstanding investments.

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>School Age Child Care</u>	<u>Total</u>
Receivables:					
Accounts	\$ 77,000			\$ 8,687	\$ 85,687
Intergovernmental					
Federal		\$ 150,818			150,818
State	<u>118,994</u>	<u>-</u>	<u>\$ 374,292</u>	<u>-</u>	<u>493,286</u>
Gross Receivables	195,994	150,818	374,292	8,687	729,791
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 195,994</u>	<u>\$ 150,818</u>	<u>\$ 374,292</u>	<u>\$ 8,687</u>	<u>\$ 729,791</u>

C. Unearned Revenue

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

General Fund	
Summer School Program Fees	\$ 159,016
Special Revenue Fund	
Unencumbered Grant Draw Downs	69,791
Capital Projects Fund	
Unrealized School Facilities Grants	<u>340,640</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 569,447</u>

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, <u>July 1, 2014</u> <u>(Restated)</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 222,500	-	\$ -	\$ 222,500
Total Capital Assets, Not Being Depreciated	<u>222,500</u>	<u>-</u>	<u>-</u>	<u>222,500</u>
Capital Assets, Being Depreciated:				
Buildings	54,599,881	\$ 66,500		54,666,381
Improvements Other Than Buildings	797,963	1,295,807		2,093,770
Machinery and Equipment	<u>6,402,389</u>	<u>517,572</u>	-	<u>6,919,961</u>
Total Capital Assets Being Depreciated	<u>61,800,233</u>	<u>1,879,879</u>	<u>-</u>	<u>63,680,112</u>
Less Accumulated Depreciation For:				
Buildings	(12,659,062)	(1,920,371)		(14,579,433)
Improvements Other Than Buildings	(580,381)	(31,395)		(611,776)
Machinery and Equipment	<u>(4,924,156)</u>	<u>(323,324)</u>	-	<u>(5,247,480)</u>
Total Accumulated Depreciation	<u>(18,163,599)</u>	<u>(2,275,090)</u>	<u>-</u>	<u>(20,438,689)</u>
Total Capital Assets, Being Depreciated, net	<u>43,636,634</u>	<u>(395,211)</u>	<u>-</u>	<u>43,241,423</u>
Governmental Activities Capital Assets, net	<u>\$ 43,859,134</u>	<u>\$ (395,211)</u>	<u>\$ -</u>	<u>\$ 43,463,923</u>

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2014 (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2015
Business-Type Activities				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 239,100	6,653	-	\$ 245,753
Total Capital Assets Being Depreciated	<u>239,100</u>	<u>6,653</u>	<u>-</u>	<u>245,753</u>
Less Accumulated Depreciation For:				
Machinery and Equipment	<u>(195,104)</u>	\$ (8,454)	-	<u>(203,558)</u>
Total Accumulated Depreciation	<u>(195,104)</u>	<u>(8,454)</u>	<u>-</u>	<u>(203,558)</u>
Total Capital Assets, Being Depreciated, net	<u>43,996</u>	<u>(1,801)</u>	<u>-</u>	<u>42,195</u>
Business-Type Activities Capital Assets, net	<u>\$ 43,996</u>	<u>\$ (1,801)</u>	<u>\$ -</u>	<u>\$ 42,195</u>

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

Governmental Activities

Instruction

Regular	\$ 637,025
Special Education	68,253
School-Sponsored/Other Instructional	<u>22,751</u>
Total Instruction	<u>728,029</u>

Support Services

Student and Instruction Related Services	22,751
General Administrative Services	22,751
Operations and Maintenance of Plant	1,478,809
Pupil Transportation	<u>22,750</u>
Total Support Services	<u>1,547,061</u>

Total Depreciation Expense - Governmental Activities \$ 2,275,090

Business-Type Activities:

Food Service Fund	\$ 8,454
Total Depreciation Expense-Business-Type Activities	<u>\$ 8,454</u>

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Smith Roof Replacement	\$ 66,500	\$ 672,500
Digital Desktop Project	-	<u>1,071,194</u>
Total		<u>\$ 1,743,694</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund - Payroll	\$ 269
General Fund	Special Revenue Fund	<u>62,721</u>
Total		<u>\$ 62,990</u>

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

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

Interfund transfers

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
General Fund		\$ 1,838,638	\$ 1,838,638
Capital Projects Fund	\$ 612,723	-	<u>612,723</u>
Total Transfers Out	<u>\$ 612,723</u>	<u>\$ 1,838,638</u>	<u>\$ 2,451,361</u>

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

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$228,400. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2016	\$ 38,067
Total	<u>\$ 38,067</u>

Lease Purchase Agreements

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

The unexpended proceeds from the lease purchase agreement for the acquisition of digital desktop hardware in the amount of \$1,702,000 at June 30, 2015 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2016	\$ 550,946
2017	550,946
2018	550,946
2019	550,946
2020	<u>550,946</u>
Total minimum lease payments	2,754,730
Less: amount representing interest	<u>(33,230)</u>
Present value of minimum lease payments	<u>\$ 2,721,500</u>

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2015 are comprised of the following issues:

\$10,000,000, 2006 Refunding Bonds, due in annual installments of \$665,000 to \$715,000 through April 1, 2026, interest at 3.800% to 4.250%	\$ 7,600,000
\$25,889,000, 2005 Bonds, due in an annual installment of \$610,000 through July 15, 2015, interest at 4.375%	610,000
\$7,511,000, 2007 Bonds, due in annual installments of \$175,000 through April 1, 2016, interest at 4.125%	350,000
\$21,690,000, 2012 Refunding Bonds, due in annual installments of \$25,000 to \$2,430,000 through July 15, 2030, interest at 2.00% to 5.00%	21,510,000
\$5,715,000, 2015 Refunding Bonds, due in annual installments of \$25,000 to \$690,000 through April 1, 2031, interest at 2.00% to 4.00%	<u>5,715,000</u>
Total	<u>\$35,785,000</u>

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,555,000	\$ 1,333,428	\$ 2,888,428
2017	1,575,000	1,307,585	2,882,585
2018	1,650,000	1,244,466	2,894,466
2019	1,725,000	1,179,666	2,904,666
2020	1,805,000	1,110,866	2,915,866
2021-2025	10,440,000	4,290,888	14,730,888
2026-2030	13,915,000	789,132	14,704,132
2031	<u>3,120,000</u>	<u>10,350</u>	<u>3,130,350</u>
Total	<u>\$ 35,785,000</u>	<u>\$ 11,266,381</u>	<u>\$ 47,051,381</u>

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 166,512,867
Less: Net Debt	<u>35,785,000</u>
Remaining Borrowing Power	<u>\$ 130,727,867</u>

Advance and Current Refundings of Debt

On June 11, 2015, the District issued \$5,715,000 in School District Refunding Bonds having an interest rate of 2.00% to 4.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$5,366,000 and the total interest payments defeased to the call date was \$442,695. The net proceeds of \$5,753,019 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$387,734. This amount has been reported as Deferred Outflows of Resources on the financial statements and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 16 years by \$244,773 and resulted in an economic gain of \$199,624.

Prior-Year Defeasance of Debt

In prior years, the District defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. On June 30, 2015, \$21,264,000 of bonds outstanding are considered defeased. These bonds were subsequently redeemed on July 15, 2015.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015, was as follows:

	Balance			Balance,	Due
	July 1, 2014	Additions	Reductions	June 30, 2015	Within
	(Restated)				One Year
Governmental Activities:					
Bonds Payable	\$ 36,871,000	\$ 5,715,000	\$ 6,801,000	\$ 35,785,000	\$ 1,555,000
Unamortized Premium	2,198,358	138,191	157,751	2,178,798	
Unamortized Discount	(29,242)	-	(2,488)	(26,754)	-
Total Bonds Payable	39,040,116	5,853,191	6,956,263	37,937,044	1,555,000
Compensated Absences	1,502,656	128,476	266,568	1,364,564	200,000
Lease Purchase Agreements	-	3,091,500	370,000	2,721,500	550,268
Net Pension Liability	16,137,574	-	424,282	15,713,292	810,000
Governmental Activities Long-Term Liabilities	<u>\$ 56,680,346</u>	<u>\$ 9,073,167</u>	<u>\$ 8,017,113</u>	<u>\$ 57,736,400</u>	<u>\$ 3,115,268</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). 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.

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

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015		\$ 58,521	\$ 25,950	\$ 498,072
2014		35,312	48,437	463,881
2013	\$ 182,613	66,752	55,593	474,742

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, 2015, 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, 2015, the District had no estimated arbitrage earnings due to the IRS.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

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

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

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

Other Pension Funds

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

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

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

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

Basis of Accounting

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

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 691,876	\$ 1,511,508	\$ 45,767
2014	651,311	1,167,985	42,194
2013	654,342	1,813,600	29,003

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,511,508 and \$1,813,600, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,167,985 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the 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 \$2,044,522 during the fiscal year ended June 30, 2015 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 fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$15,713,292 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .08392 percent, which was a decrease of .00051 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$792,354 for PERS. At June 30, 2015, 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>
Changes of Assumptions	\$ 494,110	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 936,427
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	82,443
Total	<u>\$ 494,110</u>	<u>\$ 1,018,870</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (158,433)
2017	(158,433)
2018	(158,433)
2019	(158,433)
2020	75,674
Thereafter	<u>33,298</u>
	<u>\$ (524,760)</u>

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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:

PERS

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2033

Municipal Bond Rate * From July 1, 2033
 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 19,767,793</u>	<u>\$ 15,713,292</u>	<u>\$ 12,308,536</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% 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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,940,241 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$147,562,376. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

TENAFLY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

TPAF

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2027

Municipal Bond Rate * From July 1, 2027
 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(3.68%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(4.68%)</u>	<u>1%</u> <u>Increase</u> <u>(5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 177,479,172</u>	<u>\$ 147,562,376</u>	<u>\$ 122,680,408</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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

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

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

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**TENAFLY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$2,399,521, \$1,915,056 and \$2,050,723, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 6 RESTATEMENT

On July 1, 2014, the Tenafly Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Tenafly Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, with a corresponding reduction in the unrestricted component of net position in the amount of \$16,137,574.

The District conducted an update of its capital asset inventory as of June 30, 2015. The District has restated it July 1, 2014 capital asset values, including accumulated depreciation amounts to reflect the amounts reports in the capital asset report. The net effect of this restatement was an increase to governmental net position of \$2,748,704 and an increase to business-type activities net position of \$11,782.

The effects of these restatements combined, is a decrease of total net position of governmental activities at June 30, 2014 from \$11,149,757, as originally reported, to a deficit net position of \$2,239,113; and an increase in total net position of business-type activities at June 30, 2014 from \$458,507, as originally reported to \$470,289.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	\$ 57,527,828		\$ 57,527,828	\$ 57,527,828	
Other Local Sources	402,500	\$ (402,500)			
Tuition - Other LEA's	1,015,000		1,015,000	1,026,144	\$ 11,144
Tuition from Other Sources				4,303	4,303
Interest Earned on Capital Reserve Funds	4,000		4,000	4,000	-
Interest Earned on Maintenance Reserve	150		150	150	
Interest	38,000		38,000	28,415	(9,585)
Summer School Fees	140,000		140,000	143,670	3,670
Miscellaneous	271,490	-	271,490	509,306	237,816
Total Local Sources	59,398,968	(402,500)	58,996,468	59,243,816	247,348
State Sources					
Special Education Aid	1,202,460		1,202,460	1,202,460	
Security Aid	55,484		55,484	55,484	
Transportation Aid	70,484		70,484	70,484	
PARCC Readiness Aid	36,070		36,070	36,070	
Per Pupil Growth Aid	36,070		36,070	36,070	
Non Public Transportation Reimbursement				17,916	17,916
Extraordinary Aid				1,077,616	1,077,616
TPAF Pension Contribution - Normal					
Costs and Accrued Liability (Non-Budget)				1,410,061	1,410,061
TPAF Pension Contribution- NCGI (Non-Budget)				101,447	101,447
TPAF Pension Contribution - Post Retirement (Non-Budget)				2,399,521	2,399,521
TPAF Social Security Reimbursements (Non-Budget)	-	-	-	2,044,522	2,044,522
Total State Sources	1,400,568	-	1,400,568	8,451,651	7,051,083
Total Revenues	60,799,536	(402,500)	60,397,036	67,695,467	7,298,431
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	810,650	45,830	856,480	853,322	3,158
Grades 1-5	6,111,288	(191,968)	5,919,320	5,874,758	44,562
Grades 6-8	4,645,213	(116,276)	4,528,937	4,372,523	156,414
Grades 9-12	7,384,745	(19,790)	7,364,955	7,148,936	216,019
Regular Programs - Home Instruction					
Salaries of Teachers	500	4,517	5,017	5,017	-
Purchased Professional/Educational Services	-	4,000	4,000	3,611	389
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	997,843	45,783	1,043,626	975,749	67,877
Rentals	-	370,000	370,000	370,000	-
Purchased Professional/Educational Services	4,400	(420)	3,980	-	3,980
Other Purchased Services	459,239	(141,732)	317,507	288,703	28,804
General Supplies	1,445,743	(198,593)	1,247,150	1,161,370	85,780
Textbooks	167,580	(19,056)	148,524	128,686	19,838
Other Objects	30,240	2,745	32,985	28,431	4,554
Total Regular Programs	22,057,441	(214,960)	21,842,481	21,211,106	631,375
Learning and / or Language Disabled					
Salaries of Teachers	170,845	(59,365)	111,480	111,480	-
Other Salaries for Instruction	134,623	(19,281)	115,342	115,038	304
General Supplies	2,100	600	2,700	2,123	577
Textbooks	4,800	(479)	4,321	4,258	63
Total Learning and/or Language Disabled	312,368	(78,525)	233,843	232,899	944

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Multiple Disabled					
Salaries of Teachers	-	\$ 61,265	\$ 61,265	\$ 61,265	-
Other Salaries for Instruction	-	199,165	199,165	197,678	\$ 1,487
General Supplies	-	1,865	1,865	1,865	-
Total Multiple Disabled	-	262,295	262,295	260,808	1,487
Resource Room/Resource Center					
Salaries of Teachers	\$ 2,580,085	69,817	2,649,902	2,634,514	15,388
Other Salaries for Instruction	-	7,067	7,067	7,067	-
General Supplies	20,125	15,735	35,860	27,220	8,640
Textbooks	3,920	1,549	5,469	5,279	190
Total Resource Room/Resource Center	2,604,130	94,168	2,698,298	2,674,080	24,218
Autism					
Salaries of Teachers	134,280	(64,712)	69,568	69,568	-
Other Salaries for Instruction	329,333	(120,889)	208,444	201,312	7,132
General Supplies	20,500	(17,500)	3,000	1,230	1,770
Total Autism	484,113	(203,101)	281,012	272,110	8,902
Preschool Disabilities - Part-Time					
Salaries of Teachers	150,994	(46,080)	104,914	104,107	807
Other Salaries for Instruction	74,153	(3,297)	70,856	69,415	1,441
Purchased Professional-Educational Services	-	1,000	1,000	946	54
General Supplies	1,000	(1,000)	-	-	-
Total Preschool Disabilities - Part-Time	226,147	(49,377)	176,770	174,468	2,302
Preschool Disabilities - Full-Time					
Salaries of Teachers	-	19,542	19,542	19,542	-
Purchased Professional-Educational Services	-	29,163	29,163	29,163	-
Supplies and Materials	-	295	295	274	21
Total Preschool Disabilities - Part-Time	-	49,000	49,000	48,979	21
Home Instruction					
Salaries of Teachers	6,000	(6,000)	-	-	-
Purchased Professional-Educational Services	30,000	(30,000)	-	-	-
Total Home Instruction	36,000	(36,000)	-	-	-
Total Special Education	3,662,758	38,460	3,701,218	3,663,344	37,874
Basic Skills/Remedial					
Salaries of Teachers	490,560	6,500	497,060	497,060	-
General Supplies	-	1,752	1,752	1,536	216
Total Basic Skills/Remedial	490,560	8,252	498,812	498,596	216
Bilingual Education					
Salaries of Teachers	956,854	(85,252)	871,602	857,799	13,803
Purchased Professional-Educational Services	300	-	300	300	300
Other Purchased Services	100	-	100	100	100
General Supplies	1,850	1,337	3,187	2,954	233
Textbooks	4,100	(1,214)	2,886	2,001	885
Other Objects	500	255	755	755	-
Total Bilingual Education	963,704	(84,874)	878,830	863,509	15,321

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 297,311	\$ 5,373	\$ 302,684	\$ 298,961	\$ 3,723
Purchased Services	30,513	(3,786)	26,727	24,824	1,903
Travel	-	1,283	1,283	1,283	-
Supplies and Materials	1,500	-	1,500	782	718
Other Objects	3,500	(2,500)	1,000	1,000	-
Miscellaneous Expenditures	-	5,155	5,155	3,015	2,140
Total School Sponsored Co/Extra Curricular Activities	332,824	5,525	338,349	329,865	8,484
School Sponsored Athletics					
Salaries	481,542	9,833	491,375	488,336	3,039
Purchased Services	183,014	(23,186)	159,828	149,356	10,472
Travel	-	300	300	300	-
Supplies and Materials	37,175	13,726	50,901	49,267	1,634
Other Objects	31,910	5,776	37,686	36,486	1,200
Total School Sponsored Athletics	733,641	6,449	740,090	723,445	16,645
Other Instructional Programs - Instruction					
Purchased Services	12,850	100	12,950	6,510	6,440
Supplies and Materials	5,001	(100)	4,901	2,270	2,631
Total Other Instructional Programs	17,851	-	17,851	8,780	9,071
Total Instruction	28,258,779	(241,148)	28,017,631	27,298,645	718,986
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Regular	-	-	-	-	-
Tuition to Other LEAs w/i State - Special	1,081,707	(74,483)	1,007,224	782,618	224,606
Tuition to County Voc. School District-Regular	291,312	25,704	317,016	305,830	11,186
Tuition to CSSD and Regional Day Schools	467,650	(6,463)	461,187	433,423	27,764
Tuition to Priv. Sch. for the Disabled - w/i state	1,751,942	(215,148)	1,536,794	1,380,750	156,044
Tuition to Priv. Sch. Disabled & Other LEAs	-	-	-	-	-
Spl, O/S State	388,848	370,595	759,443	735,686	23,757
Tuition - Other	165,678	(74,501)	91,177	86,995	4,182
Total Undistributed Expenditures - Instruction	4,147,137	25,704	4,172,841	3,725,302	447,539
Attendance and Social Work					
Salaries	121,815	-	121,815	121,815	-
Total Attendance and Social Work	121,815	-	121,815	121,815	-
Health Services					
Salaries	499,782	(4,501)	495,281	493,606	1,675
Purchased Professional and Technical Services	10,500	(4,497)	6,003	2,856	3,147
Other Purchased Services	500	6,415	6,915	6,652	263
Supplies and Materials	15,079	(4,904)	10,175	9,631	544
Total Health Services	525,861	(7,487)	518,374	512,745	5,629
Speech, OT, PT & Related Services					
Salaries	494,421	32,834	527,255	527,255	-
Purchased Professional-Educational Services	464,194	177,598	641,792	578,556	63,236
Supplies and Materials	-	36	36	36	-
Total Speech, OT, PT & Related Services	958,615	210,468	1,169,083	1,105,847	63,236

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	\$ 314,151	\$ (210,750)	\$ 103,401	\$ 101,088	\$ 2,313
Other Salaries for Instruction		513,004	513,004	513,004	-
Purchased Professional/Educational Services	806,821	405,600	1,212,421	1,170,670	41,751
Supplies and Materials	3,000	3,190	6,190	6,190	-
Other Objects	-	135	135	135	-
Total Other Supp.Serv. Student - Extra Services	1,123,972	711,179	1,835,151	1,791,087	44,064
Guidance					
Salaries of Other Professional Staff	1,091,773	5,191	1,096,964	1,092,052	4,912
Salaries of Secretarial & Clerical Assistants	182,760	230	182,990	182,989	1
Purchased Professional/Educational Services		295	295		295
Other Purchased Professional and Technical Svc	40,000	-	40,000	40,000	-
Other Purchased Services	8,000	1,475	9,475	4,120	5,355
Supplies and Materials	12,900	(1,877)	11,023	7,306	3,717
Total Guidance	1,335,433	5,314	1,340,747	1,326,467	14,280
Child Study Teams					
Salaries of Other Professional Staff	1,151,958	(1,188)	1,150,770	1,139,338	11,432
Salaries of Secretarial & Clerical Assistants	182,585	-	182,585	174,977	7,608
Purchased Professional- Educational Services	65,000	(1,435)	63,565	60,244	3,321
Other Purchased Services	200	425	625	625	-
Miscellaneous Purchased Services	250	200	450	-	450
Supplies and Materials	26,600	(534)	26,066	25,748	318
Other Objects	2,500	-	2,500	2,420	80
Total Child Study Teams	1,429,093	(2,532)	1,426,561	1,403,352	23,209
Other Support Services - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	485,070	78,088	563,158	563,158	-
Salaries of Secretarial & Clerical Assistants	34,229	167	34,396	34,396	-
Other Salaries	209,124	1,992	211,116	163,121	47,995
Supplies and Materials	33,000	(2,190)	30,810	13,265	17,545
Miscellaneous Expenditures	-	2,190	2,190	2,190	-
Total Other Support Services - Improvement of Inst. Svcs.	761,423	80,247	841,670	776,130	65,540
Educational Media/School Library					
Salaries	717,828	4,611	722,439	722,296	143
Other Purchased Services	2,000	(1,522)	478	476	2
Supplies and Materials	79,375	(1,605)	77,770	73,105	4,665
Total Educational Media/School Library	799,203	1,484	800,687	795,877	4,810
Instructional Staff Training Services					
Salaries of Other Professional Staff	129,970	(26,470)	103,500	47,136	56,364
Purchased Professional/Educational Services	108,163	19,091	127,254	36,820	90,434
Other Purchased Services	48,946	(18,225)	30,721	20,804	9,917
Supplies and Materials	2,313	-	2,313	-	2,313
Total Instructional Staff Training Services	289,392	(25,604)	263,788	104,760	159,028
Support Services General Administration					
Salaries	549,601	(141,570)	408,031	404,309	3,722
Legal Services	145,000	(49,955)	95,045	81,776	13,269
Audit Fees	47,000	(4,222)	42,778	38,170	4,608
Other Purchased Professional Service	2,500	(14)	2,486	650	1,836
Architectural/Engineering Services	4,000	29,014	33,014	9,014	24,000
Communications/Telephone	100,000	44,955	144,955	125,497	19,458
Miscellaneous Purchased Services	44,242	63,236	107,478	86,704	20,774
BOE Other Purchased Services	8,400	-	8,400	1,469	6,931
General Supplies	3,500	-	3,500	1,690	1,810
Miscellaneous Expenditures	14,200	-	14,200	12,653	1,547
BOE Membership Dues and Fees	26,000	-	26,000	24,786	1,214
Total Support Services General Administration	944,443	(58,556)	885,887	786,718	99,169

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	\$ 1,263,449	\$ (10,216)	\$ 1,253,233	\$ 1,253,233	-
Salaries of Other Professional Staff	1,164,281	279,290	1,443,571	1,393,440	\$ 50,131
Salaries of Secretarial and Clerical Assistants	767,419	(339)	767,080	756,063	11,017
Supplies and Materials	4,646	103	4,749	1,260	3,489
Other Objects	17,500	795	18,295	16,109	2,186
Total Support Services School Administration	3,217,295	269,633	3,486,928	3,420,105	66,823
Central Services					
Salaries	677,350	35,488	712,838	707,021	5,817
Purchased Professional Services	5,500	(1,745)	3,755	-	3,755
Purchased Technical Services	45,700	3,449	49,149	49,124	25
Travel	-	5,420	5,420	2,369	3,051
Misc. Purchased Services	10,950	(8,450)	2,500	2,246	254
Supplies and Materials	7,800	(1,015)	6,785	6,439	346
Miscellaneous Expenditures	14,600	(2,265)	12,335	2,031	10,304
Total Central Services	761,900	30,882	792,782	769,230	23,552
Admin. Info. Technology					
Salaries	581,513	(1,989)	579,524	556,089	23,435
Purchased Technical Services	2,500	49,974	52,474	3,854	48,620
Other Purchased Services	1,500	128	1,628	1,628	-
Supplies and Materials	1,500	85	1,585	1,585	-
Other Objects	500	1,400	1,900	1,554	346
Total Admin. Info. Technology	587,513	49,598	637,111	564,710	72,401
Required Maintenance for School Facilities					
Salaries	430,475	50,152	480,627	480,602	25
Cleaning, Repair and Maintenance	241,930	68,032	309,962	290,803	19,159
General Supplies	108,875	3,530	112,405	104,056	8,349
Other Objects	-	1,470	1,470	1,470	-
Total Required Maintenance for School Facilities	781,280	123,184	904,464	876,931	27,533
Custodial Services					
Salaries	1,644,839	(78,310)	1,566,529	1,555,853	10,676
Salaries of Non-Instructional Aides	167,862	2,825	170,687	170,164	523
Purchased Professional and Technical Services	2,500	(51)	2,449	210	2,239
Cleaning, Repair and Maintenance	23,000	-	23,000	8,245	14,755
Other Purchased Property Services	292,000	-	292,000	285,057	6,943
Insurance	340,850	(65,360)	275,490	275,355	135
Miscellaneous Purchased Services	500	51	551	551	-
General Supplies	112,500	(9,219)	103,281	72,023	31,258
Energy (Natural Gas)	652,000	(2,313)	649,687	330,614	319,073
Energy (Electricity)	677,000	-	677,000	486,184	190,816
Total Custodial Services	3,913,051	(152,377)	3,760,674	3,184,256	576,418
Care & Upkeep of Grounds					
Salaries	273,896	(23,935)	249,961	235,731	14,230
Purchased Professional and Technical Services	-	-	-	-	-
Cleaning, Repair and Maintenance	41,000	(10,807)	30,193	19,272	10,921
General Supplies	45,000	1,940	46,940	46,494	446
Other Objects	-	60	60	60	-
Total Care & Upkeep of Grounds	359,896	(32,742)	327,154	301,557	25,597
Security					
Purchased Professional and Technical Services	-	30	30	30	-
Cleaning, Repair and Maintenance	17,000	(2,193)	14,807	250	14,557
General Supplies	4,950	2,416	7,366	7,366	-
Total Security	21,950	253	22,203	7,646	14,557

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides	-	-			-
Sal. For Pupil Trans (Other than Bet. Home & School)	\$ 7,000	\$ 16,292	\$ 23,292	\$ 18,103	\$ 5,189
Sal. For Pupil Trans (Bet. Home & School)		6,890	6,890	6,890	-
Cleaning, Repair and Maintenance Services	4,000	(68)	3,932	873	3,059
Contracted Services (Between Home and School) - Vendors	100,000	-	100,000	97,053	2,947
Contracted Services (Other Than Between Home and School) - Vendors	124,162	(18,893)	105,269	82,331	22,938
Contracted Services (Special Ed. Students) - Joint Agreements	948,000	(1,585)	946,415	886,606	59,809
Contracted Services-Aid In Lieu of Payments-Non-Public Schools	97,240	-	97,240	79,740	17,500
Transportation Supplies	7,000	68	7,068	1,599	5,469
Total Student Transportation Services	1,287,402	2,704	1,290,106	1,173,195	116,911
Unallocated Benefits- Employee Benefits					
Social Security Contributions	759,000	40,000	799,000	797,557	1,443
Other Retirement Contributions - PERS	820,000	(30,500)	789,500	691,876	97,624
Other Retirement Contributions - Regular	33,000	30,500	63,500	45,767	17,733
Workmen's Compensation	331,100	-	331,100	258,076	73,024
Health Benefits	8,272,651	(461,393)	7,811,258	7,480,846	330,412
Tuition Reimbursement	41,000	-	41,000		41,000
Other Employee Benefits	560,400	2,483	562,883	402,823	160,060
Total Unallocated Benefits	10,817,151	(418,910)	10,398,241	9,676,945	721,296
TPAF Pension Contribution - Normal					
Costs and Accrued Liability (Non-Budget)				1,410,061	(1,410,061)
TPAF Pension Contribution - NCGI (Non-Budgeted)				101,447	(101,447)
TPAF Pension Contribution - Post Retirement (Non-Budgeted)				2,399,521	(2,399,521)
TPAF Social Security Reimbursements (Non-Budgeted)					
	-	-	-	2,044,522	(2,044,522)
Total On-Behalf TPAF Contributions and Reimbursements	-	-	-	5,955,551	(5,955,551)
Total Undistributed Expenditures	34,183,825	812,442	34,996,267	38,380,226	(3,383,959)
Total Current Expenditures	62,442,604	571,294	63,013,898	65,678,871	(2,664,973)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5	62,500	16,799	79,299	66,136	13,163
Grades 6-8	-	37,489	37,489	37,489	-
Grades 9-12	-	86,964	86,964	86,614	350
Undistributed Expenditures					
Health Services		2,395	2,395	2,395	-
Educational Media/Library Services		8,950	8,950	8,950	-
Admin Info Technology	-	249,820	249,820	238,072	11,748
Required Maintenance for School Facilities	-	70,289	70,289	63,500	6,789
Custodial Services	-	9,219	9,219	9,219	-
Care and Upkeep of Grounds	72,800	(72,800)	-	-	-
Total Equipment	135,300	409,125	544,425	512,375	32,050
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	51,965	51,965	11,248	40,717
Assessment for Debt Service on SDA Funding	40,082	-	40,082	40,082	-
Total Facilities Acquisition and Construction Services	40,082	51,965	92,047	51,330	40,717
Total Capital Outlay	175,382	461,090	636,472	563,705	72,767

TENAFLY BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	\$ 112,000	\$ (1,610)	\$ 110,390	\$ 93,345	\$ 17,045
Purchased Professional and Technical Services	1,000	-	1,000		1,000
Other Purchased Services	1,000	-	1,000		1,000
General Supplies	8,000	-	8,000	4,537	3,463
Other Objects	3,000	1,610	4,610	3,230	1,380
Total Summer School	125,000	-	125,000	101,112	23,888
Total Special Schools	125,000	-	125,000	101,112	23,888
Total General Fund Expenditures	62,742,986	1,032,384	63,775,370	66,343,688	(2,568,318)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,943,450)	(1,434,884)	(3,378,334)	1,351,779	4,730,113
Other Financing Sources (Uses)					
Transfers Out - Capital Outlay Transfer to Capital Projects	(629,061)	-	(629,061)	(629,061)	-
Transfers Out - Capital Reserve Transfer to Capital Projects	(1,296,577)	402,500	(894,077)	(596,854)	297,223
Total Other Financing Sources	(1,925,638)	402,500	(1,523,138)	(1,225,915)	297,223
Excess /(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,869,088)	(1,032,384)	(4,901,472)	125,864	5,027,336
Fund Balance, Beginning of Year	8,956,676	-	8,956,676	8,956,676	-
Fund Balance, End of Year	\$ 5,087,588	\$ (1,032,384)	\$ 4,055,204	\$ 9,082,540	\$ 5,027,336

Recapitulation of Fund Balance

Restricted Fund Balance		
Capital Reserve		\$ 871,855
Maintenance Reserve		300,150
Excess Surplus		946,767
Excess Surplus Designated for Subsequent Year's Expenditures		965,477
Designated for Subsequent Year's Expenditures		
Capital Reserve		1,798,868
Maintenance Reserve		300,000
Assigned Fund Balance		
Year End Encumbrances		87,087
Designated for Subsequent Year's Expenditures		1,484,523
Unassigned Fund Balance		<u>2,327,813</u>
Fund Balance - Budgetary Basis		9,082,540

Reconciliation to Governmental Fund Statements (GAAP)

2014/15 Extraordinary Aid Not Recognized on a GAAP Basis	(1,077,616)
2014/15 State Aid Payments Not Recognized on a GAAP Basis	<u>(105,857)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 7,899,067</u>

**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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	\$ 200,774	\$ 84,224	\$ 284,998	\$ 266,692	\$ (18,306)
Federal Sources	777,078	189,298	966,376	900,736	(65,640)
Local Sources	-	135,084	135,084	64,293	(70,791)
Total Revenues	<u>977,852</u>	<u>408,606</u>	<u>1,386,458</u>	<u>1,231,721</u>	<u>(154,737)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 777,078	\$ (777,078)		-	-
Purchased Prof. and Tech. Svcs.		683,291	\$ 683,291	\$ 680,638	\$ 2,653
Supplies and Materials	9,088	265,772	274,860	194,904	79,956
Textbooks	24,624	5,607	30,231	29,137	1,094
Total Instruction	<u>810,790</u>	<u>177,592</u>	<u>988,382</u>	<u>904,679</u>	<u>83,703</u>
Support Services					
Salaries of Other Professional Staff		6,660	6,660	-	6,660
Personnel Services - Employee Benefits		509	509	-	509
Purchased Professional and Tech. Svc.		78,416	78,416	68,770	9,646
Purchased Prof./Educ. Svcs.	167,062	126,559	293,621	253,075	40,546
Other Purchased Services		2,500	2,500		2,500
Supplies and Materials	-	3,905	3,905	-	3,905
Total Support Services	<u>167,062</u>	<u>218,549</u>	<u>385,611</u>	<u>321,845</u>	<u>63,766</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	12,465	12,465	5,197	7,268
Total Facilities Acquisition and Construction	<u>-</u>	<u>12,465</u>	<u>12,465</u>	<u>5,197</u>	<u>7,268</u>
Total Expenditures	<u>977,852</u>	<u>408,606</u>	<u>1,386,458</u>	<u>1,231,721</u>	<u>154,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**TENAFLY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

	General Fund		Special Revenue Fund
Sources/Inflows of Resources			
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$ 67,695,467	(C-2)	\$ 1,231,721
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, 2014			35,378
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2013/2014)	92,551		
Extraordinary aid payment not recognized for budgetary purposes recognized for GAAP statements. (2013/2014)	880,837		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2014/2015)	(105,857)		
Extraordinary aid payment recognized for budgetary purposes not recognized for GAAP statements. (2014/2015)	<u>(1,077,616)</u>		<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>67,485,382</u>		\$ <u>1,267,099</u>
Uses/Outflows of Resources			
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	(C-1) \$ 66,343,688	(C-2)	\$ 1,231,721
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, 2014	<u>-</u>		<u>\$ 35,378</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>66,343,688</u>	(B-2)	\$ <u>1,267,099</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Public Employees Retirement System

**Last Two Fiscal Years*
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.08392	0.08443
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,713,292	\$ 16,137,574
District's Covered-Employee Payroll	\$ 5,739,226	\$ 5,752,976
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	274%	281%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Two Fiscal Years
 (Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 691,876	\$ 651,311
Contributions in Relation to the Contractually Required Contribution	<u>691,876</u>	<u>651,311</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 5,739,226	\$ 5,752,976
Contributions as a Percentage of Covered-Employee Payroll	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 Two Fiscal Years*
(Dollar amounts in thousands)**

	2015	2014
District's Proportion of the Net Position Liability (Asset)	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>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
Total	<u>\$ 147,562,376</u>	<u>\$ 141,851,208</u>
District's Covered-Employee Payroll	\$ 28,042,968	\$ 27,157,331
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

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, 2015**

REVENUES	IDEA Pre- School	IDEA Part B- Basic	Title II	Title III	Title III Immigrant	Other Local Projects	Subtotal Page 2	Total
Intergovernmental								
State							\$ 266,692	\$ 266,692
Federal	\$ 30,621	\$ 715,116	\$ 29,674	\$ 49,684	\$ 75,641		-	900,736
Local	-	-	-	-	-	\$ 64,293	-	64,293
<u>Total Revenues</u>	<u>\$ 30,621</u>	<u>\$ 715,116</u>	<u>\$ 29,674</u>	<u>\$ 49,684</u>	<u>\$ 75,641</u>	<u>\$ 64,293</u>	<u>\$ 266,692</u>	<u>\$ 1,231,721</u>
EXPENDITURES								
Instruction								
Purchased Prof. & Tech. Svcs.	\$ 25,287	\$ 653,504		\$ 1,847			-	\$ 680,638
Supplies and Materials	5,334	5,622		32,080	\$ 75,641	\$ 64,293	\$ 11,934	194,904
Textbooks	-	-	-	-	-	-	29,137	29,137
<u>Total Instruction</u>	<u>30,621</u>	<u>659,126</u>	<u>-</u>	<u>33,927</u>	<u>75,641</u>	<u>64,293</u>	<u>41,071</u>	<u>904,679</u>
Support Services								
Salaries of Other Professional Staff							-	-
Personnel Services - Employee Benefits							-	-
Purchased Prof. & Tech. Svcs.		55,990	\$ 2,220	10,560			-	68,770
Purchased Prof. & Educ. Svcs.			27,454				225,621	253,075
Other Purchased Services							-	-
Miscellaneous Purchased Services							-	-
Supplies and Materials	-	-	-	-	-	-	-	-
<u>Total Support Services</u>	<u>-</u>	<u>55,990</u>	<u>29,674</u>	<u>10,560</u>	<u>-</u>	<u>-</u>	<u>225,621</u>	<u>321,845</u>
Facilities Acquisition and Construction								
Instructional Equipment				5,197			-	5,197
Non- Instructional Equipment				-			-	-
<u>Total Facilities Acquisition</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,197</u>
<u>Total Expenditures</u>	<u>\$ 30,621</u>	<u>\$ 715,116</u>	<u>\$ 29,674</u>	<u>\$ 49,684</u>	<u>\$ 75,641</u>	<u>\$ 64,293</u>	<u>\$ 266,692</u>	<u>\$ 1,231,721</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, 2015**

	Non Public Aid								Subtotal Page 2
	Comp. Education	English Second Lang.	Supp. Instruction	Exam. and Class.	Corrective Speech	Textbooks	Nursing	Technology	
REVENUES									
Intergovernmental									
State	\$ 83,846	\$ 2,558	\$ 21,736	\$ 30,619	\$ 40,818	\$ 29,137	\$ 46,044	\$ 11,934	\$ 266,692
Federal	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 83,846</u>	<u>\$ 2,558</u>	<u>\$ 21,736</u>	<u>\$ 30,619</u>	<u>\$ 40,818</u>	<u>\$ 29,137</u>	<u>\$ 46,044</u>	<u>\$ 11,934</u>	<u>\$ 266,692</u>
EXPENDITURES									
Instruction									
Purchased Prof. & Tech. Svcs.									
Other Purchased Services									
Supplies and Materials								\$ 11,934	\$ 11,934
Textbooks	-	-	-	-	-	\$ 29,137	-	-	29,137
Total Instruction	-	-	-	-	-	29,137	-	11,934	41,071
Support Services									
Salaries of Other Professional Staff									
Personnel Services - Employee Benefits									
Purchased Prof. & Tech. Svcs.									
Purchased Prof. & Educ. Svcs.	\$ 83,846	\$ 2,558	\$ 21,736	\$ 30,619	\$ 40,818		\$ 46,044		225,621
Other Purchased Services	-	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-	-
Total Support Services	<u>83,846</u>	<u>2,558</u>	<u>21,736</u>	<u>30,619</u>	<u>40,818</u>	<u>-</u>	<u>46,044</u>	<u>-</u>	<u>225,621</u>
Facilities Acquisition and Construction									
Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 83,846</u>	<u>\$ 2,558</u>	<u>\$ 21,736</u>	<u>\$ 30,619</u>	<u>\$ 40,818</u>	<u>\$ 29,137</u>	<u>\$ 46,044</u>	<u>\$ 11,934</u>	<u>\$ 266,692</u>

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**TENAFLY BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project Description</u>	<u>Appropriation</u>	<u>Prior Years</u>	<u>Expenditures to Date Current Year</u>	<u>Cancelled Grant</u>	<u>Balance June 30, 2015</u>
Construct additions and alterations to the High School to provide additional educational space and core facilities, reconfigure/upgrade the facility and undertake site improvements; Construct additions and alterations to the Middle School to provide additional educational space and a new gym, reconfigure/upgrade the facility and undertake site improvements	\$ 33,400,000	\$ 33,396,568			\$ 3,432
Geissinger Field Project	1,386,000	109,538	\$ 1,243,578		32,884
Roof Replacement- Smith Elementary School	961,105	25,375	84,130		851,600
Boiler Replacement- Stillman Elementary School	109,562	12,562	73,410	\$ 4,760	18,830
Lease Purchase-Hardware	<u>3,091,500</u>	<u>-</u>	<u>1,389,500</u>	<u>-</u>	<u>1,702,000</u>
	<u>\$ 38,948,167</u>	<u>\$ 33,544,043</u>	<u>\$ 2,790,618</u>	<u>\$ 4,760</u>	<u>\$ 2,608,746</u>
Project Balances, June 30, 2015					\$ 2,608,746
Add: Reserve for Debt Service					945
Less: Unrealized SDA Grants					<u>(340,640)</u>
Fund Balance, June 30, 2015 - GAAP Basis					<u>\$ 2,269,051</u>
<u>Recapitulation of Fund Balance:</u>					
Restricted for Capital Projects:					
Available for Capital Projects					\$ (117,244)
Year End Encumbrances					2,385,350
Restricted for Debt Service:					
Available for Future Debt Service Expenditures					<u>945</u>
Total Fund Balance - GAAP Basis					<u>\$ 2,269,051</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, 2015**

Revenues and Other Financing Sources

Lease Purchase Proceeds	\$ 3,091,500
State-SDA Grant	374,292
Local Share- Contribution from Borough	210,223
Transfer from General Fund - Capital Reserve	1,209,577
Transfer from General Fund - Capital Outlay	<u>629,061</u>
 Total Revenues and Other Financing sources	 <u>5,514,653</u>

Expenditures and Other Financing Uses

Architectural / Engineering Services	38,811
Construction Services	1,362,307
Purchased Professional Services	1,389,500
SDA Grant Cancelled	4,760
Transfer to General Fund - Return Unexpended Capital Reserve	<u>612,723</u>
 Total Expenditures and Other Financing Uses	 <u>3,408,101</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,106,552
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Fund Balance, Beginning of Year	<u>503,139</u>
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Fund Balance, End of Year	<u>\$ 2,609,691</u>
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Reconciliation to GAAP Basis:

Fund Balance (Budgetary Basis)	\$ 2,609,691
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Less:

Unrealized Revenue (SDA Grants)	<u>(340,640)</u>
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Fund Balance (GAAP Basis)	<u>\$ 2,269,051</u>
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TENAFLY BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 ADDITIONS AND ALTERATIONS TO TENAFLY HIGH SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds and Transfers	\$ 17,334,492	\$ -	\$ 17,334,492	\$ 17,334,492
 Total Revenues	 17,334,492	 -	 17,334,492	 17,334,492
EXPENDITURES AND OTHER FINANCING USES				
Salaries	127,577		127,577	127,577
Purchased Professional and Technical Services	1,574,106		1,574,106	1,574,106
Construction Services	14,283,904		14,283,904	14,283,904
Supplies and Materials	713,504		713,504	765,443
Other	583,462		583,462	583,462
Transfer to Reserve for Debt Service	48,507	-	48,507	-
 Total Expenditures and Other Financing Sources	 17,331,060	 -	 17,331,060	 17,334,492
 Excess (Deficiency) of Revenues over (under) Expenditures	 \$ 3,432	 \$ -	 \$ 3,432	 \$ -

Additional Project Information:

Project Number	SP# 5160-050-05-1000
Bond Authorization Date	12/15/2005
Bonds Authorized	\$ 14,504,300
Bonds Issued	14,504,300
Original Authorized Cost	14,504,300
Additional Authorized Cost	2,830,192
Revised Authorized Cost	17,334,492
 Percentage Increase over Original Authorized Cost	 20%
Percentage Completion	100%
Original Target Completion Date	May-08
Revised Target Completion Date	2011/12

TENAFLY BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 BUDGETARY BASIS
 ADDITIONS AND ALTERATIONS TO TENAFLY MIDDLE SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds and Transfers	\$ 16,065,508	\$ -	\$ 16,065,508	\$ 16,065,508
Total Revenues	<u>16,065,508</u>	<u>-</u>	<u>16,065,508</u>	<u>16,065,508</u>
EXPENDITURES AND OTHER FINANCING USES				
Salaries	56,220		56,220	56,220
Purchased Professional and Technical Services	1,505,654		1,505,654	1,505,654
Construction Services	13,805,620		13,805,620	13,805,620
Supplies and Materials	479,657		479,657	479,657
Other	218,357	-	218,357	218,357
Total Expenditures and Other Financing Sources	<u>16,065,508</u>	<u>-</u>	<u>16,065,508</u>	<u>16,065,508</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	SP# 5160-095-05-1000
Bond Authorization Date	12/15/2005
Bonds Authorized	\$ 11,384,813
Bonds Issued	11,384,700
Original Authorized Cost	11,384,813
Additional Authorized Cost	4,680,695
Revised Authorized Cost	16,065,508

Percentage Increase over Original Authorized

Cost	41%
Percentage Completion	100%
Original Target Completion Date	May-08
Revised Target Completion Date	2011/12

TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
GEISSINGER FIELD LIGHTING AND TURF PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Local Sources- Borough Contribution	\$ 482,500	\$ 210,223	\$ 692,723	\$ 692,723
Transfer from Capital Reserve	87,000	203,777	290,777	290,777
Transfer from Capital Outlay	-	402,500	402,500	402,500
	<u>569,500</u>	<u>816,500</u>	<u>1,386,000</u>	<u>1,386,000</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	109,538	15,565	125,103	130,940
Construction Services	-	1,228,013	1,228,013	1,255,060
	<u>109,538</u>	<u>1,243,578</u>	<u>1,353,116</u>	<u>1,386,000</u>
Total Expenditures and Other Financing Sources				
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 459,962	\$ (427,078)	\$ 32,884	\$ -

Additional Project Information:

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

TENAFLY BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 BUDGETARY BASIS
 ROOF REPLACEMENT AT SMITH ELEMENTARY SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources- SDA		\$ 374,292	\$ 374,292	374,292
Transfer from General Fund- Capital Outlay	\$ 25,375	168,361	193,736	193,736
Transfer from General Fund- Capital Reserve	-	393,077	393,077	393,077
Total Revenues	25,375	935,730	961,105	961,105
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	25,375	17,630	43,005	73,875
Construction Services	-	66,500	66,500	887,230
Total Expenditures and Other Financing Sources	25,375	84,130	109,505	961,105
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 851,600	\$ 851,600	\$ -

Additional Project Information:

Project Number	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost		-		
Additional Authorized Cost		-		
Revised Authorized Cost	\$ 961,105			
Percentage Increase over Original Authorized Cost		0%		
Percentage Completion		11%		
Original Target Completion Date		2015/16		
Revised Target Completion Date		2015/2016		

TENAFLY BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 BUDGETARY BASIS
 BOILER REPLACEMENT- STILLMAN ELEMENTARY SCHOOL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
State Sources- SDA Grant	\$ 38,800	\$ (4,760)	\$ 34,040	\$ 34,040
Transfer from General Fund- Capital Outlay	<u>12,562</u>	<u>58,200</u>	<u>70,762</u>	<u>70,762</u>
Total Revenues	<u>51,362</u>	<u>53,440</u>	<u>104,802</u>	<u>104,802</u>
EXPENDITURES AND OTHER FINANCING USES				
Purchased Professional and Technical Services	12,562	5,616	18,178	18,178
Construction Services	<u>-</u>	<u>67,794</u>	<u>67,794</u>	<u>86,624</u>
Total Expenditures and Other Financing Sources	<u>12,562</u>	<u>73,410</u>	<u>85,972</u>	<u>104,802</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 38,800</u>	<u>\$ (19,970)</u>	<u>\$ 18,830</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 51,362			
Additional Authorized Cost	53,440			
Revised Authorized Cost	104,802			
Percentage Increase over Original Authorized				
Cost	0%			
Percentage Completion				
Original Target Completion Date	2015/2016			
Revised Target Completion Date	2015/2015			

TENAFLY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
VMW DIGITAL DESKTOP LEASE PURCHASE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Additional Project Information:

Project Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Lease Purchase Proceeds	\$ 3,091,500
Original Authorized Cost	\$ 3,091,500
Percentage Completion	45%
Original Target Completion Date	2015/16
Revised Target Completion Date	2015/16

ENTERPRISE FUNDS

EXHIBIT G-1

**TENAFLY BOARD OF EDUCATION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUND

TENAFLY BOARD OF EDUCATION
 INTERNAL SERVICE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2015

	Network Wiring <u>Program</u>
ASSETS	
Current Assets	
Cash	\$ -
	<hr/>
Total Assets	-
	<hr/>
NET POSITION	
Unrestricted	-
	<hr/>
Total Net Position	\$ -
	<hr/> <hr/>

**TENAFLY BOARD OF EDUCATION
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Network Wiring Program</u>
OPERATING REVENUES	
Charges and Fees	\$ 28,000
Total Operating Revenues	<u>28,000</u>
 OPERATING EXPENSES	
Salaries and Benefits	3,008
Supplies and Materials	<u>24,992</u>
Total Operating Expenses	<u>28,000</u>
Operating Income	-
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>

**TENAFLY BOARD OF EDUCATION
INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Network Wiring Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 28,000
Cash Payments for Salaries and Benefits	(3,008)
Cash Payments to Suppliers for Goods and Services	<u>(24,992)</u>
Net Cash Used by Operating Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	-
Cash Beginning of Year	<u>-</u>
Cash End of Year	<u>\$ -</u>
 Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating Income	<u>\$ -</u>
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities	
(Increase) in Other Accounts Receivable	<u>-</u>
Total Adjustments	<u>-</u>
Net Cash Used by Operating Activities	<u>\$ -</u>

FIDUCIARY FUNDS

**TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 252,024	\$ 19,534	\$ 271,558
Total Assets	<u>\$ 252,024</u>	<u>\$ 19,534</u>	<u>\$ 271,558</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 2,641	\$ 2,641
Accrued Salaries and Wages		411	411
Due to Student Groups	\$ 252,024		252,024
Due to Other Funds	-	269	269
Flexible Spending (Sect. 125) Plan	<u>-</u>	<u>16,213</u>	<u>16,213</u>
Total Liabilities	<u>\$ 252,024</u>	<u>\$ 19,534</u>	<u>\$ 271,558</u>

**TENAFLY BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**TENAFLY BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>School</u>	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2015</u>
ELEMENTARY SCHOOLS	\$ 42,285	\$ 2,456	\$ 3,436	\$ 41,305
MIDDLE SCHOOL	38,894	226,233	224,694	40,433
HIGH SCHOOL				
Class Accounts	47,578	83,507	97,113	33,972
Student Organization Accounts	120,953	243,895	229,113	135,735
Athletic Account	3,559	51,035	54,015	579
Total	<u>\$ 253,269</u>	<u>\$ 607,126</u>	<u>\$ 608,371</u>	<u>\$ 252,024</u>

**PAYROLL AGENCY FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2015</u>
Due to Other Funds	\$ 3,037	\$ 2,268	\$ 5,036	\$ 269
Payroll Deductions and Withholdings	20,161	19,047,012	19,064,532	2,641
Flexible Spending (Sect. 125) Plan	18,569	67,778	70,134	16,213
Accrued Salaries and Wages	(506)	23,629,832	23,628,915	411
	<u>\$ 41,261</u>	<u>\$ 42,746,890</u>	<u>\$ 42,768,617</u>	<u>\$ 19,534</u>

LONG-TERM DEBT

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

95

<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, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	4/1/2006	\$ 10,000,000	4/1/2016	\$ 685,000	3.800 %				
			4/1/2017	715,000	4.000				
			4/1/2018	710,000	4.000				
			4/1/2019	705,000	4.000				
			4/1/2020	700,000	4.000				
			4/1/2021	695,000	4.100				
			4/1/2022	690,000	4.000				
			4/1/2023	685,000	4.125				
			4/1/2024	680,000	4.125				
			4/1/2025	670,000	4.200				
			4/1/2026	665,000	4.250				
School Bonds	12/15/2005	25,889,000	7/15/2015	610,000	4.375	1,190,000	580,000	610,000	
School Bonds	5/23/2007	7,511,000	4/1/2016-17	175,000	4.125	5,891,000	5,541,000	350,000	
Refunding School Bonds	9/20/2012	21,690,000	7/15/2015	25,000	3.000				
			7/15/2016	660,000	4.000				
			7/15/2017	100,000	2.000				
			7/15/2017	630,000	4.000				
			7/15/2018	200,000	2.500				
			7/15/2018	595,000	4.000				
			7/15/2019	860,000	4.000				
			7/15/2020	940,000	4.000				
			7/15/2021	1,015,000	5.000				
			7/15/2022	1,095,000	5.000				
			7/15/2023	1,200,000	5.000				
			7/15/2024	1,300,000	5.000				
			7/15/2025	1,395,000	4.500				
			7/15/2026	2,165,000	4.000				
			7/15/2027	2,235,000	4.000				
			7/15/2028	2,290,000	3.000				
			7/15/2029	570,000	3.000				
7/15/2029	1,805,000	3.750							
7/15/2030	2,430,000	4.000	21,535,000	-	25,000	21,510,000			

**TENAFLY BOARD OF EDUCATION
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
Refunding School Bonds	6/11/2015	\$ 5,715,000	4/1/2016	\$ 60,000	2.00 %				
			4/1/2017	25,000	2.00				
			4/1/2018	210,000	4.00				
			4/1/2019	225,000	4.00				
			4/1/2020	245,000	4.00				
			4/1/2021	250,000	4.00				
			4/1/2022	280,000	4.00				
			4/1/2023	300,000	3.00				
			4/1/2024	310,000	3.00				
			4/1/2025	330,000	3.00				
			4/1/2026	350,000	3.00				
			4/1/2027	560,000	3.00				
			4/1/2028	595,000	3.00				
			4/1/2029	635,000	3.00				
			4/1/2030	650,000	3.00				
			4/1/2031	690,000	3.00				
						-	\$ 5,715,000	-	\$ 5,715,000
						<u>\$ 36,871,000</u>	<u>\$ 5,715,000</u>	<u>\$ 6,801,000</u>	<u>\$ 35,785,000</u>
								\$ 1,435,000	
								<u>5,366,000</u>	
								<u>\$ 6,801,000</u>	

Paid by Budget Appropriation	\$ 1,435,000
Refunded	<u>5,366,000</u>
	<u>\$ 6,801,000</u>

**TENAFLY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR JUNE 30, 2015**

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 1, 2015</u>
Digital Desktop - Licensed Software and Services	\$ 1,389,500	\$ -	\$ 1,389,500		\$ 1,389,500
Digital Destop - Hardware	<u>1,702,000</u>	<u>-</u>	<u>1,702,000</u>	<u>370,000</u>	<u>1,332,000</u>
	<u>\$ 3,091,500</u>	<u>\$ -</u>	<u>\$ 3,091,500</u>	<u>\$ 370,000</u>	<u>\$ 2,721,500</u>
			Paid by Budget Appropriation	<u>\$ 370,000</u>	

TENAFLY BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 2,462,300		\$ 2,462,300	\$ 2,462,300	
State Source					
State Aid - Type II	365,767		365,767	365,767	
Total Revenues	<u>2,828,067</u>	<u>-</u>	<u>2,828,067</u>	<u>2,828,067</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	1,435,000	-	1,435,000	1,435,000	
Interest	1,466,163	-	1,466,163	1,466,163	
Payments to Refunding Escrow Agent				387,734	\$ (387,734)
Cost of Issuance on Refunding Bonds	-	-	-	99,457	(99,457)
Total Expenditures	<u>2,901,163</u>	<u>-</u>	<u>2,901,163</u>	<u>3,388,354</u>	<u>(487,191)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,096)</u>	<u>-</u>	<u>(73,096)</u>	<u>(560,287)</u>	<u>(487,191)</u>
OTHER FINANCING SOURCES (USES)					
Refunding Bond Proceeds				5,715,000	5,715,000
Premium on Issuance of Refunding Bonds				138,191	138,191
Payment to Refunding Escrow Agent				<u>(5,366,000)</u>	<u>(5,366,000)</u>
Total Other Financing Sources (Uses)				<u>487,191</u>	<u>487,191</u>
Net Change in Fund Balance	(73,096)	-	(73,096)	(73,096)	-
Fund Balance, Beginning of Year	73,096	-	73,096	73,096	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Governmental Activities										
Investment in Capital Assets	\$ 4,309,003	\$ 4,673,313	\$ 3,473,397	\$ 1,957,267	\$ 2,467,267	\$ 3,599,085	\$ 4,505,354	\$ 4,152,656	\$ 7,441,887	\$ 8,346,793
Restricted	977,888	1,765,430	1,579,923	650,952	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492
Unrestricted	(1,303,667)	(982,083)	(981,052)	(1,368,883)	(820,236)	173,688	2,761,743	3,481,958	(13,505,241)	(16,178,727)
Total Governmental Activities Net Position	\$ 3,983,224	\$ 5,456,660	\$ 4,072,268	\$ 1,239,336	\$ 2,120,877	\$ 4,279,616	\$ 8,266,214	\$ 9,305,232	\$ (2,239,113)	\$ (2,295,442)
Business-Type Activities										
Investment in Capital Assets	\$ 17,253	\$ 16,804	\$ 21,702	\$ 18,919	\$ 41,370	\$ 38,992	\$ 37,093	\$ 40,668	\$ 43,996	\$ 42,195
Restricted										
Unrestricted	675,860	683,777	662,915	606,486	523,671	452,784	467,329	493,608	426,293	421,955
Total Business-Type Activities Net Position	\$ 693,113	\$ 700,581	\$ 684,617	\$ 625,405	\$ 565,041	\$ 491,776	\$ 504,422	\$ 534,276	\$ 470,289	\$ 464,150
District-Wide										
Investment in Capital Assets	\$ 4,326,256	\$ 4,690,117	\$ 3,495,099	\$ 1,976,186	\$ 2,508,637	\$ 3,638,077	\$ 4,542,447	\$ 4,193,324	\$ 7,485,883	\$ 8,388,988
Restricted	977,888	1,765,430	1,579,923	650,952	473,846	506,843	999,117	1,670,618	3,824,241	5,536,492
Unrestricted	(627,807)	(298,306)	(318,137)	(762,397)	(296,565)	626,472	3,229,072	3,975,566	(13,078,948)	(15,756,772)
Total District Net Position	\$ 4,676,337	\$ 6,157,241	\$ 4,756,885	\$ 1,864,741	\$ 2,685,918	\$ 4,771,392	\$ 8,770,636	\$ 9,839,508	\$ (1,768,824)	\$ (1,831,292)

Note 1 - Net Position at June 30, 2012 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".

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 24,230,631	\$ 25,708,415	\$ 27,491,886	\$ 28,660,085	\$ 27,985,048	\$ 27,929,141	\$ 28,034,634	\$ 29,612,216	\$ 29,657,538	\$ 35,358,704
Special Education	5,796,330	6,406,452	7,525,110	7,686,017	8,327,025	8,861,354	8,822,053	8,958,381	9,241,120	10,259,084
Other Instruction	1,443,586	1,638,772	2,429,615	2,419,401	2,127,521	1,997,649	1,942,642	2,135,580	2,083,253	2,382,084
School Sponsored Activities And Athletics	1,018,520	1,098,256	1,234,556	1,353,729	1,241,373	1,209,328	1,232,990	1,263,021	1,305,116	1,605,092
Other Instructional Programs							8,694	7,741	7,091	30,770
Community Services										
Support Services:										
Student & Instruction Related Services	5,710,470	6,728,297	7,538,838	7,159,453	8,400,229	7,355,685	7,594,498	8,722,193	9,466,929	11,412,708
School Administrative Services	3,441,519	3,695,775	4,012,001	1,379,168	4,789,042	4,377,208	4,631,725	4,969,181	4,408,156	5,101,918
General Administration	982,950	1,120,187	1,316,671	3,970,308	656,614	1,206,499	1,082,148	1,190,942	1,366,283	1,906,071
Plant Operations And Maintenance	5,095,141	5,119,180	5,786,103	5,643,316	5,707,258	5,344,993	5,507,613	7,513,429	6,713,229	6,668,670
Pupil Transportation	961,157	1,178,135	1,224,650	1,278,214	1,108,733	1,013,923	1,112,729	1,049,857	995,730	1,204,927
Other Support Services	879,851	904,991	1,121,060	1,057,151	1,142,588	1,178,922	1,326,849	1,132,397	1,611,780	1,815,707
Special Schools										
Interest On Long-Term Debt	1,195,634	1,735,440	1,960,434	1,891,099	1,835,994	1,782,896	1,768,513	1,433,612	1,538,470	1,525,790
Total Governmental Activities Expenses	50,755,789	55,333,900	61,640,924	62,497,941	65,321,425	62,257,598	63,065,088	67,988,550	68,494,695	78,371,525
Business-Type Activities:										
Food Service	618,642	673,455	675,996	670,517	627,700	683,234	680,768	705,738	722,465	687,143
Child Care	153,433	247,998	254,054	274,826	293,629	306,305	309,747	282,243	396,282	329,221
Total Business-Type Activities Expense	772,075	921,453	930,050	945,343	921,329	989,539	990,515	987,981	1,118,747	1,016,364
Total District Expenses	\$ 51,527,864	\$ 56,255,353	\$ 62,570,974	\$ 63,443,284	\$ 64,242,754	\$ 63,247,137	\$ 64,055,603	\$ 68,976,531	\$ 69,613,442	\$ 79,387,889
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 1,086,841	\$ 1,057,457	\$ 913,682	\$ 891,423	\$ 790,786	\$ 992,304	\$ 1,043,013	\$ 1,116,602	\$ 1,161,307	\$ 1,202,117
School Sponsored Activities and Athletics						133,692	123,831	96,356	82,583	-
Special Schools										
Community Services										
Operating Grants And Contributions	6,191,170	8,469,149	8,725,875	6,846,041	8,713,095	6,550,845	8,247,559	9,443,278	8,588,388	16,083,705
Capital Grants And Contributions	-	-	634,111	626,022	485,430	439,758	456,799	380,735	913,675	497,375
Total Governmental Activities Program Revenues	7,278,011	9,526,606	10,273,668	8,363,486	9,989,311	8,116,599	9,871,202	11,036,971	10,745,953	17,783,197
Business-Type Activities:										
Charges For Services:										
Food Service	563,725	596,556	617,699	596,397	568,396	587,234	605,928	594,204	627,312	648,766
Child Care	240,369	258,169	278,360	220,584	225,680	253,355	319,359	341,454	325,690	360,960
Operating Grants And Contributions	69,044	66,660	62,935	67,341	65,618	74,512	77,381	71,871	89,319	-
Total Business-Type Activities Program Revenues	873,138	921,385	908,994	884,322	859,694	915,101	1,002,668	1,007,529	1,042,321	1,009,726
Total District Program Revenues	\$ 8,151,149	\$ 10,447,991	\$ 11,182,662	\$ 9,247,808	\$ 10,849,005	\$ 9,031,700	\$ 10,873,870	\$ 12,044,500	\$ 11,788,274	\$ 18,792,923
Net (Expense)/Revenue										
Governmental Activities	\$ (43,477,778)	\$ (45,807,294)	\$ (51,367,256)	\$ (54,134,455)	\$ (53,332,114)	\$ (54,140,999)	\$ (53,193,886)	\$ (56,951,579)	\$ (57,748,742)	\$ (60,588,328)
Business-Type Activities	101,063	(68)	(21,056)	(61,021)	(61,635)	(74,438)	12,153	19,548	(76,426)	(6,638)
Total District-Wide Net Expense	\$ (43,376,715)	\$ (45,807,362)	\$ (51,388,312)	\$ (54,195,476)	\$ (53,393,749)	\$ (54,215,437)	\$ (53,181,733)	\$ (56,932,031)	\$ (57,825,168)	\$ (60,594,966)

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 41,765,698	\$ 44,941,361	\$ 48,769,827	\$ 51,886,885	\$ 53,782,022	\$ 56,048,259	\$ 56,805,637	\$ 57,887,796	\$ 58,953,614	\$ 59,990,128
Unrestricted Grants And Contributions	351,883	417,003	513,891	12,186						
Investment Earnings	800,187	1,511,504	644,884	68,636	53,640	63,125	39,467	44,604	43,477	32,565
Miscellaneous Income	353,989	380,936	167,284	385,266	377,993	238,630	331,972	309,110	596,176	609,306
Loss on Disposal of Capital Assets		(75)	(27,600)							
Total Governmental Activities	43,273,757	47,280,779	50,068,606	52,352,993	54,213,655	56,380,014	57,177,076	58,241,510	59,593,267	60,531,999
Business-Type Activities:										
Investment Earnings	4,920	7,536	5,092	1,809	1,271	1,173	493	606	657	499
Total Business-Type Activities	4,920	7,536	5,092	1,809	1,271	1,173	493	606	657	499
Total District-Wide	\$ 43,278,677	\$ 47,288,265	\$ 50,073,698	\$ 52,354,802	\$ 54,214,926	\$ 56,351,187	\$ 57,177,569	\$ 58,242,116	\$ 59,593,924	\$ 60,532,498
Change in Net Position	\$ (204,021)	\$ 1,473,435	\$ (1,298,690)	\$ (1,781,462)	\$ 881,541	\$ 2,209,015	\$ 3,983,190	\$ 1,289,931	\$ 1,844,525	\$ (56,329)
Governmental Activities	103,282	7,468	(15,264)	(32,212)	(60,362)	(73,265)	12,646	20,154	(75,769)	(6,132)
Business-Type Activities	(98,038)	1,486,903	(1,314,614)	(1,840,674)	821,177	2,155,750	3,995,836	1,310,085	1,768,756	(62,489)
Total District Wide										

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 794,542	\$ 933,143	\$ 829,818	\$ 1,857,682	\$ 1,782,685					
Unreserved	819,257	876,111	1,396,483	191,294	477,859					
Restricted						\$ 2,333,856	\$ 4,775,177	\$ 4,732,304	\$ 5,215,987	\$ 5,183,117
Committed						38,500	558,440	489,500		
Assigned						1,413,210	322,225	749,275	1,641,275	1,571,610
Unassigned	-	-	-	-	-	607,687	577,090	1,087,841	1,126,026	1,144,340
Total General Fund	<u>\$ 1,613,799</u>	<u>\$ 1,809,254</u>	<u>\$ 2,226,301</u>	<u>\$ 2,048,976</u>	<u>\$ 2,260,544</u>	<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>
All Other Governmental Funds										
Reserved	\$ 39,445	\$ 15,173,780	\$ 1,337,160	\$ 133,649	\$ 59,044					
Unreserved	24,604,168	5,547,532	2,600,666	532,175	102,326					
Restricted						\$ 17,363	\$ 17,321	\$ 77,473	\$ 537,435	\$ 2,269,051
Committed										
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 24,643,613</u>	<u>\$ 20,721,312</u>	<u>\$ 3,937,826</u>	<u>\$ 665,824</u>	<u>\$ 161,370</u>	<u>\$ 17,363</u>	<u>\$ 17,321</u>	<u>\$ 77,473</u>	<u>\$ 537,435</u>	<u>\$ 2,269,051</u>

Beginning with Fiscal Year 2012, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 41,765,698	\$ 44,941,361	\$ 48,769,527	\$ 51,886,885	\$ 53,782,022	\$ 56,048,259	\$ 56,805,637	\$ 57,887,796	\$ 58,953,614	\$ 59,990,128
Tuition Charges	1,086,841	1,057,457	913,682	891,423	790,786	813,030	869,043	936,982	1,011,177	1,030,447
Interest Earnings	800,187	1,511,504	644,804	68,656	53,640	63,125	39,467	44,604	43,477	32,565
Miscellaneous	332,052	597,656	170,484	385,266	413,362	606,797	693,940	695,047	1,435,641	962,870
State Sources	5,858,153	7,692,011	8,723,375	6,537,468	7,756,610	5,789,462	7,633,612	8,880,214	7,981,206	8,941,717
Federal Sources	684,900	957,587	1,073,554	880,281	1,387,801	1,107,300	930,373	833,838	836,196	900,736
Total Revenue	50,527,831	56,757,576	60,295,426	60,649,979	64,184,221	64,427,973	66,972,072	69,278,481	70,261,311	71,858,463
Expenditures										
Instruction										
Regular Instruction	23,799,805	25,233,946	26,980,634	28,155,908	27,395,217	27,383,273	27,374,992	29,109,156	28,969,431	30,191,190
Special Education Instruction	5,749,832	6,334,917	7,477,117	7,629,306	8,263,320	8,777,305	8,725,095	8,938,253	9,264,156	9,344,858
Other Instruction	1,464,797	1,642,652	2,392,158	2,401,299	2,094,229	1,974,898	1,946,674	2,151,728	2,079,479	2,062,903
School Sponsored Activities and Athletics	1,004,647	1,076,497	1,234,556	1,353,729	1,241,373	1,209,328	1,232,990	1,238,272	1,280,354	1,396,868
Other Instructional Programs							8,694	7,741	7,091	8,780
Community Services										
Support Services										
Student and Inst. Related Services	5,780,480	6,747,560	7,455,597	7,154,389	8,312,881	7,445,708	7,540,515	8,669,666	9,429,992	11,601,075
General Administration	1,007,673	1,102,188	1,070,754	1,382,860	909,871	1,153,097	1,078,885	1,038,465	1,342,109	981,112
School Administrative Services	3,334,978	3,724,210	3,903,317	3,994,773	4,792,361	4,294,492	4,877,185	5,084,880	4,399,746	4,794,942
Plant Operations And Maintenance	5,086,626	5,049,810	5,797,431	5,628,015	5,604,865	5,322,895	5,478,121	6,050,483	5,227,826	5,176,949
Pupil Transportation	948,374	1,165,552	1,213,789	1,267,053	1,097,270	1,001,139	1,099,061	1,035,544	972,930	1,182,039
Other Support Services	889,190	932,586	1,140,257	1,060,363	1,114,440	1,156,870	1,294,966	1,187,742	1,608,650	1,780,810
Special Schools										
Capital Outlay	1,985,921	12,674,666	14,607,722	1,212,782	507,177	601,136	404,705	978,814	1,388,169	1,879,879
Debt Service										
Payments to Refunding Escrow Agent								2,653,896	-	387,734
Cost of Issuance of Refunding of Bonds								187,386	-	99,457
Principal	464,564	539,475	1,478,909	1,280,729	1,276,631	1,442,597	2,304,055	1,430,000	1,385,000	1,435,000
Interest and Other Charges	1,011,512	1,771,416	1,909,624	1,887,828	1,833,924	1,781,092	1,766,497	1,471,597	1,522,048	1,466,163
Total Expenditures	52,528,599	67,995,475	76,661,865	64,409,034	64,443,559	63,543,830	65,132,435	71,233,623	68,876,981	73,789,759
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(2,000,768)	(11,237,899)	(16,366,439)	(3,759,055)	(259,338)	884,143	1,839,637	(1,955,142)	1,384,330	(1,931,296)
Other Financing Sources (Uses)										
Proceeds From Borrowing	25,914,653	7,511,054								
Capital Leases / Lease Purchase Proceeds (Non-Budg	276,931			309,728		1,104,559				3,091,500
Proceeds From Refunding	9,950,231							21,690,000		5,715,000
Payments To Escrow Agent	(9,535,000)							(21,264,000)		(5,366,000)
Premium on Refunding Bonds								2,415,282		138,191
Transfers In	613,567	1,169,472	473,152	21,743	42	48,521			124,937	2,451,361
Transfers Out	(613,567)	(1,169,472)	(473,152)	(21,743)	(42)	(48,521)			(124,937)	(2,451,361)
Other	(1,716)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	26,605,099	7,511,054	-	309,728	-	1,104,559	-	2,841,282	-	3,578,691
Net Change in Fund Balances	\$ 24,604,331	\$ (3,726,845)	\$ (16,366,439)	\$ (3,449,327)	\$ (259,338)	\$ 1,988,702	\$ 1,839,637	\$ 886,140	\$ 1,384,330	\$ 1,647,395
Debt Service as a Percentage of										
Noncapital Expenditures	2.92%	4.18%	5.46%	5.01%	4.87%	5.12%	6.29%	4.13%	4.31%	4.03%

* 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 June 30	<u>Tuition</u>	<u>Summer School Fees</u>	<u>Interest on Deposits</u>	<u>Extracurricular Activities Fees</u>	<u>Solar Panel Project Escrow</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 1,086,841	\$ 270,790	\$ 214,846			\$ 61,262	\$ 1,633,739
2007	804,716	252,741	342,086			331,102	1,730,645
2008	913,682	88,980	171,652			45,456	1,219,770
2009	891,423	117,180	46,913			268,086	1,323,602
2010	790,786	149,275	53,598			228,718	1,222,377
2011	813,030	179,274	63,111	\$ 133,692		237,630	1,426,737
2012	869,043	173,970	39,467	123,831		331,972	1,538,283
2013	936,982	179,620	44,503	96,356		309,110	1,566,571
2014	1,011,177	150,130	43,477	82,583	\$ 152,000	444,176	1,883,543
2015	1,030,447	143,670	32,565	35,500	-	473,806	1,715,988

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 32,849,600	\$ 2,661,155,500	\$ 176,715,800	\$ 8,447,700	\$ 27,835,300	\$ 2,907,003,900	\$ 1,289,324	\$ 2,908,293,224	\$ 3,500,907,299	\$ 1.491
2007	25,324,900	2,721,651,500	177,192,100	8,507,700	27,835,300	2,960,511,500	1,169,775	2,961,681,275	4,049,366,990	1.571
2008	26,820,700	2,764,805,400	177,302,800	8,610,300	27,835,300	3,005,374,500	1,203,270	3,006,577,770	4,203,946,806	1.682
2009	25,301,600	2,796,948,000	177,825,000	8,673,600	27,835,300	3,036,583,500	1,244,311	3,037,827,811	4,348,984,662	1.750
2010	19,819,300	2,846,449,200	175,538,600	8,673,600	27,835,300	3,078,316,000	1,244,394	3,079,560,394	4,152,155,937	1.775
2011 (1)	25,504,400	3,527,700,500	232,556,100	11,905,100	36,741,000	3,834,407,100	1,442,056	3,835,849,159	4,003,014,657	1.471
2012	35,379,100	3,521,404,100	231,623,200	11,905,100	36,741,000	3,837,052,500	1,340,485	3,838,392,985	4,090,505,003	1.495
2013	32,146,300	3,537,322,000	232,377,500	11,905,100	36,741,000	3,850,491,900	1,272,258	3,851,764,158	4,103,014,129	1.517
2014	34,048,000	3,549,449,900	231,976,200	10,462,000	36,741,000	3,862,677,100	920,920	3,863,598,020	4,348,838,200	1.539
2015	41,311,500	3,563,099,200	229,885,000	10,462,000	36,741,000	3,881,498,700	920,647	3,882,419,347	4,253,872,872	1.567

Source: County Abstract of Ratables

a Tax rates are per \$100

(1) The Borough underwent a revaluation of real property effective in 2012

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u> (2)	<u>County</u>	<u>County Open Space</u>
2006	\$2.30	\$1.491	\$0.586	\$0.213	\$0.010
2007	2.43	1.571	0.614	0.235	.010
2008	2.585	1.682	0.644	0.245	0.014
2009	2.680	1.750	0.654	0.261	0.015
2010	2.752	1.775	0.704	0.269	0.004
2011 (1)	2.256	1.471	0.569	0.213	0.003
2012	2.297	1.495	0.569	0.230	0.003
2013	2.332	1.517	0.571	0.241	0.003
2014	2.373	1.539	0.580	0.251	0.003
2015	2.418	1.567	0.588	0.260	0.003

(1) The Borough underwent a revaluation of real property effective in 2012

(2) Includes Municipal Open Space Tax

Source: Tax Duplicate, Borough of Tenafly

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

Taxpayer	2015		2006	
	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	0.58%	\$ 18,000,000	0.62
Clinton Lodging, LLC	9,747,700	0.25%	9,558,500	0.33
Knickerbocker Country Club	7,500,000	0.19%	7,445,700	0.26
Tenafly Shopping Center LP	7,209,400	0.19%	6,506,200	0.22
Quirk Properties Tenafly, LLC	6,696,400	0.17%	4,200,000	0.14
30 Engle Street-Tenafly Realty	6,524,200	0.17%	4,135,100	0.14
Resident	4,605,800	0.12%	3,781,200	0.13
Resident	4,506,800	0.12%	3,614,500	0.12
TRC Property LLC	4,485,600	0.12%	3,496,000	0.12
County Manor Realty	4,215,500	0.11%	3,488,700	0.12
	<u>\$ 78,001,700</u>	<u>2.02%</u>	<u>\$ 64,225,900</u>	<u>2.20</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	
2006	\$ 41,765,698	\$ 41,765,698	100.00%	N/A
2007	44,941,361	44,941,361	100.00%	N/A
2008	48,769,527	48,769,527	100.00%	N/A
2009	51,886,885	51,886,885	100.00%	N/A
2010	53,782,022	53,782,022	100.00%	N/A
2011	56,048,259	56,048,259	100.00%	N/A
2012	56,805,637	56,805,637	100.00%	N/A
2013	57,887,796	57,887,796	100.00%	N/A
2014	58,953,614	58,953,614	100.00%	N/A
2015	59,990,128	59,990,128	100.00%	N/A

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				
2006	\$ 38,369,000	\$ 202,367	\$ 38,571,367	0.16%	14,133	\$ 2,729
2007	45,400,000	142,892	45,542,892	0.15%	14,097	3,231
2008	43,985,000	78,983	44,063,983	0.15%	14,158	3,112
2009	42,875,000	303,724	43,178,724	0.15%	14,593	2,959
2010	41,710,000	192,093	41,902,093	0.16%	14,681	2,854
2011	40,510,000	1,054,055	41,564,055	0.16%	14,524	2,862
2012	39,260,000	-	39,260,000	0.17%	14,617	2,686
2013	38,256,000	-	38,256,000	0.18%	14,680	2,606
2014	36,871,000	-	36,871,000	0.19%	14,731	2,503
2015	35,785,000	2,721,500	38,506,500	0.18%	14,816	2,599

Source: District records

(E) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2006	\$ 38,369,000		\$ 38,369,000	1.32	\$ 2,666
2007	45,400,000		45,400,000	1.53	3,174
2008	43,985,000		43,985,000	1.46	3,107
2009	42,875,000		42,875,000	1.41	2,938
2010	41,710,000		41,710,000	1.35	2,841
2011	40,510,000		40,510,000	1.06	2,793
2012	39,260,000		39,260,000	1.02	2,692
2013	38,256,000		38,256,000	0.99	2,614
2014	36,871,000		36,871,000	0.95	2,519
2015	35,785,000		35,785,000	0.92	2,445

Source: District records

**TENAFLY BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)**

	<u>Net Debt</u>
Tenafly Board of Education (June 30, 2015)	
Municipal Debt: (1)	\$ 35,785,000
Borough of Tenafly	<u>21,148,704</u>
	56,933,704
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) and (3)	
County of Bergen (A)	24,172,010
Bergen County Utilities Authority - Water Pollution (B)	<u>4,830,195</u>
	<u>29,002,205</u>
Total Direct and Overlapping Debt	<u><u>\$ 85,935,909</u></u>

- (A) The debt for this entity was apportioned to the Borough of Tenafly by dividing the Municipality's 2014 equalized value by the total 2014 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 2014 audit.
- (3) Bergen County Debt Statement December 31, 2014

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 123,484,032	\$ 139,657,232	\$ 154,050,238	\$ 165,262,172	\$ 168,673,106	\$ 168,926,498	\$ 166,051,265	\$ 164,148,939	\$ 164,565,255	\$ 166,512,867
Total Net Debt Applicable to Limit	<u>45,880,000</u>	<u>45,400,000</u>	<u>43,985,000</u>	<u>42,875,000</u>	<u>41,710,000</u>	<u>40,510,000</u>	<u>39,260,000</u>	<u>38,256,000</u>	<u>36,871,000</u>	<u>35,785,000</u>
Legal Debt Margin	<u>\$ 77,604,032</u>	<u>\$ 94,257,232</u>	<u>\$ 110,065,238</u>	<u>\$ 122,387,172</u>	<u>\$ 126,963,106</u>	<u>\$ 128,416,498</u>	<u>\$ 126,791,265</u>	<u>\$ 125,892,939</u>	<u>\$ 127,694,255</u>	<u>\$ 130,727,867</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	37.15%	32.51%	28.55%	25.94%	24.73%	23.98%	23.64%	23.31%	22.41%	21.49%

Legal Debt Margin Calculation for Fiscal Year 2015

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	
2012	4,080,668,404
2013	4,182,135,223
2014	<u>4,225,661,416</u>
	<u>\$ 12,488,465,043</u>
 Average Equalized Valuation of Taxable Property	 <u>\$ 4,162,821,681</u>
Debt Limit (4% of Average Equalization Value)	\$ 166,512,867
Total Net Debt Applicable to Limit	<u>35,785,000</u>
Legal Debt Margin	<u>\$ 130,727,867</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>
2005	3.5%	\$ 57,674	14,133
2006	3.7	63,103	14,097
2007	3.3	67,544	14,158
2008	4.3	67,331	14,593
2009	7.8	63,874	14,681
2010	8	63,885	14,524
2011	7.8	67,248	14,617
2012	8	69,281	14,680
2013	7.3	69,495	14,731
2014	4.0	69,495 (E)	14,816

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>2015</u>		<u>2005</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	162.70	165.10	178.00	187.10	183.90	174.90	174.70	177.30	177.90	179.50
Special Education	28.80	28.80	31.40	32.80	33.40	32.80	34.80	37.00	39.30	40.30
Other Special Education	16.10	16.70	17.10	17.50	18.55	17.15	18.20	19.20	19.60	19.80
Other Instruction	100.40	101.10	114.00	119.94	112.61	102.15	103.40	101.60	101.00	100.70
Support Services:										
Student and Instruction Related Services	97.00	88.20	88.20	66.94	71.56	69.60	76.10	73.78	86.00	103.30
General Administration	43.48	43.48	43.48	43.48	45.90	37.50	37.50	38.50	39.00	41.00
School Administrative Services	18.80	19.90	20.20	20.20	27.30	23.70	24.20	25.20	25.40	25.40
Other Administrative Services	1.00									
Plant Operations And Maintenance	34.00	34.00	40.00	38.00	38.00	36.00	36.00	36.00	36.00	36.00
Total	<u>502.28</u>	<u>497.28</u>	<u>532.38</u>	<u>525.96</u>	<u>531.22</u>	<u>493.80</u>	<u>504.90</u>	<u>508.58</u>	<u>524.20</u>	<u>546.00</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2006	3,231	\$ 49,254,018	\$ 15,244	6.05%	263.10	19.90	22.6	17.6	3,239	3,125.20	1.70%	96.49%
2007	3,388	53,009,918	15,646	2.64%	266.20	19.80	24.2	18.7	3,382	3,280.50	4.41%	97.00%
2008	3,461	58,665,610	16,950	8.33%	293.10	19.70	20.0	18.3	3,470	3,348.60	2.60%	96.50%
2009	3,477	60,027,695	17,264	1.85%	307.00	20.10	17.9	17.5	3,503	3,377.00	0.95%	96.40%
2010	3,486	60,825,827	17,449	1.07%	296.50	20.50	17.5	19.0	3,557	3,433.60	1.54%	96.53%
2011	3,560	59,719,005	16,775	-3.86%	277.05	20.40	20.8	20.0	3,594	3,469.90	1.03%	96.56%
2012	3,584	60,657,178	16,924	0.89%	276.60	21.20	21.9	19.6	3,619	3,491.80	0.71%	96.49%
2013	3,604	64,511,930	17,900	5.76%	278.90	21.50	20.4	18.7	3,612	3,479.00	-0.19%	96.32%
2014	3,587	64,581,764	18,004	6.38%	278.90	21.60	20.6	18.0	3,585	3,508.91	-0.94%	97.88%
2015	3,535	68,151,529	19,279	7.70%	280.20	21.80	20	17.6	3,610	3,484.93	-0.06%	96.54%

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)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Elementary</u>										
Mackay										
Square Feet	36,344	36,344	36,334	36,334	36,334	36,334	36,334	36,334	36,334	36,334
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	336	334	370	366	356	376	390	385	393	409
Maughan										
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	413	408	388	388	380	385	390	405	409	402
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	347	345	368	366	367	365	365	371	376	391
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	381	374	352	381	401	384	395	408	409	414
<u>Middle School</u>										
Square Feet	139,500	139,500	182,258	182,258	182,258	182,258	182,258	182,258	182,258	182,258
Capacity (students)	736	736	950	950	950	950	950	950	950	950
Enrollment	786	777	850	828	802	827	847	831	852	842
<u>High School</u>										
Square Feet	221,500	221,500	260,715	260,715	260,715	260,715	260,715	260,715	260,715	260,715
Capacity (students)	975	975	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
Enrollment	993	990	1,138	1,182	1,183	1,236	1,232	1,212	1,152	1,151
<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, 2015

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES										
* School Facilities										
Mackay Elementary School	\$ 86,989	\$ 93,071	\$ 80,956	\$ 88,573	\$ 67,186	\$ 71,644	\$ 83,475	\$ 86,162	\$ 43,752	\$ 52,353
Maugham Elementary School	135,500	118,118	102,743	112,409	85,267	90,925	105,940	109,351	50,050	59,719
Smith Elementary School	157,899	157,598	137,084	149,981	113,766	121,314	141,348	145,899	46,036	54,896
Stillman Elementary School	56,574	53,076	46,167	50,511	38,314	40,856	47,603	49,136	49,241	58,754
Middle School	150,962	161,804	140,743	153,984	116,802	124,552	145,121	149,793	220,074	262,465
High School	296,645	245,685	213,706	233,810	177,354	189,121	209,362	216,102	314,810	375,415
Total School Facilities	884,569	829,352	721,399	789,268	598,689	638,412	732,849	756,443	723,963	863,602
Other Facilities										
Administration Building	64,902	68,698	59,756	65,378	49,591	52,881	10,990	11,343	11,206	13,329
Grand Total	\$ 949,471	\$ 898,050	\$ 781,155	\$ 854,646	\$ 648,280	\$ 691,293	\$ 743,839	\$ 767,786	\$ 735,169	\$ 876,931

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

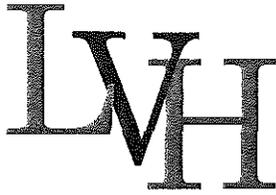
Source: School District's records

**TENAFLY BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property-Blanket Building/Contents	\$ 104,861,421	\$ 5,000
Comprehensive General Liability (each occurrence)	1,000,000	N/A
Public Employee Dishonesty	\$100,000 / employee	5,000
Public Employee Dishonesty (per loss)	400,000	
Forgery Alteration	50,000	1,000
Umbrella Liability - American Alternate Insurance Company	9,000,000	
Commercial Umbrella Excess - Fireman's Fund	50,000,000	N/A
Educator's Professional Liability - Darwin National Assurance	1,000,000	
Pollution Coverage - ACE American Insurance Company	4,000,000	15,000
Group Aggregate Limit - Pollution Coverage	20,000,000	

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
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DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tenafly Board of Education as of and for the fiscal year ended June 30, 2015 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 November 23, 2015.

Internal Control Over Financial Reporting

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

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

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

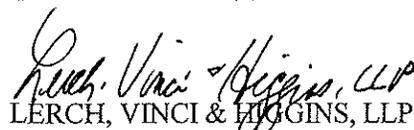
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tenafly Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted 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 November 23, 2015.

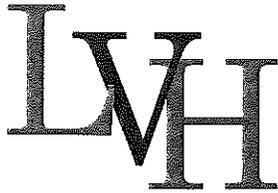
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tenafly Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tenafly Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


Gary J. Vinci
Public School Accountant
PSA Number CR00829

Fair Lawn, New Jersey
November 23, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY
OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Tenafly Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 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, 2015. The Tenafly Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars 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, 2015.

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 U.S. OMB Circular A-133 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 U.S. OMB Circular A-133 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 U.S. OMB Circular A-133 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, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 23, 2015, 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 U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CR00829

Fair Lawn, New Jersey
November 23, 2015

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal		Grant Period	Award Amount	Balance at June 30, 2014			Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Year Balances	Balance at June 30, 2015			Memo GAAP Receivable
	CFDA Number	Grant or State Project Number			(Account Receivable)	Unearned Revenue	Due to Grantor							(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed-through State Department of Education																	
Special Revenue Fund:																	
I.D.E.A. Part B, Basic	84.027	IDEA5160-15	9/1/14-6/30/15	\$ 709,238				\$ 15,752	\$ (15,752)	\$ 608,234	\$ 715,116		\$	(116,756)	\$ 9,874	\$ (106,882)	
I.D.E.A. Part B, Basic	84.027	IDEA5160-14	9/1/13-6/30/14	674,586	\$ (160,223)	\$ 15,752		(15,752)	15,752	144,471							
I.D.E.A. Part B, Preschool	84.173	IDEA5160-14	9/1/14-6/30/15	35,985						30,419	30,621			(5,566)	5,364	(202)	
I.D.E.A. Part B, Preschool	84.173	IDEA5160-14	9/1/13-6/30/14	36,028	(17,534)					17,534				-	-	-	
Title II, Part A	84.367	NCLB516015	9/1/14-6/30/15	46,847				17,504	(17,504)	23,954	29,674			(38,397)	34,677	(3,720)	
Title II, Part A	84.367	NCLB516014	9/1/13-6/30/14	45,901	(20,804)	17,504		(17,504)	17,504	3,300				-	-	-	
Title III-Immigrant	84.365	NCLB516015	9/1/14-6/30/15	77,173				3,854	(3,854)	56,108	75,641			(24,919)	5,386	(19,533)	
Title III-Immigrant	84.365	NCLB516014	9/1/13-6/30/14	55,490	(4,214)	3,854		(3,854)	3,854	360				-	-	-	
Title III	84.365	NCLB516014	9/1/14-6/30/15	45,757				-	14,466	(14,466)	29,203	49,684		(31,020)	10,339	(20,481)	
Title III	84.365	NCLB516014	9/1/13-6/30/14	57,173	(24,401)	14,466		(14,466)	14,466	9,935				-	-	-	
Total Special Revenue Fund					(227,176)	51,576	-	-	-	925,518	900,736	-	-	(216,658)	65,840	(150,818)	
U.S. Department of Education Passed-through State Department of Education Enterprise Fund:																	
National School Lunch Program	10.555	N/A															
Non-Cash Assistance		N/A	7/1/13-6/30/14	32,992		1,015								(1,015)	-	-	
Cash Assistance		N/A	7/1/13-6/30/14	38,656	(7,715)					7,715				-	-	-	
Special Milk Program	10.556	N/A	7/1/13-6/30/14	3,376	(609)					609				-	-	-	
Total Enterprise Fund					(8,324)	1,015	-	-	-	8,324	-			(1,015)	-	-	
Total Federal Financial Awards					\$ (235,500)	\$ 52,591	\$ -	\$ -	\$ -	\$ 933,842	\$ 900,736	\$ (1,015)	\$ -	\$ (216,658)	\$ 65,840	\$ (150,818)	

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance June 30, 2015			MEMO	
				Unearned Revenue/ (Accrs 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	15-495-034-5120-089	7/1/14-6/30/15	\$ 1,202,460			\$ 1,111,576	\$ 1,202,460		\$ (90,884)				\$ 1,202,460
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	1,202,460	(83,774.0)		83,774							
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	70,484			65,157	70,484		(5,327)				70,484
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	70,484	(4,911)		4,911							
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	55,484			51,290	55,484		(4,194)				55,484
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	55,484	(3,866)		3,866							
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	36,070			33,344	36,070		(2,726)				36,070
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	36,070			33,344	36,070		(2,726)				36,070
Other State Aid - Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	1,077,616			880,837	1,077,616		(1,077,616)				1,077,616
Other State Aid - Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14		(880,837)									
Other State Aid - Non Public Transportation	N/A	7/1/14-6/30/15	17,916				17,916		(17,916)			\$ (17,916)	17,916
Other State Aid - Non Public Transportation	N/A	7/1/13-6/30/14	25,514	(25,514)		25,514							
TPAF Pension Contribution-Normal Costs	15-495-034-5094-006	7/1/14-6/30/15	1,410,061			1,410,061	1,410,061						1,410,061
TPAF Pension Contribution -NCGI	15-495-034-5094-007	7/1/14-6/30/15	101,447			101,447	101,447						101,447
TPAF Pension Contribution - Post Retirement Co.	15-495-034-5094-001	7/1/14-6/30/15	2,399,521			2,399,521	2,399,521						2,399,521
TPAF Social Security Reimbursements	15-495-034-5094-003	7/1/14-6/30/15	2,044,522			1,943,444	2,044,522		(101,078)			(101,078)	2,044,522
Total General Fund				(998,902)		8,148,086	8,451,651		(1,302,467)				8,451,651
Special Revenue Fund:													
New Jersey Nonpublic Aid													
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	30,147			\$ 30,147	\$ 29,137			\$ 1,010			29,137
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	26,767		\$ 208			\$ 208					
Auxiliary Services													
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	83,846			83,846	83,846						83,846
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	65,910		19,088			19,088					
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	4,568			4,568	2,558			2,010			2,558
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	5,237		3,055			3,055					
Handicapped Services													
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	35,482			35,482	30,619			4,863			30,619
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	38,859		9883			9883					
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	43,822			43,822	40,818			3,004			40,818
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	36,716		2,734			2,734					
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	22,757			22,757	21,736			1,021			21,736
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	15,056		555			555					
Technology	15-100-034-5120-373	7/1/14-6/30/15	16,192			16,192	11,934			4,258			11,934
Technology	14-100-034-5120-373	7/1/13-6/30/14	9,760		517			517					
Nursing	15-100-034-5120-070	7/1/14-6/30/15	48,184			48,184	46,044			2,140			46,044
Nursing	14-100-034-5120-070	7/1/13-6/30/14	38,060		56			56					
Total Special Revenue Fund					36,096	284,998	266,692	36,096		18,306			266,692
Capital Projects Fund													
SDA Grant	5160-100-14-GIID	7/1/13-6/30/15	38,800			34,040	34,040						34,040
SDA Grant Project	5160-070-14-G1HR	7/1/14-6/30/15	374,292				33,652		\$ (374,292)	\$ 340,640		(374,292)	33,652
Total Capital Projects						34,040	67,692		(374,292)	340,640		(374,292)	67,692
Debt Service Fund:													
Type II Debt Service State Aid	15-495-034-5120-075	7/1/14-6/30/15	365,767			365,767	365,767						365,767
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	14-100-034-5120-122	7/1/13-6/30/14	3,985	(847)		847							
Total Enterprise Fund				(847)		847							
Total State Financial Assistance				(999,749)	36,096	8,833,738	9,151,802	36,096	(1,676,759)	340,640	18,306	(493,286)	9,151,802

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance June 30, 2015			MEMO			
				Unearned Revenue/ (Accts Rec)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures		
State Financial Assistance													*		
Not Subject to Single Audit Determination													*		
General Fund													*		
On-Behalf TPAF Pension System Contributions	15-495-034-5094-006/007	7/1/14-6/30/15	(1,511,508)			(1,511,508)	(1,511,508)							*	(1,511,508)
On-Behalf TPAF Post-Retirement Medical Contribution	15-495-034-5094-001	7/1/14-6/30/15	(2,399,521)	-	-	(2,399,521)	(2,399,521)	-	-	-	-	-	*	(2,399,521)	
Total State Financial Assistance Subject to Single Audit				\$ (999,749)	\$ 36,096	\$ 4,922,709	\$ 5,240,773	\$ 36,096	\$ (1,676,759)	\$ 340,640	\$ 18,306	\$ (493,286)	\$ 5,240,773		

**TENAFLY BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$210,085 for the general fund and an increase of \$35,378 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		\$ 8,241,566	\$ 8,241,566
Special Revenue Fund	\$ 900,736	266,692	1,167,428
Capital Projects Fund		67,692	67,692
Debt Service Fund	-	365,767	365,767
	<u>900,736</u>	<u>8,941,717</u>	<u>9,842,453</u>
Total Financial Assistance	<u>\$ 900,736</u>	<u>\$ 8,941,717</u>	<u>\$ 9,842,453</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, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$2,044,522 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,511,508 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,399,521 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

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

TENAFLY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? 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 OMB Circular A-133 (section.510(a))? yes X no

Identification of major federal programs:

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

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

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, 2015

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? _____ yes X no

Identification of major state programs:

<u>GMS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contr.</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>495-034-5120-075</u>	<u>Debt Service Aid</u>

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

Auditee qualified as low-risk auditee? _____ yes X no

TENAFLY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 2 – Schedule of Financial Statement Findings

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

There are none.

TENAFLY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 OMB Circular A-133 and New Jersey OMB's Circular 15-08, as amended.

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, 2015**

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. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-1

Our audit of the general ledger account balances revealed numerous adjusting journal entries were required to reconcile the Board records to agree with subsidiaries records and supporting documentation. We noted instances where state aid deductions were not properly reflected in the General and Special Revenue funds and the transfer of Capital Outlay funds were erroneously applied as budget offsets rather than revenues in the Capital Projects fund. In addition, several duplicate postings were noted. It was also noted that certain year-end receivables were not accrued such as Extraordinary Aid, Non- Public Transportation Aid and Tuition from other LEA's. In addition, the reserve for encumbrances year end reports were not in agreement with the June 30, 2014 Board Secretary Report.

Current Status

Corrective action has been taken.